



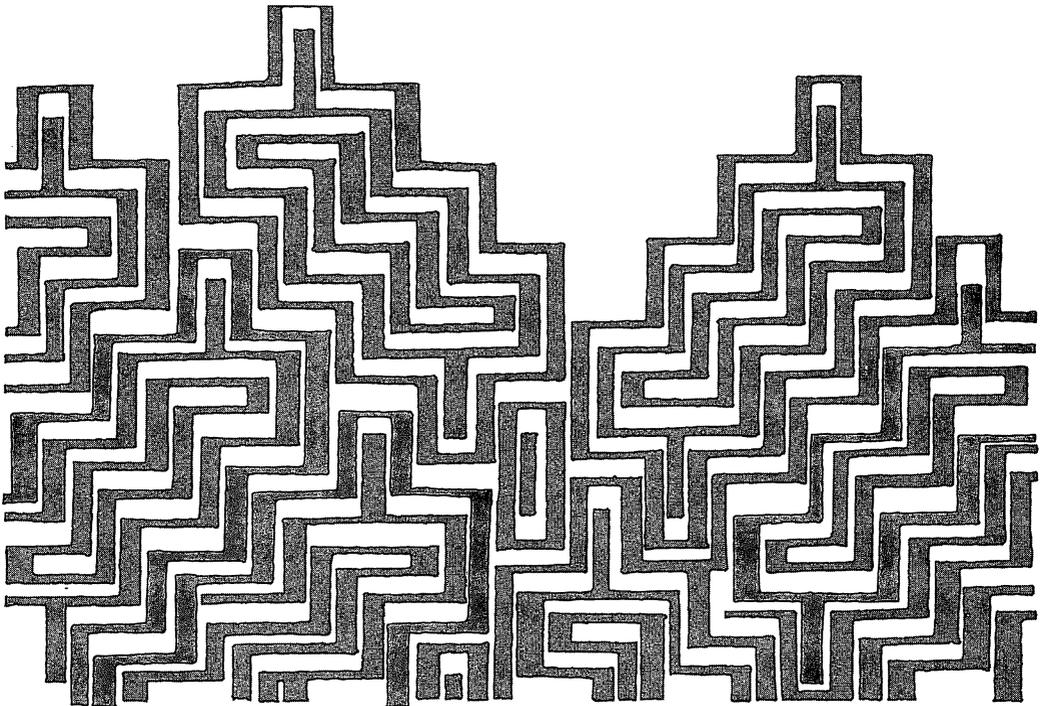
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CENTER FOR KOREAN STUDIES

North Korea in Transition

EDITED BY

Chong-Sik Lee and Se-Hee Yoo





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North Korea in Transition

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with
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Foreword

ROBERT A. SCALAPINO

What an extraordinary set of changes has taken place in the world at large, and most especially in the old Leninist societies, since our conferences began in 1981! At that time, economic reforms in the Communist societies were scarcely under way. In the political realm, Leninist leaders were battling to hold the line against pluralism. Consequently, the world was still essentially bipolar, with a marked cleavage between open and closed societies, granting the existence of a number of developing states that occupied positions between the outer political perimeters. Notwithstanding the relative solidarity of Leninism in structural-ideological terms, cleavages among and between Communist states were much in evidence. The Sino-Soviet split had not been mended despite faint signs that both parties hoped to reduce tension. A limited war between China and Vietnam had only recently ended. Relations between a Soviet-aligned Mongolia and China were decidedly cool. And North Korea, as usual, kept its own counsel.

In all probability, the decade of the 1990s will bring even greater changes than those we are now witnessing since we are in the very vortex of a global revolution. To predict the precise nature of events is impossible. Indeed, the intellectual arena is strewn with the bones of those who attempted to tell us where a given society — or group of societies — was headed. Of one thing we can be reasonably certain: Change will not follow a lineal course. However one may define such terms, “advance” will be followed at some point by retrenchment or “retreat,” pursued in the name of correcting the excesses or unresolved problems bequeathed by the previous surge. In this environment, it is the task of intellectuals to live with complexity. They must not be swept away by either the euphoria or the deep foreboding of any given moment. The effort must be to assess and weigh a number of variables, some compatible, some

contradictory, that shape the broadest trends within a given society at a given time.

Our task here is to assess the nature of one of the most conservative Leninist societies in the contemporary world, to determine what are the prospects for change and, perhaps more importantly, what are the diverse factors operating to advance and to restrain change. To approach such difficult questions, we may benefit from establishing a context by advancing some tentative generalizations about the nature of the crisis in Leninism today. Despite its special characteristics, the Democratic People's Republic of Korea (DPRK; North Korea) faces many of the same problems as other Leninist societies and faces also similar dilemmas as to what course to take in seeking to resolve them.

It is common knowledge that economics is in command today to a greater extent than at any time in this century, both in domestic politics and international relations. And it was a realization by Leninist elites that the Stalinist economic strategy was increasingly inadequate that led to the initial reform efforts in virtually every Leninist state. Yet even today, the dilemma remains as to how to combine a command and a market economy. No socialist state has yet resolved this problem in an eminently satisfactory manner. Eastern Europe, where an early start was made, seemed to offer great hope a few years ago. Yet despite a number of on-going experiments, the verdict on results is still out. While political and economic changes in many of the East European states have been extensive, one cannot say that the economic results to date have been highly positive anywhere.

In Asia, the case of the People's Republic of China (PRC) is of special interest. Here, economic reform has been under way, with various shifts and turns, for more than a decade. Early successes were quite striking, especially in agriculture, where the return to family responsibility — the new liberation of the peasant — has resulted in major increases in productivity. Especially noteworthy has been the rapid growth of rural industry. Despite its defects (among them, the wasteful use of energy and other resources and the low quality of product), advances here have contributed mightily to improvements in rural livelihood and in overall productivity. Yet problems in the agrarian sector lie ahead, including the massive subsidies being paid by the state, the need for much greater investment in the rural infrastructure, and the inadequate educational structure that undergirds rural society.

Meanwhile, bold experiments in decentralization and price reform seemed to offer support to the thesis that China was going to make a successful transition to a mixed economy with a heavy emphasis on the market. And indeed, the element of success should not be underplayed. A surprisingly high percentage of PRC production today lies outside the realm of state management and control. Decentralization, moreover, remains a powerful element in the Chinese economy despite recent efforts at recentralization. In reality, economic zones are emerging, most of them leaping over political boundaries.

Thus, the Guangdong–Hong Kong–Taiwan economic interaction provides the basis for the highest growth rates within “greater China,” with Fujian–Taiwan another important zone and the potentiality of a Shandong–South Korea complex looming ahead.

Yet one cannot minimize the economic problems faced by China, illustrated by the deep divisions among policymakers at the highest levels over the proper course to be taken as revealed at the Seventh Plenum of the Central Committee, held at the end of 1990. Should price reform be accelerated, or are the dangers of renewed inflation too great? How are structural imbalances and serious inefficiencies in state-operated industries to be remedied? And is decentralization an irreversible trend, as well as a desirable one? These questions, moreover, do not touch upon certain socioeconomic ills that preoccupy many Chinese and lay behind the political events of 1989: corruption, privilege, and the general economic deprivation of the intellectual and professional classes despite China’s enormous need for a scientific-technological elite.

Despite its unresolved problems, the PRC is clearly in better shape economically than the other Leninist giant, the USSR. One may debate the degree to which the Soviet economic malaise at present is the product of belated, conflicting, inadequate policies and the degree to which it is rooted in Russian culture as shaped both by tradition and by seventy years of Marxism-Leninism. In any case, at this writing, the crisis continues to mount, with profound political as well as economic consequences.

Where does North Korea fit into this picture? While DPRK leaders have given faint signals for some time that they are aware of their present economic deficiencies, modest efforts to encourage joint ventures and other forms of foreign economic intercourse have had very little result. The DPRK economy is currently in bad shape. Foreign debts cannot be paid. Growth is low and may have even been negative in the recent past. Plants are obsolescent, labor productivity is low, and living standards poor. New approaches cannot be long postponed, and the efforts to “turn out” to the market economies, starting with Japan, seem certain to be accelerated. But can this be done without risking “spiritual pollution”?

Thus, politics presently serves as a barrier to “new thinking” in the economic realm. Observing the political problems that have emerged in Eastern Europe and especially in the Soviet Union, conservative Asian Leninists — in China, North Korea, and Vietnam — use these cases as a negative example. Stability — this one word — is constantly reiterated in the polemics directed to the people, with the risk of being undermined by external “imperialist-capitalist” forces intent upon subverting socialism by “peaceful evolution” stressed. Moreover, if political retrenchment in the USSR becomes a major trend, with “law and order” the commanding imperative, the impact upon Asian Leninist societies may be substantial.

Perhaps a broad generalization relating to the evolution of Leninist politics is in order. The first-generation revolutionary leaders in such societies illustrate the high premium placed upon charismatic leadership. The image of Stalin — the man of steel — was transmitted to all Marxist-Leninist states in their initial stage. The first-generation East European leaders may have differed in ability and come from different backgrounds; but with few exceptions, they were individuals who commanded the apex of power, bending all to their will. The Titos, the Gomulkas, the Honnekers, and the Ceaușescus took Stalin as their model, even if they were less ruthless and shaped in some degree by the specific characteristics of their respective societies.

Clearly, this was also the case in Asia. Mao Zedong at his zenith was unchallengeable as has been Kim Il Sung. Ho Chi Minh demonstrated very different traits of leadership, but in time he too came to epitomize charisma and to become beyond challenge. At root, modern Leninism has always been a government of men, and in the ultimate sense, of a man, not a government of law. Perhaps the greatest philosophic distinction between Marxism-Leninism and liberalism is that Marxism rests on a belief in the perfectibility of a class, hence, of individuals, whereas liberalism believes that there is a quotient of evil lodged in every person. The Marxist-Leninist can thus accept the vesting of power in a single party, and ultimately, a single individual, whereas the liberal society searches for ways of limiting power and subjecting it to restraints.

It should be acknowledged that the Leninist order conforms more closely to Asian tradition than does liberalism. Governance by wise men has been sanctioned from the time of Confucius, whereas Plato's similar views on this subject were amended long ago in the West.

Take China as an example. Throughout its twentieth-century history, law has played a limited role. Moreover, governance has invariably gravitated into the hands of one individual, with the alternative being something approaching chaos. After dynastic overthrow in 1911 came Yuan Shih-kai, then disintegration. Chiang Kai-shek emerged, and after him, Mao. A brief, tumultuous interlude followed, and Deng Xiaoping arose. It is not surprising, therefore, that Chinese among others are asking, "After Deng, what?" Even the order of the death of China's current elders is being awaited with avid interest. Western social scientists sometimes overlook the extraordinary importance that Chinese attach to the personal element in their politics — an approach that has its reasons.

It is critical, however, to ask whether second- and third-generation Chinese leaders can have the same political reach as their predecessors. Has the element of pluralism in China's basic socioeconomic structure reached the point where power must be shared to a greater extent than in the past? Will any individual emerge able to extend his reach equally to party, administrative bureaucracy, and the military? Is it conceivable that this society must now move toward a more collective leadership, and one circumscribed in greater degree by law, as

is occurring in at least some of the former Leninist societies of Eastern Europe and possibly in the Soviet Union?

Each of these questions is extremely relevant to North Korea. Just as Korea pursued a purer form of Confucianism for a longer period than was the case in China, its homeland, so North Korea has carried the cult of personality to an extreme startling even to the Chinese. Hence, the issue of succession is of special interest as Kim Il Sung ages. Will Kim Jong Il, his son, be able to govern effectively even though he appears to lack many of his father's qualities and when North Korean society itself is beginning to change? And if not, will the DPRK undergo a period of military rule, or could the dissolution of the society in a manner similar to events in either Romania or East Germany take place? These matters are of more than passing interest and importance, not only to the people of North (and South) Korea, but to all nations concerned with the Korean issue.

If there is a single critical aspect of the second revolution affecting states proclaiming themselves socialist, it is that the tests of legitimacy for their governments are changing. Leaders and the party can no longer depend upon intensive ideological indoctrination combined with a fairly high degree of isolation of their people to preserve adherence. Allegiance, increasingly, will be dependent upon performance, not upon blind faith born out of ideological molding. Nothing is more important than this single fact in understanding the dilemma faced by current Leninist leaders. The effort of the PRC elite to return to the indoctrinational methods of the past, combined with a degree of xenophobic nationalism, to reestablish credibility cannot succeed in the long run unless it is accompanied by a good performance at the material levels. The situation in Vietnam is similar, and in North Korea, crucial tests lie ahead, possibly even before the death of Kim Il Sung, but certainly, after his demise.

It is especially important to realize that the current information-communications revolution has played a vital role in narrowing the capacity of political leaders to control or shape the thoughts of their citizenry. In open societies, to be sure, this revolution has bequeathed new problems, with the media itself involved in governance in a very real sense, given its power to influence public opinion. In the hard authoritarian societies, the problem starts primarily with the external forces that impinge upon the societies. These forces spawn a growing series of leaks and fissures that cannot be completely plugged, even by as tightly controlled a society as North Korea. Certainly, the thousands of younger individuals from the DPRK who have studied in Eastern Europe and the USSR cannot be returned completely to parochialism, and from them will come many of the political elite of the next generation, barring some extraordinary upheaval.

As suggested, a powerful weapon for any elite, irrespective of political system, remains nationalism. Indeed, the interplay between nationalism and internationalism will constitute one of the great dramas of the decades ahead.

On the one hand, the need to stretch governance both downward to the local levels and upward to the regional and international levels is driven by many factors, foremost, economic trends. At the same time, the tensions involved in being confronted close up by different cultures and systems in a new international order provides a receptivity to nationalist appeals. To be sure, there are many forms of nationalism, but essentially, it is an appeal to identity, to community, to unity. In parts of the newly “liberated” world, including the old Leninist societies, long suppressed ethnic feelings are exploding, providing a potential for grave instabilities and a return — even if temporary — to authoritarian responses. But in largely homogeneous societies like North Korea, the appeal to nationalism can take truly national forms, as is the case. Hence, the emphasis upon iron-clad unity under one leader and one nation, with *chuch’e* (self-reliance) as the guiding light. North Korea is the Albania of Asia, but one must note that Albania after Enver Hoxha has finally entered an evolutionary cycle.

Perhaps we should return briefly to the subject of military politics. Looking over the Asian horizon — and beyond — one can note that the military have played very diverse political roles in developing societies. In some instances, they have served as the spearhead of the modernization drive, preserving political order through authoritarian rule while enlisting the support of a technocratic elite — and an eager entrepreneurial class — to advance economic development rapidly. In other instances, they have blocked modernization by combining repression and unproductive economic policies. Burma (Myanmar) is a classic example. In other instances, the military have played a crucial role in the process by moving from an authoritarian-pluralist system (a system combining restrictive politics, autonomy within the social sphere, and a mixed economy with the market a prominent feature) to a parliamentary democracy. Frequently, this has meant the “civilianization” of military men who are caused to play transitional roles in this progression, as in the case of South Korea.

The future role of the military in North Korea remains to be seen. At present, senior military men of the first generation still surround the throne while younger, better educated, more technically inclined civilians are moving into administrative posts. In this manner, loyalty and expertise are in some measure combined. If a serious crisis were to arise, however, one would expect the DPRK military to play a critical role, united or divided. No other element of the society appears to have the requisite combination of authority and power.

Meanwhile, the interrelation between domestic and foreign policies has never been closer. Three events have severely shaken North Korean leaders in the recent past: German reunification, the events in Romania, and above all, the opening of diplomatic relations between the USSR and the Republic of Korea (ROK; South Korea). These events, moreover, unfolded at a time when the

DPRK was slipping further and further behind the South in economic strength, a fact that had strategic as well as livelihood consequences.

It should not be surprising, therefore, that a profound change in North Korean foreign policy began to unfold. On the one hand, deep anger over Soviet policies was expressed privately despite the continued dependence upon Soviet military and economic interaction. Pyongyang's leaders drew closer to Beijing ideologically and sought to take solace from China's promises to provide such assistance as it could. On the other hand, the DPRK also made an effort to speed up the tempo of negotiations with the United States — yet without a willingness to make significant concessions. When this process lagged, a dramatic turn to Japan was effected despite earlier insistence that North Korea would *never* accept cross-recognition from the major powers. And finally, the North–South dialogue was reopened at a high official level notwithstanding Pyongyang's reluctance to acknowledge that the ROK was a legal government and its continued polemical diatribe against the Roh Tae Woo administration.

Thus, the period immediately ahead promises to be a time of extraordinary, often unexpected, changes. Never has it been so important to understand a society that still lives largely in the past but that cannot escape for long the impact of the massive revolution taking place around it.

Introduction

“Is North Korea changing?” was the question we addressed at the fourth conference on North Korea jointly sponsored by the Korean Association for Communist Studies and the Institute of East Asian Studies, University of California at Berkeley. We were aware of the truism that no state, no person, can remain still or unchanged, but the question was particularly poignant in the context of the summer of 1989, when the conference was held. The Communist or the socialist camp has been undergoing convulsive changes since the mid-1970s, when China began to change its course. The ascendance of Mikhail Gorbachev in the Soviet Union in 1985 accelerated the pace, and *perestroika* and *glasnost* have become household words around the world. Yet there were few signs of change in North Korea, and the closed nature of North Korea in the tradition of the Choson dynasty (932–1910) made it difficult to know whether the events around the world were making any impact in North Korea.

The papers presented here are the revised version of some of those read at the conference. The authors were gracious enough to update their papers in an environment when momentous changes were taking place everywhere at a breathtaking speed. We ask for the readers’ indulgence if some of the most recent events were not adequately covered. We shall attempt to bridge the gap in this introduction from the vantage point of January 1991.

What was said at the conference on the internal situation in North Korea remains true even today. North Korean leaders are deeply committed to legitimization and institutionalization of the “dynastic succession” (in the words of B. C. Koh), and they have intensified the process of ideological indoctrination and mass mobilization. All participants agreed that the imposition of tighter control on information from overseas and the emphases on ideological rearmament were necessary to preserve the political system in North Korea. North Korean leaders find the cost of “socialist economic

reforms" prohibitive, Oh Kwan-Chi noted, and any change in the economic arena will come incrementally.

But *perestroika* and "new thinking" in the Soviet Union and Eastern Europe have redefined socialism in ideological, political, economic, and foreign policy terms, and thus pose serious ideological challenges for North Korea. While this situation requires "more flexibility and adaptation" on the part of North Korea, as Ha Yong-Chool mentioned, the recent events "only reinforced North Korea's perception of vulnerability to external manipulation" (according to Joo-Hong Nam) and hence it remains "deliberately indifferent" to events in China, the Soviet Union, and elsewhere. Donald Zagoria approached the issue in terms of North Korea's revolutionary strategy toward South Korea in his essay and arrived at the same conclusion.

There is no doubt, however, that the North Korean leaders have been attempting to adjust to the changing environment. The leaders' emphasis on *chuch'e*, or independence and self-reliance, did not prevent them from dealing with the outside world. Particular interpretation of *chuch'e* can be made to fit the needs of the moment. Since the late 1970s, Pyongyang has been casting about for new forms and approaches that would revitalize the economy. As John Merrill notes, Kim Jong Il's third treatise of 1983 laid the theoretical groundwork for reforms by discussing how socialism should be applied under modern conditions.

But no bold reform has been in the offing. The most visible change has been the adoption of the Joint Venture Law in 1984, but it attracted few outside investments except from the pro-North Korean Korean residents in Japan. The opening of official contacts between North Korea and Japan in 1990, however, may increase the extent of foreign involvement in the North Korean economy. In December 1990, for instance, a major Japanese cement company agreed to build a cement plant in North Korea within the framework of the Joint Venture Law.¹ The regime, however, has been careful in limiting the ideological impact of these enterprises on the population. Merrill noted that joint investment enterprises have been located in peripheral areas or in cities where entry and residence restrictions apply.

North Korea also emphasized the independent accounting system, which is a form of *chuch'e* for localities, enterprises, and individuals. Lower units are given more autonomy, but more responsibility as well. They must do it for themselves or do without, work around shortages and be inventive. In November 1990, this system was applied to the railroad operation, according to a Chinese source.² Whether this system will result in more efficiency and more

¹ The Rinkai Cement Company in Osaka signed an agreement in principle with the North Korean Committee on External Economic Relations on December 1, 1990. The plant is to begin construction in 1991. *Asahi shinbun*, December 2, 1990.

² *Zingzi chankao* (Economic Reference), November 30, 1990, as reported in *Asahi shinbun*, December 1, 1990.

“positive orientation” of the workers remains to be seen. In any event, as of January 1991, there are few signs of change in North Korea’s internal political or economic strategies and policies.

The change in the international environment has been much more dynamic, as is well known, and it received a number of analyses. Samuel Kim presented an overview of North Korea’s domestic and foreign policy analyzing North Korea’s quest for “national identity and the projection of its national role conception.” He started with the premise that foreign policy behavior is “a mirror of a nation’s image of itself” and analyzed from this perspective North Korea’s motive in launching the Korean War, adopting the concept of *chuch’ e*, launching language reform, inaugurating its Third World and its unification policies, and building gigantic edifices in Pyongyang.

South Korea’s establishment of diplomatic relations with the Soviet Union (in September 1990) and Eastern European countries has presented a serious problem for North Korea because the Soviet bloc had been the steadfast allies of the Democratic People’s Republic of Korea (DPRK) since its founding in 1948. While China has not gone as far as establishing diplomatic relations with South Korea, it has engaged in extensive contacts at official levels. China and South Korea went as far as establishing trade offices at each other’s respective capitals. North Korea’s protests and other attempts at preventing South Korea’s intensified contacts with North Korea’s traditional allies simply yielded no result.³ Essays by Ha Yong-Chool and Donald Zagoria examine these developments and their implications.

The disintegration of the Communist bloc as a strategic, political, and economic unit forced North Korea to alter its policies toward the non-Communist world, and this alteration has been the subject of essays by Allen Whiting and Han Sung-Joo. Whiting wrote from an American perspective, examining the role of the United States in East Asia as a whole, placing its Korea policy in the wider, regional context. In doing so, he presented a careful analysis of various alternatives open to U.S. policy makers. Han analyzed the triangular relationship among the United States, North Korea, and South Korea, stressing the implication of various forces at play.

Two recent events must be noted with respect to the impact of the changing international environment on North Korea. The first was the economic difficulties encountered by the Soviet Union and its concomitant decision to abandon its traditional role as the leader of the Communist bloc. To overcome its difficulties, the Soviet Union decided to conduct all its foreign trade in hard currencies and to reduce its oil exports to traditional allies after January 1991. The trade partners must also pay the world price for the oil purchased from the

³ North Korea warned the Soviet Union that there would be grave consequences if Moscow established diplomatic relations with South Korea. Moscow ignored the warning, however, and established diplomatic relations with South Korea in September 1990.

Soviet Union.⁴ Since North Korean–Soviet trade comprised more than half of North Korea’s overall trade, and since the DPRK has been suffering a trade deficit with its principal trading partner, the Soviet decision could not help but adversely affect North Korea’s economy. Hard currency, of course, has been a commodity in short supply.⁵ President Kim Il Sung made a hurried trip to China in September 1990 to see his counterpart in China, but it is doubtful that China has been able to provide much help to North Korea.

The second event is closely related. In November 1990, Kanemaru Shin, the doyen of Japan’s ruling Liberal Democratic Party, visited Pyongyang and pledged to improve Japanese–North Korean relations. This was taken as a sign that North Korea was about to abandon its past stance of opposing cross-recognition of North and South Korea by the four major powers concerned with the Korean peninsula (China, Japan, the Soviet Union, and the United States). Japan and North Korea, in any event, began, in December, to engage in official negotiations to “normalize” their relations. Since Japanese leaders have expressed their willingness to provide reparations for the harm done to North Korea between 1910 and 1990, and since three to four billion dollars have been mentioned as possible figures for reparation, normalization of relations between the two countries will be a boon to the North Korean economy. (When Japan normalized relations with South Korea in 1965, it provided \$500 million to the ROK, \$300 million of which was low-interest loans.)

But the Japanese government, as opposed to the party leaders, has not been as eager as Mr. Kanemaru in establishing diplomatic relations with North Korea. One Japanese concern has been that North Korea may be developing nuclear weapons. The Japanese are known to have requested the DPRK to sign a nuclear safeguards agreement with the International Atomic Energy Agency under the Nuclear Non-Proliferation Treaty, but the DPRK has been known to have rejected the request. On November 16, 1990, the DPRK Foreign Ministry issued a statement saying that “we can sign a nuclear safeguards agreement only on condition that the United States gives legal assurance that it would not resort to a nuclear threat against us.”⁶

While North Korea regarded the nuclear weapons issue primarily as an obstacle that the United States and South Korea have created for the DPRK, it has come to be known that in September 1990, during the visit to Pyongyang of Eduard Shevardnadze, then the Soviet foreign minister, Kim Yong-nam, the North Korean deputy premier and foreign minister, told Shevardnadze that North Korea would be forced to develop its own nuclear warheads if the Soviet

⁴ *The Economist*, August 11, 1990, p. 47.

⁵ See Chong-Sik Lee, “North Korea and the Soviet Union, 1990,” *Tong-a Ilbo*, August 19, 1990, for a closer examination.

⁶ *Korea Report*, no. 244 (Tokyo: International Affairs Bureau, Central Standing Committee, Chongryun, November 1990), p. 1.

Union established diplomatic relations with South Korea.⁷ While there is a distinct possibility that the North Korean leader was simply bluffing in an attempt to forestall what North Korea regarded as a hostile action on the part of the Soviet Union, this was not a matter that Japan and its allies could take lightly.

Another problem has to do with the extent of “reparations” or economic aid. While Kanemaru agreed to compensate for the “losses inflicted” in the forty-five years after 1945, such an agreement carried political implications the Japanese government would find extremely difficult to accept. The North Korean argument, as presented at the first round of government-to-government talks held in Pyongyang on January 30, 1991, is that (1) Japan has a responsibility over the division of Korea in 1945, (2) Japan sided with the United States during the Korean War, and (3) Japan took a hostile attitude against North Korea after the Korean War.⁸ While all these charges are true, Japan could not admit guilt over these actions and remain an ally of South Korea and the United States.

Another concern for the Japanese is that the South Korean government has been wary of the impact of Japanese–North Korean normalization on North–South Korean negotiations. While infusion of Japanese funds into North Korea may, in the long run, facilitate North Korea’s moderation and improve North–South Korean relations, it could have an adverse effect in the short run because it would relieve the economic pressure on North Korea and thus permit the DPRK to continue its hard line. The Japanese, therefore, could well be blamed for prolonging the tension on the Korean peninsula. For these reasons, Japanese–North Korean negotiations may proceed more deliberately than Mr. Kanemaru has envisaged.

The relationship between North and South Korea remains as volatile as ever, and this topic has been the subject of three papers. Papers by Chong-Sik Lee, Joo-Hong Nam, and Rhee Sang-Woo approached the topic from different perspectives but arrived at similar conclusions. While North and South Korea talk of attaining unification, they are far apart in their perceptions, premises, and even the goal itself. South Korea calls for a “national partnership” or the reestablishment of a “national community,” while North Korea calls for a confederation with two political systems.

All the scholars at the conference agreed that North Korea is at a crossroads, and must begin to make substantial changes if it is not to be left isolated, with its economy lagging far behind South Korea’s. But no one was sanguine about drastic changes. Only time will tell which direction North Korea will turn.

⁷ *Asahi shinbun*, January 1, 1991.

⁸ *Tong-a Ilbo*, January 31, 1991.

We are grateful not only to the scholars whose papers are presented here, but to those who read their papers at the conference and participated in the discussions. The editors offer profound apologies for not being able to include all the papers in this volume. We wish to acknowledge the warm hospitality of the Korean Association for Communist Studies, which hosted the conference, and the generous support of the Haitai Group of Companies for making participation by the American scholars possible. We are also grateful to Harry Kendall of the Institute of East Asian Studies and the staff at the Institute of Sino-Soviet Studies at Hanyang University for providing invaluable services in organizing the conference. A number of other individuals and organizations extended heart-warming welcome to the conference participants, and we wish to express our thanks. We also wish to offer our special thanks to Joanne Sandstrom, Managing Editor of the Institute of East Asian Studies, for rendering yeoman's service in turning the papers into a coherent volume.

It was the unanimous opinion of all those at the conference that this volume be dedicated to Robert and Dee Scalapino. We need not elaborate here on the invaluable contribution Professor Scalapino has made to Asian studies in general and to Korean studies in particular. Even though he is officially retired from his various positions at the University of California, we have no doubt that he will continue to serve as our source of inspiration. Mrs. Scalapino's kindness as a hostess has been legendary. We were very pleased that she was with us at the conference in Seoul. We only hope that this volume is worthy of them.

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1. Political Change in North Korea

B. C. KOH

The winds of change sweeping across many Communist states have produced some dramatic results—a bold experiment in democracy in the Soviet Union in which a freely elected Congress of People’s Deputies permits vigorous criticisms of Soviet leaders and institutions; the first free election in Poland in forty-four years of Communist rule, which led to the formation of a non-Communist government; the transformation of the Communist Party in Hungary; the crumbling of the Berlin Wall and political system in East Germany; and the student-led demonstrations in China that, although brutally crushed, have succeeded in severely undermining the legitimacy of Communist rule there. What impact will all this have on North Korea’s internal politics? Is political change feasible in North Korea?

During four decades of its existence the Democratic People’s Republic of Korea (DPRK) has transformed itself from a satellite of the Soviet Union into a state that stridently asserts independence. Internally, however, the most striking feature of the DPRK is continuity, not change. Kim Il Sung has remained the paramount leader of all three pillars of power: the party, the state, and the armed forces.

The continuity of leadership, to be sure, has been accompanied by change of sorts—namely, the escalation of a cult of personality centering on Kim Il Sung, which has been extended to selected members of his family and clan. Another noteworthy change on the North Korean landscape pertains to political succession. Kim Il Sung’s plan to hand over power to his son, Kim Jong Il, has set in motion the process of generational change in the strategic sectors of North Korean society. At the upper levels of the power hierarchy, one sees the ascendancy of what can loosely be described as a technocratic elite. A closely related phenomenon is the natural attrition of the guerrilla generation—former comrades of Kim Il Sung in the anti-Japanese guerrilla struggle in Northeast China who lack formal education and technical expertise.

Generational change in the North Korean leadership is bound to affect policy. Even though many other factors, notably change in its external setting, have probably entered into Pyongyang's policy calculus, one can detect a growing emphasis on opening up its economy to the outside world. Arguably, Pyongyang's policy toward unification also shows signs of change; its basic strategy may have become much more pragmatic than before.

There may also have occurred a slight relaxation of internal political controls. What has not changed, however, is the North Korean regime's reliance on normative power: ideological indoctrination and mass mobilization remain permanent fixtures on the North Korean landscape. In recent months they seem to have been stepped up.

In sum, while continuity is markedly more salient than change in North Korean politics, change that has occurred is by no means insignificant. This chapter aims to dissect the nature and direction of such change. I shall focus on the issue of political succession around which political change in North Korea revolves.

The Politics of Succession

The twin hallmarks of the North Korean political system are the pervasive cult of personality and the process of hereditary succession that is under way. The two are inseparably intertwined. In an important sense, the latter is aimed at perpetuating the former. As it has been noted, however, Kim Il Sung's succession plan can also be construed as "the leader's attempt to prolong the KWP's [Korean Workers' Party's] role as the mainstay of ideological revolution in the face of those strong currents of modernization that threaten to extinguish the revolutionary spirit."¹

But even in a rigidly controlled society that has been dominated by a single political leader for more than four decades, dynastic succession is not a simple proposition. Although seventeen years have elapsed since preparations for the succession began in earnest, there is no ironclad guarantee that it will materialize without a hitch.²

¹ Chong-Sik Lee, "Evolution of the Korean Workers' Party and the Rise of Kim Chong-il," in Robert A. Scalapino and Jun-Yop Kim, eds., *North Korea Today: Strategic and Domestic Issues* (Berkeley: Institute of East Asian Studies, University of California, 1983), p. 667.

² The first significant step in the Kim Il Sung succession appears to have been taken in September 1973 when the Central Committee of the Workers' Party of Korea (WPK) reportedly elected Kim Jong Il to the post of secretary in charge of organization, propaganda, and agitation. It was not, however, until October 1980, when the Sixth Congress of the WPK was convened, that Kim Jong Il made his official debut. He was elected to three key posts: the second-ranking secretary, the third-ranking member of the Military Commission, and the fourth-ranking member of the Politburo and its Standing Committee. This placed Kim Jong Il second only to his father in terms of actual power. Although the WPK Congress stopped short of officially designating Kim Jong Il as successor to Kim Il Sung, both the latter's speech to the congress and subsequent developments left no doubt that Kim Jong Il had become his father's "only successor." See Dong-bok Lee,

Simply put, the dynastic succession to which Kim Il Sung seems to be irrevocably committed necessitates at a minimum a two-pronged effort: (1) its legitimation and (2) its institutionalization. The former in turn entails not only political indoctrination but also building a solid record of performance on the part of the heir apparent. The latter, on the other hand, involves the laborious task of broadening Kim Jong Il's power base by ensuring that a new generation of cadres beholden to Kim Jong Il takes control over the key institutions in North Korea.

Legitimation of the Succession

The gist of the official justification for the selection of Kim Jong Il as Kim Il Sung's successor is deceptively simple. First, the goals of revolution cannot be attained in a single generation; hence there is a need to continue to wage revolution from generation to generation. Second, inasmuch as the successful completion of revolution requires leadership by the supreme leader (*suryöng*), it is imperative to select a successor to the Great Leader; the annals of the international Communist movement are replete with examples of cases in which failure to prepare adequately for succession has spawned difficulties.

Third, a successor to the Great Leader must meet a set of requirements: (1) he must belong to the younger generation; (2) he must be infinitely loyal to the Great Leader; (3) he must be thoroughly familiar with the ideas of the Great Leader; and (4) he must embody the virtues, intellect, and leadership abilities of the Great Leader. Finally, since Kim Jong Il alone fulfills all these requirements, he deserves to be the "only successor" to the Great Leader.³

The organic metaphor implicit in the preceding justification has become increasingly more explicit. An article published in the August 1986 issue of *Külloja* (The Worker), the ideological journal of the Workers' Party of Korea (WPK), thus underscores the importance of safeguarding the "purity of the bloodlines of the party." The article asserts that the WPK is the only party that has successfully solved the crucial problem of "ensuring continuity in party building," implying that in so doing it has provided a model. In its words, "The Great Leader Comrade Kim Il Sung and the Dear Leader Comrade Kim Jong Il have formulated ideas and theories on how to ensure continuity in party building, brilliantly translating them into practice. Their noble experience

"Hereditary Succession in North Korea," paper presented to the annual meeting of the American Political Science Association, August 30–September 3, 1979, Washington, D.C.; B. C. Koh, "The Cult of Personality and the Succession Issue," in C. I. Eugene Kim and B. C. Koh, eds., *Journey to North Korea: Personal Perceptions* (Berkeley: Institute of East Asian Studies, University of California, 1983), pp. 34–36.

³ Koh, "Cult of Personality," pp. 36–37.

constitutes an immortal contribution to the execution of the great tasks of party building on the part of the proletariat.”⁴

Another concept that suggests organic connections is that of “socio-political life” (*sahoe chŏngch’ijŏk saengmyŏng*). Kim Jong Il is credited with having invented this concept, which is analytically distinct from the concept of “physical life” (*yukch’ejŏk saengmyŏng*). “Socio-political life” refers to the life of the collectivity to which human beings belong and is said to be superior to “physical life,” which is the property of individuals. To possess “socio-political life,” that is to say, to become a member of a collectivity that has such life, one needs to unite both in an organizational and ideological sense with the “center of socio-political life,” which is none other than the Great Leader himself. In other words, one can have a true life only when one is loyal to the Great Leader.⁵

Loyalty to the Great Leader in turn demands loyalty to his successor who is charged with the sacred task of preserving the purity of the bloodlines of the Korean revolution. An editorial in *Nodong ch’ŏngnyŏn* (The Working Youth), the organ of the League of Socialist Working Youth, published on Kim Jong Il’s forty-seventh birthday stated:

The Dear Leader Comrade Kim Jong Il regards it as the most noble moral obligation to respect the Great Leader as the savior of our people, nation, and revolution, giver of the most noble political life to our people. . . . He has made the authority of the Great Leader absolute . . . and devotes all of his energy and efforts to lighten the burden of the Great Leader . . . and to bring him joy and satisfaction.

Youths should emulate the loyalty shown by the Dear Leader, steadfastly uphold his ideas and achievements, make his authority absolute, . . . and bring him joy and satisfaction.⁶

Exhortations alone, however, cannot fully legitimate Kim Jong Il’s claim to inherit the mantle of leadership from his father. A record of tangible accomplishments is needed to buttress ideological indoctrination. Kim Jong Il is officially depicted as being in charge of North Korea’s economic construction.

⁴ Yi Pong-gil, “Tang kŏnsŏl esŏ kyesŭngsŏng ūl pojang hanŭn kŏsŭn tang paljŏn ūi happŏpch’ikjŏk yogu” [To Ensure Continuity in Party Building Is the Legitimate Requirement of Party Development], *Kullŏja*, no. 8 (532), 1986, pp. 8–13. The quoted passages are from p. 8 and p. 13.

⁵ Pak Yŏng-ch’ŏl, “Suryŏng e tahan ch’ungsilŏng ūl chininŭn kŏsŭn saehoe chŏngch’ijŏk saengmyŏng ūi kŭnbon yogu” [To Be Loyal to the Great Leader Is the Basic Requirement of Socio-Political Life], *Nodong sinmun*, November 28, 1988.

⁶ “Ch’inae hanŭn chidoja Kim Jong Il tongji rŭl nop’i mosigo tang ūi yŏngdo ttara chuch’e hyŏngmyŏng wiŏp ūl pinnage kyesŭng wansong hae nagaja” [Let Us Revere the Dear Leader Comrade Kim Jong Il and Brilliantly Continue and Complete the Great *Chuch’e* Revolutionary Tasks Under the Leadership of the Party], *Nodong ch’ŏngnyŏn*, February 16, 1989, editorial.

Specifically, he is said to provide a continuity of leadership in the conduct of the “Three Revolutions”—ideological, technical, and cultural revolutions—and in the implementation of the Taean Management System, the Ch’öngsalli Spirit, and the Ch’öngsalli Method.⁷

Kim Jong Il is also credited with authorship of countless slogans designed to guide the North Korean people, such as “Let Us Follow Our Own Way of Living!” “Fulfill the Demands of *Chuch’e* in Ideology, Technology, and Culture!” “Let Us Emulate Anti-Japanese Guerrillas in Production, Study, and Living!” “Let All Party Members Permeate the Masses!” “Let Us Live and Struggle Like Heroes!” Finally, it is under Kim Jong Il’s leadership that “monumental structures” that dot Pyongyang and other North Korean cities are being constructed; they bring not only “joy to the Great Leader” but also “happiness to the people.”⁸

Official rhetoric aside, the real test of Kim Jong Il’s performance as architect of North Korea’s economic construction hinges on his ability to rejuvenate the flagging economy and improve the people’s standard of living. Signs abound that all is not well. To mention but a few: first, not only was the launching of the Third Seven-Year Plan (1987–93) delayed for two years, but its targets are rather modest; second, North Korea, which champions *chuch’e* with accent on self-reliance and national pride, finds itself unable to service its trade debts to Japan and Western European countries; third, the claim that North Korea is a “paradise on earth” in which the people “have nothing to envy” has receded, being replaced by Kim Il Sung’s admission that the “solution of the problem of feeding, clothing, and housing the people” remains a top priority.⁹

If, as seems true, a major cause of North Korea’s economic malaise is too rigid an adherence to the Stalinist model of command socialism, is Pyongyang prepared to follow in the footsteps of Beijing and experiment with the policy of openness? Is Pyongyang prepared to reduce the amount of state control, increase material incentives, and allow market forces to stimulate its economy? Is Pyongyang willing to allow more interactions between its economy and those of other, particularly capitalist, countries?

A major constraint on Pyongyang’s willingness or ability to embrace the policy of openness and reform in the economic arena is the fear of “ideological contamination”—a fear that must have been reinforced by the developments in China. Significantly, the controlled media in North Korea conspicuously omitted any reference to the prodemocracy demonstrations in China in the spring of 1989. Instead, editorial and commentaries extolling the virtues of

⁷ Ibid.

⁸ Ibid.

⁹ See Kim Il Sung’s new year’s message in *Nodong sinmun*, January 1, 1988.

patriotism and loyalty to the Great Leader and the Dear Leader increased in frequency and fervor.

This does not mean that North Korea has ruled out the policy of openness and reform. It has passed a joint venture law, is trying very hard to increase commodity exports, and has even begun to lure foreign tourists to its shores. None of these steps has thus far produced any measurable results. Nor has internal economic policy changed much. Kim Jong Il, to be sure, is credited with having stressed the importance of implementing the “independent accounting system of state enterprises” (*kiöp ūi tongnip ch’ aesanje*) and with initiating a limited free market experiment in which workers are encouraged to manufacture consumer goods with excess materials in their spare time and sell them in a network of market places.¹⁰ These changes, however, do not appear to have made any appreciable dent in the commandistic orientation of the North Korean economy.

What is unmistakable is an increase in ideological indoctrination and mass mobilization. Pyongyang’s preferred strategy under Kim Jong Il’s putative guidance, in other words, seems to be that of “politics takes command.” The year 1988 thus saw the revival of “200-day battles” in economic construction; the people were placed in a state of permanent mobilization. A national rally of heroes was held, and the people were told incessantly to emulate the style of “revolutionary heroes” who were allegedly “self-reliant” and infinitely loyal to the Great Leader, believing that “they did not even have the right to die before fulfilling the order of their respected commander [Kim Il Sung].”¹¹

Pyongyang’s continuing emphasis on ideological indoctrination reflects Kim Il Sung’s own predilections. In a speech to the First Session of the Eighth Supreme People Assembly of the DPRK on December 30, 1986, Kim stressed the need to replace the system of cooperative ownership with that of all the people. Ownership by the people, which is tantamount to state ownership, represents a higher stage of socialism than cooperative ownership. Kim argued that to attain such a goal, the ideological consciousness as well as technological and cultural levels of the North Korean peasantry would have to be raised. That, he said, would require the strengthening not only of “ideological indoctrination work and organizational life among the peasants” but also of “constant discipline . . . through joint labor and collective life.” Ultimately, the peasants must be taught to place collective, societal, and national interests

¹⁰ Komura Takeki, “Kita Chōsen no dai-sanji shichikanen keikaku ga mezasu mono” [Aims of North Korea’s Third Seven-Year Plan], *Koria hyōron*, no. 301 (July 1987), pp. 23–24; Hy-Sang Lee, “North Korea’s Closed Economy: The Hidden Opening,” *Asian Survey* 28:12 (December 1988): 1268–71.

¹¹ B. C. Koh, “North Korea in 1988: The Fortieth Anniversary,” *Asian Survey* 29:1 (January 1989): 40. See also the front-page editorials in *Nodong sinmun*, September 6 and 15, 1988.

above their own and to realize that “they are the masters of the revolution and construction.”¹²

Kim also called for strengthening state planning: “All fields of the national economy should conduct management activities in a scientific manner on the basis of correct plans, calculations, and statistics and rationalize enterprise management by correctly using many economic means in conformity with the transitional nature of socialist society.” His prescription for the attainment of the goals of the Third Seven-Year Plan was “endless loyalty to the party and revolution with high revolutionary passion.”¹³ Finally, he called on the North Korean people to “guard against the infiltration of the ideological poison of capitalism and revisionism into our society and [to] resolutely struggle against all maneuvers to encroach upon the socialist system.”¹⁴

Whether such a strategy will work remains to be seen. If past experience is any guide, however, the prognosis appears to be guarded at best. In keeping with the strategy of stepping up ideological indoctrination, Pyongyang has also intensified the cult of Kim Jong Il. He has become the second person in North Korea to have a flower named after him, and the number of monuments and “historical sites” dedicated to his glorification continues to multiply. In November 1988 one of the peaks on Paekdu (White Head) Mountain was named Jong Il pong (Jong Il Peak) with the new name being prominently carved on it. Kim Jong Il was allegedly born in a cottage at the foot of the mountain, which is viewed as sacred by most Korean people.¹⁵

Notwithstanding the escalation of ideological indoctrination, some signs of a relaxation of political controls are visible. Foreign visitors to North Korea appear to be given somewhat more freedom these days than was the case in early years. They are allowed to take walks unescorted and even to visit bars (*sŏnsuljip*) that cater to ordinary citizens. Some visitors report lively encounters with North Korean youths, some of which have been initiated by the North Koreans themselves.¹⁶ North Korean scholars attending academic conferences in foreign countries in recent years seem more relaxed and receptive to approaches by their brethren living abroad than was true before. None of this,

¹² Foreign Broadcast Information Service (FBIS), *Daily Report—Asia Pacific*, December 31, 1986, D6.

¹³ *Ibid.*, D. 11.

¹⁴ *Ibid.*, D. 12.

¹⁵ For a picture of Jong Il Peak as well as an account of its dedication ceremony, see *Nodong sinmun*, November 17, 1988.

¹⁶ See, for example, Cho Myŏng-hun, “Pungnyŏk ttang edo pyŏnhwa nŭn ogo itta” [Change Is Coming Even to the Northern Land], *Sin Tong’a*, August 1988, pp. 261-91; and “Kankoku no sakka Hwang Sŏgyŏng-shi no Kita Chŏsen hŏmonki” [Report on a Visit to North Korea by Mr. Hwang Sŏgyŏng, the South Korean Writer], *Asahi shinbun*, International Satellite Edition, May 11, 1989.

however, alters the consensus of observers that North Korea remains one of the most regimented societies in the contemporary world.

Institutionalization of the Succession

In order for Kim Il Sung's succession plan to work, it needs to put in place a structure of support for Kim Jong Il: the key institutions of power in North Korean society must be peopled by persons who can be trusted to remain loyal to Kim Jong Il after his father passes from the scene. While ideological indoctrination, which covers all North Korean citizens, can theoretically help attain such a goal to some extent, promotion of younger people to cadre positions under the careful supervision of Kim Jong Il is a *sine qua non*. Since a paucity of reliable information precludes any rigorous analysis, however, the best one can do is examine some indirect and fragmentary evidence.

Looking at leadership positions in the WPK first, one is struck by an extraordinarily high turnover rate. About half the Central Committee members fail to be reelected at each congress, which leaves a lot of room for new members. Of the 117 persons who were elected to the Central Committee at the Fifth Congress in November 1970, for example, only 67 were reelected to the Central Committee at the Sixth Congress in October 1980. Since membership increased to 145, this means that 78 or 54 percent of the Sixth Central Committee members were new.¹⁷ As noted, it was at the Sixth Congress that Kim Jong Il made a debut as Kim Il Sung's heir apparent. Hence it is reasonable to infer that a major consideration in the selection of new members as well as in the retention of old must have been one's perceived commitment to the succession plan.

The turnover rate was equally high at the Politburo level. Of the 15 persons who were elected to the Political Committee at the Fifth Congress (11 full and 4 candidate members), only 7 were reelected to the Politburo (the name was changed) at the Sixth Congress. As the Politburo now had 19 full and 4 candidate members, 70 percent of its members were new. Among the 10 secretaries, of whom only Kim Il Sung as the general secretary outranks Kim Jong Il, one could count only two holdovers from the Fifth Congress—Kim Il Sung and Kim Chung-nin.

What is remarkable is that turnover has occurred not only at every party congress but also at virtually every plenary meeting of the Central Committee since October 1980. At the Politburo level, a major cause of turnover has been natural death: four persons who were elected as full Politburo members at the Sixth Congress, all of whom were former comrades of Kim Il Sung in the anti-Japanese guerrilla campaigns, have died—Ch'oe Hyön, Kim Il, O Paek-nyöng, and Im Ch'un-ch'u. Analysis by Kim Man-shik of the background of

¹⁷ For the relevant statistics as well as the names of Central Committee members, see Dae-Sook Suh, *Korean Communism 1945–1980: A Reference Guide to the Political System* (Honolulu: University of Hawaii Press, 1981), pp. 332–47.

twenty-one persons who were promoted to either the Politburo or the Secretariat between August 1982 and March 1988 indicates that all but five are technocrats, with expertise in either economic management or technical fields.¹⁸

It should be noted that turnover in the WPK's leading organs has always been high; the practice did not begin with the rise of Kim Jong Il. Nonetheless, the continuation of the trend does suggest the possibility that "the junior leader played an important role in the selection of the new elite who will be in a position to affect his status in the event of his father's demise."¹⁹

The ascendancy of technocrats has entailed a relative decline of military officers. Whereas in the Politburo elected by the Sixth Congress in October 1980 persons with military background outnumbered those with civilian background, in late 1989 only two out of the fourteen full members of the Politburo were from the military. They were O Chin-u and Sŏ Ch'ŏl, both veteran guerrillas. This may be emblematic of the priority Pyongyang places on economic construction. Loyalty to Kim Jong Il, then, may be a necessary but not a sufficient condition for upward mobility in North Korea. Competence in economic management or a technical field seems to have become a crucial requirement.

Frequent personnel changes have also occurred in the leadership roster of the government. The Administration Council (*Chŏngmuwon*), North Korea's cabinet, has been reorganized repeatedly. Nearly all the affected ministries or committees have been in the economic field. In fact, since the Administrative Council formally replaced the cabinet (*Naegak*) in December 1972 all but one head—who carries the title of premier (*ch'ongni*)—have been technocrats. The lone exception is the late Kim Il, a former guerrilla, who served as premier from 1972 to 1977.

The current premier is Yŏn Hyŏng-muk, who replaced Yi Kŭn-mo in December 1988. Yŏn, who was born in 1925, was educated at the Mangyŏngdae Revolutionary Academy in Pyongyang and the Ural Institute of Technology in the Soviet Union. His rise in Pyongyang's power hierarchy coincided with Kim Jong Il's emergence as successor. He has previously served as a deputy premier, chairman of the Commission on Metal and Machine Industry, and twice as a party secretary, a position he still holds. Noteworthy are his close ties with Kim Jong Il, technical background, administrative experience, and linguistic skills. His fluency in Russian, a product of five years of schooling in the Soviet Union, will remain useful as Moscow-Pyongyang relations become increasingly complex in the wake of Moscow's establishment

¹⁸ Kim Nam-shik, "The Changing Power Hierarchy of North Korea Since the 6th KWP Congress (II)," *Vantage Point* 12:3 (March 1989): 6-7. A defector from North Korea, Kim Nam-shik is a leading North Korea-watcher in South Korea.

¹⁹ Lee, "Evolution of the Korean Workers' Party," p. 76.

of diplomatic relations with Seoul in September 1990. Yŏn is also known to have an excellent command of Japanese and French.²⁰

The pivotal institution in North Korea's succession politics is its armed forces, officially known as the Korean People's Army (KPA). Significantly, the only formal position Kim Jong Il holds in the DPRK government is that of vice-chairman of the military affairs commission of the Central People's Committee, to which he was appointed in 1990. Since 1980 he has also been a member of the Central Military Affairs Commission of the WPK. Coupled with his other posts in the party—a member of the three-man Standing Committee of the Politburo and the second-ranking secretary—this has given Kim Jong Il enormous influence over the armed forces. Key military appointments are believed to be linked to the imperative of augmenting Kim Jong Il's levers of control.²¹ Beneficiaries of this consideration reportedly included O Kŭng-nyŏl (chief of the General Staff of the KPA), Paek Hak-nim (vice-minister of the People's Armed Forces; currently minister of public security), and Kim Kang-hwan (deputy chief of the General Staff).²²

There have, however, been some mixed signals as well. The most puzzling of all was the replacement in February 1988 of O Kŭng-nyŏl as chief of the General Staff of the KPA by Ch'oe Kwang. As noted above, O was closely identified with Kim Jong Il. At 57, moreover, he had been viewed as a member of the Kim Jong Il generation. He not only lost his job but was dropped from the WPK Politburo as well. Ch'oe Kwang, 72, was an old comrade-in-arms of Kim Il Sung in the anti-Japanese guerrilla campaigns and had previously served as chief of the General Staff of the KPA from 1963 to 1969.²³

If O Kŭng-nyŏl's dismissal was related to the Korean Air incident of November 1987, in which two North Korean agents allegedly caused the mid-air explosion of a civilian passenger plane, killing 115 persons, there was an irony in the selection of Ch'oe Kwang as his successor. Two decades earlier Ch'oe had been dismissed as chief of the KPA General Staff for policy failure as well—the failure of the North Korean commando raid on the South Korean presidential mansion in January 1968 and the extermination by the South Korean armed forces of a large contingent of North Korean armed agents that had been dispatched to the South in November of the same year. After his dismissal, Ch'oe reportedly worked as a miner but made a comeback as chairman of the people's committee of Hwanghae Province in 1977. He was

²⁰ See Yŏn Hyŏng-muk's profile in *Vantage Point* 12:3 (March 1989): 24–25.

²¹ For a list of persons whose rise in the North Korean armed forces has been linked to Kim Jong Il, see *Pukhan ch'ongnan 1983-nyŏn–1985-nyŏn* [Comprehensive Guide to North Korea, 1983–1985] (Seoul: Pukhan Yon'guso, 1986), p. 39.

²² Kamata Mitsuo, "Kita Chŏsen gunbu no dŏkŏ to jinji" [Trends and Personnel Matters in the North Korean Military], *Koria hyŏron*, no. 314 (August 1988), p. 29.

²³ *Ibid.*, p. 28.

elected to the Politburo as a candidate member in 1980 and was appointed a deputy premier of the Administration Council in 1982.²⁴

In May 1988 Pyongyang revealed that Chŏn Mun-sŏp, another veteran guerrilla, had been appointed deputy minister of the People's Armed Forces. This means that three key positions in the North Korean military are now occupied by Kim Il Sung's former comrades-in-arms: O Chin-u is minister of the People's Armed Forces; Chŏn Mun-sŏp, deputy minister; and Ch'oe Kwang, chief of the General Staff. Their membership in the exclusive but dwindling club of former anti-Japanese guerrillas implies close mutual bonds and a strong sense of loyalty to their unchallengeable leader Kim Il Sung. Loyalty to Kim Il Sung in turn implies a commitment to his succession plan. In fact, O Chin-u has accompanied Kim Jong Il on his inspection tours more frequently than any other top leader.

Ch'oe Kwang's return to his old post in the KPA may reflect Kim Il Sung's felt need to facilitate security cooperation with the Soviet Union, for Ch'oe is known as "an old Soviet hand."²⁵ It is believed that the Soviet Union is eager to strengthen informal ties with the KPA, and the growing formal contacts between the two military establishments may prove to be mutually beneficial.

One development that helps to dampen any speculation that Kim Jong Il's grip on the KPA may be slipping is the emergence of what amounts to his personal surveillance network in the KPA. Three Revolution Small Teams (*samdae hyŏngmyŏng sojo*) closely identified with Kim Jong Il are said to be operating in the KPA down to the company level. They are believed to bypass the regular chain of command, reporting to their own chain of command, which leads ultimately to Kim Jong Il. Paralleling this development has been an increase in the power of political commissars in the KPA. All orders issued by military commanders allegedly need to be countersigned by "political deputy commanders" (*chŏngch'i pujihwigwan*).²⁶

While the politicization of the KPA is nothing new, its apparent escalation in connection with the rise of Kim Jong Il can theoretically create strains in the KPA; it may even undermine the efforts to modernize the KPA. Professional military officers, a sizable number of whom have received training in the Soviet Union in recent years, are said to be less than enthusiastic about excessive political control of the military.²⁷

A few caveats are in order. First, in the absence of any compelling evidence, we should treat speculations about possible cleavages in the KPA with utmost caution. Second, notwithstanding the survival of a handful of "old guerrilla fighters" in its top command, the KPA is populated by and large by

²⁴ Ibid., pp. 28–29.

²⁵ Kim Nam-shik, "The Changing Power Hierarchy," p. 6.

²⁶ Kamata, "Kita Chŏsen gunbu," pp. 33–34.

²⁷ Ibid., pp. 34–36.

what Scalapino and Lee call “modernists.” As they note, however, a more useful distinction may be that between “political” and “command” military men.²⁸ Until more data become available on the background of KPA officers, therefore, we need to be wary of any generalizations regarding the role of the KPA in the succession equation.

Autonomy of North Korean Politics

The preceding discussion has suggested that political succession has set in motion the process of incremental change in North Korean politics. Whether external factors have impinged on the politics of succession is problematical. It is, of course, theoretically possible for external factors to produce some effects. If China and the Soviet Union, North Korea’s principal allies, were to express strong disapproval of Kim Il Sung’s succession plan, for example, they might seriously impair his ability to legitimize it.

Given the stakes involved, however, it was exceedingly unlikely that the two Communist giants would choose to antagonize Kim Il Sung. In fact, both have tacitly endorsed the succession plan, even though they may not necessarily welcome it wholeheartedly.

The potential or actual impact of external developments on North Korea’s internal politics seems limited. This has not always been the case. In its early years the DPRK, as a de facto creature of the Soviet Union, was beholden to Moscow. Even after Soviet influence began to wane, events in the Soviet Union continued to create ripple effects. A case in point was the abortive effort of a coalition of North Korean leaders—notably Pak Ch’ang-ok and Ch’oe Ch’ang-ik—to challenge Kim Il Sung’s leadership in August 1956. The impetus for their action was Khrushchev’s de-Stalinization campaign, and the crisis was reported defused by the intervention of Moscow and Beijing.²⁹

Personnel changes in North Korea seem to be largely immune to external influences. There have not been any documented cases in which external pressure has led to the removal, demotion, or promotion of key personnel. If events that occur outside North Korea can be equated with external influences, however, they do seem to play a role from time to time. For example, in a few cases, spectacular failures of North Korean policies have led to the dismissal of responsible persons. We have already noted the case of Ch’oe Kwang, whose purge in 1969 was reportedly related to the failure of operations directed against the South. O Kūng-nyōl’s dismissal, also mentioned earlier, may have been linked to the Korean Air incident, which seriously tarnished North Korea’s credibility in the world.

²⁸ Robert A. Scalapino and Chong-Sik Lee, *Communism in Korea*, Part 2: The Society (Berkeley and Los Angeles: University of California Press, 1972), pp. 743–44.

²⁹ For an account of the incident, see *ibid.*, Part 1: The Movement, pp. 510–16.

The impact of external developments on North Korean policy, as distinct from politics, is somewhat easier to surmise. Pyongyang's modification of an autarkic developmental strategy in favor of more contacts with the world economy was clearly influenced by changes in its environment. Striking similarities between Pyongyang's joint venture law and Beijing's suggest that a conscious borrowing has occurred. External events can provide negative lessons for North Korea as well. The traumas of the democracy movement in China in the spring of 1989 are almost certain to have solidified Kim Il Sung's resolve not to embrace economic reform à la Deng Xiaoping, which had paved the way for the extraordinary uprising by Chinese students.

In the realm of Pyongyang's reunification policy one can discern a gradual downgrading of naked force. The strategy of revolution—namely, fostering revolutionary forces in North Korea, South Korea, and the world at large—is being eclipsed, albeit not totally, by the strategy of confederation. The principal factor in such strategic transformation is external circumstances, of which the most important is the failure of the strategy to produce intended effects in South Korea and the world at large. The gnawing realization that forcible reunification, whether by war or revolution, is unattainable may have prompted North Korea to settle for the next best thing—namely, a confederation of North and South Korea in which the absolute equality of both sides is guaranteed. Given the imbalance in population and economic power in South Korea's favor, however, such a formula has very little appeal for Seoul. The point nonetheless is that external factors can help produce change in North Korean policy.

On balance, then, North Korean politics can be characterized as remarkably autonomous. Its dynamics are governed primarily, though not exclusively, by internal considerations. Because North Korean policy is less autonomous than its politics and because policy and politics are inseparable, however, external developments can impinge on internal politics. Adoption of a conciliatory policy by Washington, for example, can help bolster the position of moderates in Pyongyang.³⁰ So, too, can concessions emanating from Seoul. Whether Roh Tae Woo's declaration on July 7, 1988, signaling a new policy of openness and conciliation toward Pyongyang has served such a function, however, is debatable. Even though Pyongyang promptly rejected it as a rehash of old ideas, the Roh declaration did produce some benefits for Pyongyang, of which the most notable are the initiation of contacts between the United States and the DPRK and Japan's adoption of a conciliatory policy toward the DPRK.

³⁰ Selig S. Harrison, who visited North Korea in 1972 and 1987, argues that there are "hard-liners" and "moderates" in Pyongyang and that "[f]lexible American policies, responsive to North Korean overtures for better relations, strengthen the hands of the moderates." See his testimony before the Subcommittee on Asian and Pacific Affairs, the Committee on Foreign Affairs, the U.S. House of Representatives, May 24, 1988, entitled "Prospects for Korean Reunification: North Korea in Transition."

Prospects for Change in North Korean Politics

Will Kim Il Sung's succession plan succeed? If so, will it precipitate any change in North Korean politics? As we have seen in the preceding pages, considerable progress has already been made in the twin programs of legitimizing and institutionalizing the succession. As far as legitimation is concerned, the intensification of indoctrination will soon reach, if it has not already reached, a point of diminishing returns. As Chong-Sik Lee put it, "Much more than propaganda will be necessary to make the power image of the junior Kim unchallengeable."³¹

In other words, performance rather than rhetoric will determine the final outcome. Performance, however, must entail not only the construction of "monumental structures" whose primary function is to impress foreign visitors rather than to serve the public but the amelioration of the Spartan conditions of life as well. In fact, the two may be in a zero-sum situation. Given its scarce resources, North Korea can ill afford to pay the opportunity costs of its grandiose construction projects.³²

Reallocation of priorities and resources, however, may not suffice. The only way to break the built-in bottlenecks of the North Korean economy may be to substitute market socialism for command socialism. Nonetheless, political side-effects of economic reform, which have become painfully manifest in China, will continue to discourage Pyongyang's governing elite from taking any risks.³³

One option theoretically available to Pyongyang is to take a more conciliatory approach toward Seoul, rejuvenate the inter-Korean dialogue, and initiate economic exchanges with South Korea. That, however, still entails the risk of ideological contamination. If anything, the risk may be greater for, in addition to the influx of "bourgeois" ideas from the South, proof of South Korean prosperity to which the North Korean people are apt to be exposed will adversely affect the legitimacy of the North Korean regime itself.

In the short turn, then, Pyongyang is likely to adhere to the policy of neither loosening up state controls on its economy nor opening its doors too wide to the

³¹ Lee, "Evolution of the Korean Workers' Party," p. 79.

³² In preparation for the Thirteenth World Festival of Youth and Students, held in Pyongyang July 1-8, 1989, North Korea built 3 stadiums, 9 gymnasiums, 5 hotels, an airport, a number of theaters, 27 bridges, and 30,000 units of houses. North Korea estimated the cost of these projects at U.S.\$4.5 billion. *North Korean News*, no. 487, July 10, 1989, p. 3.

³³ Indicative of the North Korean leadership's uneasiness are their exhortations to the people to guard against the danger of "bourgeois cultural contamination." *Nodong sinmun* on August 31, 1989, denounced the United States for intensifying its efforts to propagate "bourgeois culture" and to export "bourgeois-style multi-party system" in socialist countries. It praised Romania for resisting "imperialist pressure" and for maintaining the "purity of socialism," while indirectly criticizing Hungary for succumbing to the pressure.

outside world. If its economy continues to stagnate, the legitimacy of Kim Jong Il will remain fragile at best.

The fortification of the institutional base of Kim Jong Il's power means, however, that he is not likely to face serious challenge in the short run. More problematic is the long-term prognosis. Given the ascendance of the technocratic elite, post-Kim Il Sung North Korea may well witness the acceleration of pragmatism in public policy, both domestic and foreign. Should that happen, Kim Jong Il's legitimacy may receive a boost. One factor worth considering in this connection is that the mode of decision making may change under Kim Jong Il. Under Kim Il Sung, "an adversary process is likely to be absent in the policy process: interpretations, contingencies, and options that are perceived to be unacceptable to the supreme leader are most likely to be suppressed."³⁴ In contrast, under Kim Jong Il constraints on the transmission of information and the articulation of views will most likely diminish, thus enhancing the probability of pragmatic decision making.

External variables will also come into play. Policies adopted by Seoul, Washington, Tokyo, Beijing, and Moscow can help induce change in Pyongyang. Recent trends—notably Seoul's growing links with Moscow and Beijing, the establishment of government-level channels of communication between Washington and Pyongyang, Tokyo's overtures toward Pyongyang—suggest that stimuli directed toward Pyongyang will be more likely to elicit a flexible response than a rigid one, although the recent events in China may push Pyongyang in the opposite direction.

In sum, political change will occur slowly but ineluctably in North Korea. The inevitable demise of the aging supreme leader will accelerate the pace of change, which in the long run may well entail the unraveling of the succession plan Kim Il Sung has so laboriously crafted. In the short run, however, Kim Il Sung seems to have at least an even chance that his revolutionary legacy will be prolonged, if not perpetuated, after his death; he also has a chance to join, albeit temporarily, that exclusive club of dead Communist leaders who have escaped denigration at the hands of their successors, which counts among its members such giants as Lenin, Tito, and Ho Chih Minh.

³⁴ B. C. Koh, *The Foreign Policy Systems of North and South Korea* (Berkeley and Los Angeles: University of California Press, 1984), p. 113.

2. North Korea and the Non-Communist World: The Quest for National Identity

SAMUEL S. KIM

Whether we like it or not, in this nuclear-ecological age we have all become passengers on one fragile planetary lifeboat. There is no ecological sanctuary nor escape from common security. The destinies of all humans are now inextricably interwoven, yet most people still remain national and territorial prisoners to an “us/them” dualism. This psycho-cultural dichotomy, in a multitude of absolutist forms and disguises, has become one of the most dominant and persistent modes of human identification in the postwar era. Human security is now a common global challenge, as it depends not only on what “we” do but increasingly on what “they” do. Yet many state actors still seek security in an exclusionary manner that seems to guarantee only insecurity.

The study of North Korean foreign policy is generally better known for descriptive richness than for conceptual innovation or explanatory power. There is a need for more conceptually ambitious and theoretically imaginative approaches that would invigorate and cross-fertilize the field of North Korean foreign policy with advances made in comparative foreign policy, international relations, and other related disciplines. In short, there is a strong case for an analytical framework that would relate disparate variables into a more coherent picture of the forces driving the external behavior of the Democratic People’s Republic of Korea (DPRK).

The concept of “national identity” is suggested as a promising but as yet untried way of explaining the behavior of state actors, especially divided polity, in coping with a rapidly changing world.¹ This approach proceeds from the

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¹ This section of the paper draws upon a more detailed elaboration of the concept of national identity and its analytical utility in the study of comparative foreign policy in general and Chinese

premise that foreign policy behavior is a mirror of a nation's image of itself. Just as an individual's self-image conceptualizes and actualizes the role of the ego in its relationship with the world of "significant others," so does foreign policy behavior express and actualize, to a certain extent, the nation's self-image and role conception in the international system. As a point of departure, the concept of national identity is advanced as an analytical framework for exploring what makes North Korea—and South Korea—tick. In our particular case, then, Pyongyang's external behavior is hypothesized as the reflection of its search for national identity and the projection of its national role conception.

The Utility of a National-Identity Approach

The concept of *identity* was originally intrapersonal and interpersonal. Erik Erikson introduced the concept to explore the growth of a sense of individual human identity in the course of the life-cycle, the possible distortions this development may undergo, and the circumstances under which an identity crisis may arise.² The concept of *national* identity, drawing on the Durkheimian notion that a collective has an existence distinguishable from the sum of its constituent parts, is primarily concerned with the properties of the collective political and territorial entity. The main properties of national identity derive from the cumulative historical experiences and lessons of the self-identified group in question, in particular as they concern the "us/them" relations of the nation-state acting out its self-image as a unitary actor on the world stage.

Analytically, the concept of national identity has permeable boundaries. It dovetails with the theories of nationalism, national role, and political legitimation. Like the emergence of the state, national identity is a historical and possibly transitional phenomenon. Nationalism, whose development was accelerated by the revolution of modern communication and transportation, has in turn sped the transition from *the state system* to *the nation-state system* in the nineteenth century and the decolonization process in the twentieth century. Nationalism is a principle of collective identity par excellence. It has also become a principle of modern political legitimation that no political leadership can do without.³ In an age of nationalism, he who defames the national identity or puts the national identity in doubt threatens his or her mandate to govern.

The sources of national identity are both internal and external. To capture the international dimension of national identity, however, it will be useful to

foreign relations in particular in Lowell Dittmer and Samuel S. Kim, "In Search of a Theory of a National Identity," in Lowell Dittmer and Samuel S. Kim, eds., *China's Quest for National Identity* (forthcoming).

² See Erik H. Erikson, "Ego Development and Historical Change," *Psychoanalytic Study of the Child* 2 (1946): 359–96; idem, *Childhood and Society*, 2d. ed. (New York: W. W. Norton, 1963).

³ See Ernest Gellner, *Nations and Nationalism* (Ithaca, N.Y.: Cornell University Press, 1983).

turn to national role conceptions.⁴ A “role” here refers to the policymakers’ own perceptions of their nation’s position in the international system. The logic of role theory is simple enough. Just as an individual identity is formed through the accretion of meaning via interactions with “significant others” in society, so each nation in the international system occupies a social position in its relation with other states. Yet embedded to a fully formed national identity is a shared sense of its national distinctiveness—a unique configuration of national values, historical memories, and future visions. A national identity is the product of both a political socialization into and/or identification with various reference groups of significant others *and* a synergy of mutually compatible roles that foster a sense of its own distinctive integrity and defy its reduction to those reference groups. A national self-identity presupposes the nation’s image of world order. International institutions become the world stage where each nation’s role conceptions are dramatized.

A national role is a function of national status in the international social structure and as such provides norms, guidelines, and standards for commitments and actions. The perception of status, which is related to power and influence in any social structure, is an important source of national identity and role formation. Such an identity is a compilation of mutually complementary (or at least not obviously incompatible) roles to meet different sets of social expectations and political legitimation needs. In turn, every nation-state places other nation-states into a typology of particular norms and values. In any nation’s attempt to arrange a satisfactory relationship with others in international relations, there is a tendency to simplify and stereotype the confusing welter of states into a few categories or national types (e.g., the First, Second, and Third World states; imperial and anti-imperial states; core and peripheral or developed and developing states). Like the maturing individual, the nascent nation-state selects a reference group from among these national types with which it can normatively or functionally identify. This is particularly important in new “state nations” without a sanctioning ideology, where legal statehood came before the establishment of firm psycho-cultural grounding (nationalism).

A mature national identity would consist of a well-structured hierarchy of ideas and symbols with some coherence and continuity over time. These ideas and symbols must be integral to the people sharing the collective identity, embracing common core values and substantive goals. Once firmly established, a national identity anchored in mutually enhancing and complementary national roles may be expected to provide a basis for reasonably stable and predictable behavior under various conditions. In the case of stable and mature

⁴ For a pioneering essay and the most recent collaborative work on the subject, see K. J. Holsti, “National Role Conceptions in the Study of Foreign Policy,” *International Studies Quarterly* 14:3 (September 1970): 232–309; and Stephen G. Walker, ed., *Role Theory and Foreign Policy Analysis* (Durham, N.C.: Duke University Press, 1987).

national identity, then, it can be hypothesized that the visible, variable level of policy will always be subsumed by the deeper, more invisible levels, forming a congruent and coherent hierarchy of national values and commitments. Altogether this hierarchy would provide a repertoire for the state to interact with the outside world in a stable and predictable way. Notice, for example, the extent to which American and Soviet role conceptions converged (i.e., hegemony in their respective camps and rivalry in the world at large) during much of the postwar era.

If on the other hand the nation in question has difficulties establishing a national identity or projecting its national role conception based on its national identity, its behavior is likely to be unpredictable, perhaps even dangerous. It has been suggested that a change in foreign policy behavior is a reflection of the self-role incongruence that results from overcommitment to a particular set of role obligations.⁵ A national identity crisis signifies that the political and social system is no longer willing to accept its former self-image because it has lost its integrating and legitimating force. Thus, a national identity crisis may arise from the widening discrepancy between its national role promise and national role performance.

Legitimation crisis, according to Jürgen Habermas, “is directly an identity crisis.”⁶ Habermas argues that such identity/legitimation crises arise from unresolved steering problems of a social system when the social structure allows fewer possibilities for problem solving than are necessary to maintain the system. The penalty for this failure of system performance is the withdrawal of political legitimation. A social motivation crisis becomes a legitimation crisis as the scope for social action contracts precisely at those moments in which it needs to be drastically expanded while the need for legitimation that arises from changes in the political system comes precisely at those moments in which the existing supply of legitimation is rapidly dwindling. Thus, a crisis arises from the growing discrepancy between the need for action declared by the state on the one hand, and the dearth of motivation supplied by the existing socio-cultural system on the other.⁷

A national identity crisis should precipitate a search for new identity. In reality, however, the national identity (or the national image in Kenneth Boulding’s formulation) is the most resistant stronghold.⁸ The search for old or new national identity may take various forms. By the logic of Habermas’ “social-scientific concept of system crisis,” the national leadership would

⁵ Carl Backman, “Role Theory and International Relations,” *International Studies Quarterly* 14:3 (September 1970): 316.

⁶ Jürgen Habermas, *Legitimation Crisis*, trans. Thomas McCarthy (Boston: Beacon Press, 1973), p. 46.

⁷ See *ibid.*, pp. 2–4, 48, 69, 74–75.

⁸ See Kenneth Boulding, “National Images and International Systems,” *Journal of Conflict Resolution* 3 (1959): 120–31.

have to drastically improve the steering capability of a social system or significantly reduce and remold value expectations of the people to bridge the gap between the two.

The national leadership may seek to forestall identity diffusion or other perceived perils by preemptively redefining national identity in an unambiguous way, coercing its citizenry into this Procrustean conformity and exterminating all “alien and undesirable elements” (e.g., Jews, Communists, gypsies, traitors, counterrevolutionaries) in the purification process of national identity formation. Or the leadership may launch self-glorifying monumental projects, thus regressing to the age of royal dynastic legitimation. It is even possible, albeit unlikely, that the leadership may launch a superstructural revolution, as Mao attempted to do through the Great Proletarian Cultural Revolution to reassert a proletarian quest for social justice and equality and once again “to touch the souls of the people.”⁹ The retreat to the protective cocoon of state sovereignty and autocentric, self-reliant development path is another possibility. More often than not, national identity diffusion or crisis provides a historical opportunity for a military coup d’état to overcome “national paralysis.” At any rate, the leadership of a nation afflicted with a national identity crisis is more likely to lose its sense of balance and exhibit extreme behavior at home and abroad to expand the limits of the possible.

Pyongyang’s Global Search for National Identity

It may appear to the casual observer that the development of Korean national identity should have been a relatively easy task. Korea is one of the oldest nations in the world with a common territory, language, race, customs, history, and strong and powerful neighbors to envy and resent. With the geopolitical and geostrategic deck stacked against it, Korea somehow managed to become a nation of survival in the sea of great-power rivalries. An “us/them” sense of national identity provided the most powerful source of national survival and legitimation.

And yet the developmental process of Korean nationalism during the period of Japanese imperial subjugation (1910–45) right up to the end of World War II was a frustrating, and at times almost futile, endeavor. On the eve of liberation, the Korean nationalist movement was fragmented, frustrated, and without any single charismatic leader to herald the returning nationalists from abroad. The exiled movement had suffered from protracted combat fatigue and had been factionalized, ideologized, and even internationalized to such an extent that it would have been extremely difficult, if not impossible, for any one nationalist leader to unify the newly liberated country even if the two victorious superpowers had exempted the Korean peninsula from their global geopolitical rivalry. Except for the negative anti-Japanese identity that was shared by all,

⁹ *Renmin ribao* [People’s Daily], September 5, 1966, p. 1.

the nationalist exiles returned home with foreign sources of legitimacy; they were, in varying degrees, Americanized, Russianized, Sinicized, Communized, or Christianized nationalists.¹⁰

This was the beginning of an identity/legitimacy crisis in divided Korea. The politics of competitive legitimation started in 1945 from an identical cultural and historical base line with the two Koreas taking separate paths in a nation-building, identity-forming, and legitimacy-seeking process under the sponsorship of the two competing superpowers. The pursuit of legitimacy has become the central concern of both domestic and foreign policy of each of the two Koreas. The politics of the two Koreas have become intractable and reunification attempts problematic owing to their clashing ideologies. The siege mentality exhibited by both Koreas is a corollary of a competitive zero-sum game, in which legitimation has come to be viewed as dependent on the delegitimation of the other side. Even before the outbreak of the Korean War, both Koreas had already locked themselves into the competing Cold War alliance systems in charting out separate paths in the nation-building and legitimacy-seeking process. Nonetheless, the sources of this identity crisis have remained more or less the same in North and South Korea: (1) leadership and succession problem from within; (2) clear and continuing challenge from the other Korea; and (3) subversion from without (allied control or intervention).

From the beginning, the central challenge of North Korean foreign policy has remained clear and consistent—to make the world safe for its identity-defining and legitimacy-seeking process. What has changed in a volatile and unpredictable fashion is the means with which to realize the end. Kim Il Sung's "magnificent obsession" with national unification is an integral part of his essential but elusive quest for absolute legitimation. Yet such a quest was particularly problematic from the start. Like their distant Communist cousins in Eastern Europe, North Korea never achieved a successful liberation or revolution on its own. The foreign origin of the Marxist-Leninist ideology and the original imposition of Kim Il Sung's leadership with the support of the Soviet military government underscored an identity crisis by depriving the regime of a genuine domestic source of legitimation. The existence of another "legitimate" (Syngman Rhee) government in the South with a stronger affinity to the Korean nationalist movement further accentuated Kim's identity/legitimacy crisis. As a result, Kim in the North—and also Rhee in the South—was driven to link his legitimacy to the national political mythology by exaggerating and even falsifying his national revolutionary background

¹⁰ For my analysis leading to this conclusion, see "The Developmental Problem of Korean Nationalism," in Se-Jin Kim and Chang-hyun Cho, eds., *Korea: Divided Nation* (Silver Spring, Md.: Research Institute on Korean Affairs, 1976), pp. 10–37.

abroad.¹¹ Still, Kim's claim to legitimacy, based on his anti-Japanese guerilla activities in Manchuria (and his adoption of the name of the legendary national hero, Kim Il-sōng), seemed weak by comparison to Rhee's record of almost half a century of nationalist activities abroad.

The establishment of the Republic of Korea (ROK) in the South on August 15, 1948, and its repeated claim to represent the entire Korean peninsula and people as the sole legitimate government, based on UN-supervised elections and a General Assembly Resolution of December 12, 1948, gave rise to Pyongyang's first identity crisis. In less than a month, Pyongyang reciprocated by the establishment of the DPRK, claiming to represent all of Korea based on the 1948 election of a "People's Assembly." North Korea's invasion of June 25, 1950, precipitating the Korean War, was Kim's determination to resolve the first identity crisis. But for the Chinese intervention, however, this violent attempt almost succeeded in achieving a reunification for Syngman Rhee.

Be that as it may, the Korean War, from Washington's perspective, was indeed the single most important event for the globalization and legitimation of the Cold War system. It proved to be a godsend for the fulfillment of the NSC-68's wish list, including the instant tripling of military spending to \$38.5 billion. One Cold War alliance pact after another was established in the Asian and Pacific region, paving the way for Washington's quagmire in Indochina a decade later. South Korea was placed on America's global geopolitical chessboard as an indispensable pawn to be defended at any cost. The entire non-Communist world under American hegemony stood on the side of South Korea in the politics of competitive legitimation of the two Koreas. Kim had virtually no space for self-reliant steering. Korea was liberated from Japanese colonialism only to be divided by external powers, becoming two separate but captive and dependent states.

When the Korean War "ended" in 1953, North Korea found much of its economy in shambles; it was regarded as a pariah/puppet regime in the non-Communist world and an indebted dependent state in the Communist world. Against this backdrop, North Korea began to chart a new path for national identity with the formulation of the concept of *Juche* (*chuch'e*). The official media of the DPRK used to translate the term "self-identity" or "national identity" (and most non-DPRK scholars as "self-reliance") in English publications, but have abandoned this translation in recent years as being either inadequate or incomplete, content with the transliterated form spelled "Juche."¹² In a very broad sense, *Juche* conveys the yearning for national

¹¹ See Jungwon Alexander Kim, *Divided Korea: The Politics of Development, 1945-72* (Cambridge, Mass.: Harvard University Press, 1975), pp. 287, 338.

¹² For a comprehensive analysis of *Juche*, see Kim Kap-chōl, *Pukhan chōngch'i iteolroki punsōk—'chuch'e sasang' ūl chungsimuro* [Analysis of North Korean Political Ideology with Emphasis on *Chuch'e* Ideology] (Seoul: Sohyangkak, 1977).

pride, self-identity, and independence. It is a principle of self-maximization for national identity.

Kim Il Sung's first reference to the term *Juche* is contained in his speech to party propaganda and agitation workers on December 28, 1955. After deploring dogmatism, formalism, and the "lack of *Juche*" as the main shortcomings in ideological work, he went on:

What is *Juche* in our Party's ideological work? What are we doing? We are not engaged in any other country's revolution, but solely in the Korean revolution. Devotion to the Korean revolution is *Juche* in the ideological work of our party. Therefore, all ideological work must be subordinated to the interests of the Korean revolution. When we study the history of the Communist Party of the Soviet Union, the history of the Chinese revolution, or the universal truth of Marxism-Leninism, it is entirely for the purposes of correctly carrying out our own revolution . . . I noticed in a primary school that all the portraits on the wall were of foreigners, such as Mayakovsky and Pushkin, but there were none of Koreans. If children are educated in this way, how can they be expected to have national pride?¹³

It is worth noting here that Kim's *Juche*-based search for national identity preceded Khrushchev's de-Stalinization campaign (1956). Perhaps more significantly, Kim's *Juche* preceded China's self-reliance policy by more than two years. Mao Zedong stated in his speech of January 30, 1962, at an Enlarged Central Work Conference, that the decision to go it alone in China's national development—the policy of self-reliance (*zili gengsheng*)—was made in 1958.¹⁴

The subsequent years witnessed a progressive development and codification of *Juche*. At the Fourth Party Congress of the Korean Workers' Party (KWP) in September 1961, *Juche* became the major party principle. By 1965, *Juche* was pronounced to be an all-embracing ideological line for both domestic and foreign policy, as shown in Kim Il Sung's lecture at the Ali Archam Academy of Social Sciences of Indonesia: "Juche in ideology, independence in politics, self-sustenance in the economy and self-defense in national defense—this is the stand our Party has consistently adhered to."¹⁵ Finally, *Juche* was canonized and codified as the guiding ideology of the DPRK's politics in the constitution (Article 4) adopted on December 27, 1972.¹⁶

¹³ Kim Il Sung, *On Juche in Our Revolution*, vol. I (New York: Weekly Guardian Associates, 1977), pp. 136, 139.

¹⁴ See Mao Zedong, *Mao Zedong sixiang wansui* [Long Live Mao Zedong's Thought] (n.p., 1969), p. 416.

¹⁵ Kim, *On Juche*, pp. 428–29.

¹⁶ The constitution also established the new office of the president (*chusök*), endowing it with both symbolic and substantive power. The day after the adoption of the new constitution, Kim Il Sung

The gospel of Juche called for nationalism and deification of nationalistic leadership. Indeed, this is the beginning of the cult of personality in North Korea. Kim Il Sung proved to be a superb politician with a Machiavelian/Stalinist sense of timing in each of the major factional eruptions in the history of the DPRK (1945–48, 1949–53, and 1956–58). His masterful struggle to control and eventually wipe out the fratricidal factionalism of competing leadership groups with Soviet, Chinese, indigenous Communist, and non-Communist nationalist connections—and to consolidate his personal power and to superimpose his vision of national identity—lasted more than a decade. It is suggested that, “had it not been for his leadership skills and organizational techniques, Kim would have been ousted from his position, no matter how strong his Soviet support, in the struggles for power and policy that have recurred in the past quarter-century.”¹⁷ Actually, Kim prevailed, not because of Soviet support, but *in spite of* Soviet and Chinese intervention, by raising the cost of allied intervention and by projecting factionalism and great-power intervention as cause and effect of *sadae-ju* (“serving the great” or “flunkeyism” in Pyongyang’s political vocabulary), a traditional disease in Korean foreign policy thinking leading to loss of national independence (Juche).

Another important but often overlooked aspect of Pyongyang’s legitimacy-seeking process is the use of language reform as a symbolic and communicative instrument to assert a national identity. As early as 1946, Kim Il Sung initiated a campaign to purge all Japanese loan words from the Korean language. In September 1948, Pyongyang officially banned the age-old use of Chinese characters (*hanja*) inaugurating a “revolutionary” process of the exclusive use of the pure Korean alphabet, *hangul*. In May 1966, the DPRK, following Kim’s directives, adopted *munhwa-ŏ* (cultural language) based on the Pyongyang dialect as the standard language, replacing *pyojun-ŏ* (standard language) based on the Seoul dialect. The *munhwa-ŏ* movement was designed to nationalize (and thus legitimize) the Pyongyang dialect, with the justification that the Seoul dialect had been so polluted (internationalized) by Japanese, Chinese, and English words as to be devoid of national identity and integrity (*chuch’esŏng*).

It is hardly surprising, then, that Juche, as a rich evocative symbol of nationalism, was soon caught up in the vortex of competitive legitimation in both the North and the South. After Park Chung Hee and his cohorts had carried out the military coup d’état in 1961, they lost no time in using the term in an attempt to legitimize their seizure of power. In a book published early in 1962, for example, Park deplored the lack of national consciousness: “We must

was elected as the first president of the DPRK by the Supreme People’s Assembly.

¹⁷ Ilpyong J. Kim, *Communist Politics in North Korea* (New York: Praeger Special Studies, 1975), p. 27. This political struggle in 1956 pitted Kim and his Kapsan faction against the powerful coalition of the Soviet-Korean and Chinese Yan’an factions, involving among other issues the principle of collective leadership.

grasp the subjectivity [*chuch'esōng*] of the Korean nation, restore the spiritual pillar of Korean history and establish a critical but receptive posture for the introduction of foreign culture."¹⁸ In February 1963, *minjokchok chuch'esong* (national self-identity) was proclaimed as one of the foremost objectives of the newly organized Democratic Republic Party (DRP), which dominated political life of the South as the hegemonic political party during Park's long tenure.

Lacking any claim to legitimacy,¹⁹ Park, despite his lip service to Juche, began to shift the source of legitimation from a nationalist stance to economic and military might, from political independence to economic and military "interdependence," and from performance of the past to promise for the future. Still, Kim succeeded in making Juche the legitimizing principle of Korean national identity and reunification that Park could ignore only at his own peril. Juche found its way clear to the three "principles for unification of the fatherland" in the joint North-South communiqué of July 4, 1972.

Perhaps partly because of the division of Korea by the superpowers and partly because of the trauma of the miscarried strategy of unifying Korea by force during the Korean War, Pyongyang is especially sensitive to the "us/them" dichotomy and the "friends/foes" typologies between "worlds," which are always viewed from the perspective of its full-legitimation-by-reunification grand strategy. Initially, Pyongyang embraced—and acted upon—the Cold War bipolar view of the world during the formative dependent decade of 1945–55. Stripped to its core, this was a two-world theory of struggle between the forces of imperialism, led by Washington, and the forces of antiimperialism, led by Moscow. As for Mao in 1949–58, there was no third road for Kim; he too had no choice but to follow the logic of this bipolarized world system by falling in with the socialist camp. The DPRK maintained official diplomatic relations only with fraternal socialist countries of the Communist world during this period.

The notion of a certain third "neutral" or "nonaligned" world flirting in the Manichaeic struggle between the two contending world systems could not be accepted without first substantially relaxing the rigid ideological assumptions of Marxism-Leninism. Viewed in this light, the Bandung Conference of 1955, when the Third World as a global actor made its debut, proved to be a conceptual turning point in the inauguration of Pyongyang's Third World policy. Kim gave his public support of the Bandung principles in his report to the Third World Congress of KWP in April 1956.²⁰ In foreign policy, then,

¹⁸ Cited in B. C. Koh, "Chuch'esōng in Korean Politics," *Studies in Comparative Communism* 7 (Spring/Summer 1974): 89.

¹⁹ Park served as an officer in the Japanese Kwantung army in Manchuria in 1943–45 when Kim was fighting the Japanese in the same theater as a guerilla leader.

²⁰ See Byung Chul Koh et al., *Pukhan Oekyo-ron* [On North Korea's Foreign Policy] (Seoul: Kyungnam University Press, 1977), p. 209.

Juche gradually became Pyongyang's identity-defining principle and a principal instrument in its Third World diplomacy. Without explicitly saying so, Pyongyang has evolved a tripartite division of the world: A First World of capitalist states; a Second World of socialist states; and a Third World of developing countries in Asia, Africa, and Latin America as the nonaligned and antihegemonic force, the global prey of the First World global predator.

This initial identification with the Third World incurred little risk of alienating the support of either China or the Soviet Union, as the former took an active part in the Bandung Conference while the latter made an official burial of the two-camp theory as a foreign policy offshoot of the de-Stalinization campaign. This opening to the Third World greatly expanded the limits of the diplomatically possible without much risk of losing allied support. There is also a sense in which the DPRK's identification with the Third World both reflects and dramatizes its feeling of being unjustly denied its rightful place in the world by those more powerful, bespeaking a deep underlying sense of historical grievances and geopolitical vulnerability. This negative identity with the First World has emerged in the surrogate form of North Korea's positive identity with the Third World as a new revolutionary and system-transforming force in world politics.

The international support of the socialist Second World was certainly a necessary but by no means a sufficient condition for Pyongyang's legitimacy-seeking diplomacy. The ambiguous and subjective quality of Juche maximizes its flexibility in application. Juche is an instrumental principle, not an abstract norm, designed largely to cope with the continuing legitimation problem. It is a congenial principle as well in coping with the twin alliance security dilemmas of abandonment and entrapment—maximizing allied support in the face of a perceived threat from the South and minimizing the dysfunctional and delegitimizing input of allied control and/or interference. As a principle of self-steering—in theory at least—Juche does not get in the way of adaptive foreign policy in the service of its national interests. In practice, the reality of North Korea's geostrategic importance and proximity to China and the Soviet Union made it easier for Pyongyang to cope with the twin abandonment/entrapment security dilemma of the smaller ally in an alliance system. If Juche was a cause and an effect of allied mistrust, geography still made an allied security commitment credible.

As a small and insecure state, North Korea's foreign policy agenda has a narrow range of vital concerns confined to survival, security, status, and sovereignty. Juche is put to the normative service of three key objectives: to legitimize Kim Il Sung's (and now Kim Jong Il's) consolidation of power at home, to delegitimize South Korea as a dependent U.S. imperial outpost in the Korean peninsula, and to establish global solidarity with the Third World in the pursuit of absolute legitimation.

The establishment of diplomatic relations with Algeria on September 25, 1958, marked the beginning of Pyongyang's entry into the Third World. Judging from the kinds of instrumentalities employed—people-to-people diplomacy, delegation diplomacy, bilateral summit diplomacy, and conference diplomacy—we can say that the central objective of Pyongyang's Third World diplomacy has been—and continues to be—the search for full legitimation in the family of nation-states. As a policy addressed to some 130 states that comprise the world's largest grouping, Pyongyang's Third World diplomacy necessarily requires both consecutive and simultaneous participation in multiple games on global, regional, and bilateral chessboards. In style and substance, Pyongyang's Third World diplomacy has remained an integral part of its elusive global search for full legitimation, centering on the symbolic issues of gaining as many diplomatic recognitions as possible and of engaging in a zero-sum style of the global politics of collective legitimation and delegitimation in international organizations.

In what way, and to what extent, can Kim Il Sung be said to have succeeded in the politics of competitive legitimation? During the heyday of American hegemony the ROK enjoyed what appeared to be an insurmountable edge in diplomatic recognition. As of December 1962, for example, the ROK was officially recognized by 56 countries, as compared to 15 for the DPRK. The overthrow of the Rhee regime in 1960 and the rise of the new military dictatorship in 1961 eased Kim's legitimacy concerns only to create a challenge of a different sort—a security challenge. It was the chief catalyst for Kim's hurried missions to Moscow and Beijing, where he signed virtually identical defense treaties of "Friendship, Cooperation, and Mutual Assistance" in July 1961. By September 1961, when the Fourth Congress of the KWP was held, Kim had succeeded in establishing absolute power; it was also at this time that North Korea "promoted Kim's guerilla tradition as the true history of Korean revolutionary activities and the true basis of Korean identity."²¹

With the deepening Sino-Soviet conflict in the 1960s, however, Kim opted for the strategy of making a virtue of necessity by pursuing an indeterminate line. Indeed, central to North Korea's independent foreign policy has been Kim's extraordinary ability to manipulate his country's relations with China and the Soviet Union in a flexible and self-serving way, taking sides if necessary on particular issues, always attempting to extract maximum payoffs in economic, technical, and military aid but never completely casting his lot with one against the other. Whatever else he may have been, Kim Il Sung was never a puppet (*pukkoe*) as Southern propaganda would have it.

Paradoxically, it was the socialist split, not the socialist solidarity, in the Communist world that energized the development of Juche ideology, the cult of personality, and reunification strategy. It was also through his alternating

²¹ Dae-Sook Suh, *Kim Il Sung: The North Korean Leader* (New York: Columbia University Press, 1988), p. 160.

feuding encounters with Soviet revisionism and Chinese dogmatism in the 1960s that Kim “was able, and to a large extent forced, to seek his Korean identity.”²² The DPRK reunification initiatives that had been dormant since the Korean War were reasserted and reformulated in February 1964 in a strategy of developing “revolutionary forces” on three fronts: North Korea, South Korea, and the world at large.

The 1970s may well be remembered as *la belle époque* of Pyongyang’s engagement in the politics of competitive legitimization. A number of major changes and trends in the international environment joined to intensify Park’s sense of insecurity and siege mentality and to enhance Kim’s sense of confidence that the DPRK could now enter the non-Communist world on an equal footing. Among these were the growing trend toward East-West détente; the Sino-American rapprochement with its instant restructuring impact upon Asia’s geo-strategic landscape; the American defeat in and disengagement from Indochina; President Nixon’s Guam Doctrine followed by the withdrawal of 20,000 U.S. troops and President Carter’s troop withdrawal plan (later canceled); the entry of the People’s Republic of China into the United Nations; and the rest of the Third World as a collective global actor calling for a New International Economic Order (NIEO).²³

Indeed, the 1970s witnessed Pyongyang’s grand entry into the family of nations, where it had many more hits than misses in its identity-asserting and legitimacy-seeking global diplomacy. Seoul’s seemingly insurmountable head start in diplomatic recognition of the 1960s all but vanished in the 1970s as Pyongyang pursued a more flexible, diversified, and omnidirectional policy. By mid-1976, the number of countries recognizing Seoul and Pyongyang stood respectively at 96 and 93. The greatest gains were made in 1972–75 in the Third World in general and in Africa in particular, as Pyongyang established diplomatic relations with 53 countries. In 1973, for the first time in its twenty-five-year history, the DPRK established diplomatic relations with five Western

²² Ibid.

²³ Faced with this menacing crisis, Park Chung Hee responded with extreme contradictory measures. Externally, Park responded with panic by opening up the first round of the North-South dialogue for national reunification. Internally, Park proclaimed martial law and imposed the so-called *Yushin* constitutional system, a legal euphemism for institutionalizing his dictatorial rule. The image South Korea projected on the world stage in the 1970s was one of a crazy and dependent national “security” state in search of allied support. The kidnaping of Kim Dae Jung and the Koreagate scandal merely represented the desperate reactions of a garrison state in a serious legitimacy crisis. Tellingly, Kim Jae-kyu, KCIA director and Park’s assassin, declared in the final statement at his trial: “If May 16th [Park’s military coup in 1961] and Yushin were not illegal, it follows that the October 26th Revolution also cannot be illegal.” That Kim Jae-kyu could logically characterize his killing of President Park as a patriotic revolutionary act, and that his fate (before he was hanged on May 24, 1980) became another catalyst in the unfolding political crisis in South Korean politics shows the extent to which Park’s own legitimacy had eroded even among his most fervent supporters. For a more detailed analysis, see Samuel S. Kim, “United States Korean Policy and World Order,” *Alternatives: A Journal of World Policy* 6:3 (Winter 1980–81): 419–52.

countries (Sweden, Finland, Norway, Denmark, and Iceland) with Australia, Austria, and Switzerland to follow suit in 1974.²⁴

In this frantic race for diplomatic recognition both Koreas abandoned the Hallstein Doctrine (or the Beijing formula), thereby opening the way for cross-(dual) recognition. Pyongyang's official media have ritualistically and repeatedly attacked the concept of "cross-recognition" as a diplomatic gimmick of "splittists" designed to perpetuate the division of Korea. The standard and spent party line of the DPRK denied the legitimacy of the Seoul government because the latter lacks what Pyongyang regards as two key prerequisites for recognition—*independence* and *representativeness*: "The South Korean 'government' is not a government with which independent states should establish relations, for it is an out-and-out *dependent* government and *colonial puppet* government which has no real political, economic, or military power and can represent *none* of the Korean people."²⁵ Not a single country recognized both Seoul and Pyongyang in 1962; by mid-1976, however, some 49 countries had already done so without incurring diplomatic severance from Pyongyang. In an interview with the editor-in-chief of *Le Monde* (Paris) on June 20, 1977, Kim Il Sung even expressed his willingness to normalize relations with the United States, saying that the matter was entirely up to the United States.²⁶ This position remains unchanged to this date. The same applies to Japan. As it stands, North Korea's vehement opposition to cross-recognition is not so much addressed to the non-Communist world as it is to the Communist world.

Given the UN's one-sided involvement in the politics of competitive legitimization in divided Korea, Pyongyang's denial of the competence of the United Nations to deal with the Korean question should come as no surprise. Yet Pyongyang, in an adaptive manner, began to recognize the normative importance of the politics of collective legitimation and delegitimation and of growing dominance of the Third World in the United Nations. In May 1973, the DPRK managed to get itself admitted to the World Health Organization (WHO), one of the specialized agencies of the UN system, as a full member state. This entitled Pyongyang to observer status at the United Nations and allowed North Korea to establish a diplomatic mission in New York (June 29, 1973). Pyongyang's entry into the UN politics of collective legitimation and delegitimation quickly moved the ROK to adopt the German formula (i.e., admission of both Koreas as separate member states). Clearly, this was a tactical shift to elicit Pyongyang's principled opposition. True to form, Pyongyang categorically rejected the dual membership idea as a violation of the

²⁴ For a chronological list of countries with which North Korea has established ambassadorial-level diplomatic relations in the period 1948–82, see Byung Chul Koh, *The Foreign Policy Systems of North and South Korea* (Berkeley and Los Angeles: University of California Press, 1984), Table 1, p. 11.

²⁵ *Pyongyang Times*, editorial, February 18, 1978, p. 1; emphasis added.

²⁶ See *Pyongyang Times*, July 23, 1977, p. 1.

three principles for reunification embodied in the North–South joint communiqué of July 4, 1972, and as just another splittist scheme “designed to justify the division of Korea by applying in divided Korea the general practice that today all countries admitted to the UN have their existence and position internationally recognized as independent states.”²⁷

However, such a “principled” stand has not prevented North Korea from opportunistically seeking legitimizing representation in many international governmental organizations (IGOs), especially the specialized agencies of the UN system. The apparent contradiction is rationalized with the functionalist argument (a rarity in Pyongyang’s political grammar) that the specialized agencies, unlike the United Nations proper, are indeed nonpolitical organizations designed to promote technical and practical cooperation. As of January 1, 1979, for example, the number of such IGO memberships in the UN system for Seoul and Pyongyang stood respectively at 12 and 10. Legally, the problem of divided Korea has been complicated by the conflict of two separate *states* in one and the same *nation*. *De jure* representation of the two Koreas as two separate *member states* in the specialized agencies and *de facto* representation of the two Koreas as two separate *observer states* in the United Nations have for all practical purposes institutionalized the ROK and DPRK as two independent states with separate but equal claims to legitimacy in the international system. This became a political and legal reality that Pyongyang could not afford to accept in the quest for national identity via national reunification.²⁸

Be that as it may, the perennial UN debate on the Korean question came to a strange denouement in 1975 when the General Assembly adopted two contradictory resolutions on the same day, one pro-ROK (Resolution 3390A) and the other pro-DPRK (Resolution 3390B). Ignoring the pro-ROK resolution, the DPRK pronounced this to be “an epochal event” and “a great turning point” in the history of the UN politics.²⁹ In addition to the pro-DPRK resolution, the year 1975 was marked by a number of legitimation triumphs in Pyongyang’s single-issue (and single-minded) diplomatic offensive: (1) the Joint Sino–Korean Communiqué of April 26, which referred to the DPRK as “the sole legitimate sovereign state of the Korean nation” without inclusion of the antihegemony (anti-Soviet) clause; (2) Kim Il Sung’s summit diplomacy in May–June when he visited Romania, Algeria, Mauritania, Bulgaria, and Yugoslavia; and (3) the decision in August of the Foreign Ministers’ Conference of the Nonaligned Movement (NAM), held in Lima, Peru, to accept Pyongyang’s application while rejecting at the same time Seoul’s application

²⁷ *Pyongyang Times*, February 11, 1978, p. 2.

²⁸ For my further analysis along this line, see “Pyongyang, the Third World, and Global Politics,” *Korea & World Affairs* 3:4 (Winter 1979): 439–462, and “Research on Korean Communism: Promise versus Performance,” *World Politics* 32:2 (January 1980): 281–310.

²⁹ See “Statement of the Government of the Democratic People’s Republic of Korea,” in *On the Question of Korea* (Pyongyang: Foreign Languages Publishing House, 1976), p. 310.

for membership. Still, the best Pyongyang can do in the context of Third World politics is to depict the Seoul government as “an out-and-out colonial and dependent regime,” which as such “cannot be a true object [subject] of international law.” For this reason, it is argued, “the Democratic People’s Republic of Korea has never recognized South Korea as a state.”³⁰

In retrospect, however, the 1975 UN debate and its pro-DPRK resolution proved to be a Pyrrhic victory in Pyongyang’s search for absolute legitimacy. The UN debate on the Korean question, perhaps the last one, merely forced the world community to recognize, dramatize, and legitimize the reality of the two governments and states in the Korean peninsula. It is hardly surprising, then, that Pyongyang rather abruptly dropped its UN card in the wake of this “epochal event” and brought no more pressure to bear on its Third World allies in the world organization to reopen the issue.

In the broader context of the evolution of the politics of competitive legitimation, Pyongyang from the late 1970s on has encountered staggering economic problems at home and serious diplomatic setbacks abroad with its quest for absolute legitimation becoming ever more elusive and its national identity more doubtful. A multitude of seemingly “searching” acts have erupted, sometimes bloodily, in the course of Pyongyang’s coping with the deepening identity/legitimacy crisis. The DPRK in the late 1980s is a nation whose sense of normative coherence and judgment and whose capacity for self-steering and self-correction have eroded. Lacking the power to achieve reunification of divided Korea, Pyongyang is driven into a corner from which there is no easy escape except by demonstrating that it still retains the negative power to disrupt, if not destroy, the regional stability in Northeast Asia where four of the world’s five centers of power meet and intersect.

In what may well be the last decade of his rule, the “revolutionary forces” are not pushing the wheel of history in the direction of Kim Il Sung’s magnificent obsession. In the late 1960s and 1970s Juche ideology managed to retain a balance of nationalist and Marxist-Leninist components, a synthesis of alien ideology and Korean reality. By 1980 Juche seems to have superseded Marxism-Leninism in substance, as the references to Marxism virtually disappeared in policy pronouncements. In actuality, Juche can be said to have degenerated into a hybrid mutant accentuating the worst features of Leninism-Stalinism and traditional Korean feudalism. It has become a creed to be worshiped and immortalized, not a normative guide to adaptive behavior. Just as the symbols of harmony (*he*) became all-pervasive in Imperial China (e.g., era names, place names, personal names, and street names, etc.), so the symbols of Juche have become a putatively omnipotent and omnipresent talisman bandied around everywhere in the DPRK. With Juche everything is possible; without it nothing can happen. The selling of Juche ideology has

³⁰ *Pyongyang Times*, February 18, 1978, p. 4; see also *ibid.*, February 18, 1978, p. 4.

become a growth industry at home and an integral part of global diplomacy. In the 1980s Juche has become the symbolic self-portrait of North Korea at the primary stage of Kim dynastic succession. North Korea today is "not so much a nation as a religion," writes an American journalist, where Kim Il Sung ("the Great Leader" or the father), Kim Jong Il ("the Dear Leader" or the son) and the holy spirit of Juche all blend and blur into the holy trinity of national worship.³¹

There is nothing in Marxism, Leninism, Stalinism, and Maoism to legitimize such "hereditary socialism." Oddly, we find similar cases of hereditary succession in anti-Communist Taiwan and Singapore and "democratic" India in recent years. A succession crisis is endemic to any nondemocratic regimes, including South Korea. North Korea's succession crisis is sui generis, designed, it seems, to accentuate, not to resolve, its national identity/legitimacy crisis. The son/sun may also rise in North Korea, but he seems to lack his father's charismatic persona, nationalistic claim to legitimacy, and Machiavellian virtuosity to manage the ever-present twin security dilemmas of allied entrapment and abandonment. The son, not the father, according to South Korean and U.S. intelligence agencies, was the man behind the 1983 Rangoon bombing (in which 17 members of President Chun Doo Hwan's delegation were killed) and the 1987 mid-air sabotage of a Korean Air jetliner over the Andaman Sea (which claimed the lives of all 115 people aboard).³² Both incidents dramatize the vicious circle of the zero-sum politics of competitive legitimation. Seoul's gains today (i.e., host for the 1983 Interparliamentary Union and the 1988 Summer Olympics) turn into Pyongyang's losses (and rising frustration), setting the stage for intensified searching behavior, including sporadic state terrorism against South Korean targets.

The quest for performance-based legitimation through economic development and modernization is an integral part of any polity in our times, but it has become magnified in the competition-driven politics of the two Koreas. In the late 1950s and much of the 1960s the political economy of North Korea seemed headed toward becoming an exceptional model island of autocratic, socialist, and self-reliant national economy in the sea of the capitalist world system. In the late 1970s and 1980s Pyongyang's political economy began to show signs of a confidence crisis.

The watershed Sino-American rapprochement of 1971-72 instantly reverberated in the domestic politics of both Koreas. Both Seoul and Pyongyang revised and promulgated new constitutions in 1972 to beef up the domestic basis of legitimation to offset what they perceived to be a precipitous decline in allied support. Both were panicked into holding talks at the highest level, for the first time since the end of the Korean War, pledging themselves to the three Juche-

³¹ See Nicholas D. Kristof, "Great Leader to Dear Leader," *New York Times Magazine*, August 20, 1989, p. 45.

³² See *Far Eastern Economic Review*, February 4, 1988, pp. 28-29.

style principles of peaceful reunification. Apparently, it was during this first South–North dialogue that North Koreans observed firsthand the scale and dynamic of Seoul’s export-oriented economic growth. Determined not to be outperformed by Seoul in this economic race, Pyongyang decided in 1972 to launch its first international shopping expedition, accumulating in a few years (1972–75) a trade deficit of about US\$1,300 million with non-Communist countries and US\$700 million with Communist countries. This was the genesis of Pyongyang’s debt trap.³³

Hit by the oil crisis, declining metal prices, drought, and bad management, the “independent and self-reliant” economy that is claimed to remain “unaffected by any external factors”³⁴ was soon saddled with a huge foreign debt. Unable or unwilling to pay its debts to both socialist and capitalist creditors, Pyongyang had to request from Japanese trading firms several reschedulings of its debt payments. By mid-1989 North Korea had defaulted on its US\$5 billion foreign debt. Yet the government spent US\$8.7 billion (according to its own accounting) for the Thirteenth World Youth Festival, held in the capital, July 1–8, 1989, as its counterpart coming-of-age party to the successful Seoul Olympics a year earlier. At the same time, it finds the resources to build a 105-floor hotel rising to a height of more than 300m and 70m taller than any other hotel in the world, marble-lined subway stations, a 180-foot-high arch of triumph modeled on the one in Paris, a six-mile-wide dam and a causeway that separates the sea from the Taedong River, and a sport stadium that seats 150,000 people in the capital to impress visiting foreigners and delegations. This sense of giantism—a “bigger is better and biggest is best” edifice complex—is a defensive mechanism to cope with an acute national identity crisis as a small nation surrounded by big and powerful neighbors (China, Russia, and Japan). In the case of North Korea, such a sense of identity crisis has been intensified by the great powers, which stand in the way of its reunification strategy, and the other Korea, which has acquired a new national identity as an economic miracle worker.

Add to this the staggering burden of military expenditures that devour 24 percent of North Korea’s gross national product (GNP) of US\$19.4 billion (compared to only about 5.4 percent of South Korea’s GNP of US\$123 billion) only to be outgunned in the qualitative arms race, and we get a pretty good picture of North Korea’s political economy in trouble. A top party leader in Pyongyang is recently reported to have argued that living standards would be ten times higher without such a high defense burden.³⁵ North Korea without

³³ Koh, *Foreign Policy Systems*, pp. 42–43.

³⁴ This was Kim Il Sung’s answer to a question put by the director of the Research and Planning Department of the Ministry of International Security and National Orientation of the People’s Republic of Benin on June 30, 1979. See the *Pyongyang Times*, August 4, 1979, p.1.

³⁵ See David Zweig, “Slowly, North Korea Begins to Stir,” *New York Times*, July 15, 1989, p. 25; and idem, “A Sinologist Visits North Korea: Report of a Trip to the DPRK” (Medford, Mass:

foreign troops on its soil or nuclear weapons is being outspent, by a ratio of 1.5 to 1, by South Korea with 43,000 American troops and extensive deployment of nuclear weapons and annual joint military exercises.

Lacking the power to compete with the South in export-driven and import-substituting industrialization, Pyongyang has opted to compete instead in showmanship diplomacy. In the process the capital, not the whole country, has turned into a showcase model of monumental buildings, museums, projects—and contradictions.³⁶ How a nation treats the least advantaged provides a good measure of its humane governance and distributive social justice. All cripples, dwarfs, midgets, or other deformed or handicapped people are kept out of Pyongyang—the national “Potemkin village”—and away from foreign observation because they do not fit the image of the healthy and happy people in a classless socialist paradise.³⁷ The towering edifice of Kim’s “social paradise” stands on the sandy foundation of unpaid foreign loans rolling over loans and a fatigued war-economy. All of this speaks volumes about North Korea’s identity crisis.

To a great extent, the South Korea factor has both reflected and effected Pyongyang’s growing promise/performance gap in economic development. As in a Darwinian struggle for survival, in such a protracted race as the politics of competitive legitimation of the two Koreas the fittest is the most adaptable. Lacking constitutional claim to legitimacy, both Park and Chun took a performance-based approach to legitimation, following three closely interconnected and synergistic strategies: (1) a state-guided export-oriented (and import-substituting) strategy of economic development, exploiting the country’s geostrategic American connection to the fullest to maximize payoffs and minimize penalties; (2) a “development first, reunification later” strategy; and (3) a strategy of “bleeding North Korea dry” in the arms race, rejecting any discussion on mutual reductions of military forces on both sides of the demilitarized zone (DMZ).

The South Korean government started the 1980s ominously with the Kwangju massacre, whose normative and political consequences are still reverberating in the South Korean polity, but is today better poised to close the decade with flying colors in virtually all dimensions of competitive legitimation. In the race for diplomatic recognition, Seoul surged ahead from an almost dead-even position, enjoying an advantage of 128 over 99 as of August 1988. At the same time, the number of countries recognizing both Seoul and Pyongyang increased from 49 in mid-1976 to 66 in mid-1988. In the IGO and INGO

Fletcher School of Law and Diplomacy, Tufts University, May 23, 1989).

³⁶ The ecological concept of “small is beautiful” has no place in the searching behavior of both Koreas, as “big is better” has become the Korean style. In the process, both Koreas have declared war on their human environment.

³⁷ *New York Times*, July 5, 1989, p. A1; July 9, 1989, IV, p.3; July 19, 1989, p. A8.

(international nongovernmental organizations) membership race, South Korea had an almost 2:1 advantage (42 for Seoul as against 22 for Pyongyang) and a 5:1 advantage (821 for Seoul as against 160 for Pyongyang) respectively as of the end of 1988.³⁸ In foreign trade, Seoul's annual volume in 1987 amounted to US\$88 billion as against US\$4 billion for Pyongyang, an insurmountable ratio of 22:1. For the banner Olympic year of 1988, South Korea managed to achieve an impressive 12.1 percent economic growth rate, the highest in the world's major economies, bringing the GNP for the year to more than \$156 billion and per capita income to US\$3,730. Foreign trade broke the US\$100 billion benchmark.³⁹

Nothing succeeds like success in the politics of competitive legitimation. To win the international bidding in 1981—and in the wake of the Kwangju massacre—to host the 1988 Summer Olympics in Seoul must surely have helped boost Chun's lagging support. In January 1982, Chun launched a massive diplomatic offensive designed to shore up the domestic and external base of political legitimation, taking a multifaceted and multidirectional approach. A new foreign policy, so-called *Nordpolitik*, coupled with "economic diplomacy," was designed to diversify and globalize Seoul's foreign policy—and thus to rectify its international reputation as an indebted and dependent Third World client regime. As well, it constituted Seoul's opening to the socialist world in general and China in particular. By the end of the decade Seoul was well on its way to changing its status from a debtor to a creditor nation and from a recipient to a donor nation in foreign aid. The amount of money the South Korean government set aside for foreign assistance progressively increased from only US\$10 million in the mid-1980s to US\$120 million in 1988 and is projected to go up to US\$320 million by 1992. Between 1981 and 1986, a total of 51 top foreign leaders visited Seoul. Chun himself made globe-trotting summit diplomacy an integral part of an identity-defining and legitimacy-seeking process, visiting the Association of Southeast Asian Nations (ASEAN) countries in 1981, Africa in 1982, and Burma and other Southeast Asian countries again in 1983.

During much of the 1980s the world at large has been kinder to Seoul than to Pyongyang. The capitalist (first) world according to Kim Jong Il is said to be as strong and united as ever:

It might be said that the greatest change in the capitalist world since the second world war has been that the capitalist powers have gone over [*sic*] from dog-eat-dog relations to those of alignment and cooperation.

³⁸ Based on Union of International Association, *Yearbook of International Organizations 1988/89*, vol. 2, 6th ed. (Munich, New York, London, Paris: K. G. Saur, 1988), Table 3.

³⁹ Data based on Ahn Byung-joon, "Foreign Policies," in *A Comparative Study of South and North Korea* (Seoul: National Unification Board, 1988), pp. 243, 250; "Korea: Cover Story," *Business Week* (September 5, 1988), p. 49; Han Sung-Joo "South Korea in 1988: A Revolution in the Making," *Asian Survey* 29: 1 (January 1989): 36–37.

Of course, this does not mean that no contradiction exists between the capitalist powers, but now this is of secondary importance and alignment is the basis of their relations. During the 40 years since the end of the second world war there have been more than 170 wars, major and minor, but none of them has been fought between capitalist powers themselves; rather their military alignment has been strengthened through military blocs.⁴⁰

Having redefined the international situation in this way, North Korea made a reluctant but almost forced turn outward to the non-Communist world in 1984 by enacting its first Joint Venture Law. Modeled after China's open-door policy and legislation, Pyongyang wishfully targeted a threefold increase in exports for its Third Seven-Year Plan (1987–93). Although Pyongyang since 1984 has pursued without much fanfare several open-door measures to encourage foreign investment and joint ventures and to expand trade with the First World, achievements to date are modest. Of the fifty joint ventures under way, forty-four are with Japan-based "Japanese Koreans." As it became progressively obvious that the Joint Venture Law was encouraging only a handful of Korean residents in Japan to invest in North Korea, Pyongyang began to shift away from the worldwide target toward such loyal Koreans (*choch'ongnyon*) in Japan as the most important potential partners in joint ventures. Likewise, more than 90 percent of North Korea's trade with Japan in recent years has been conducted with firms owned by Japanese-Koreans loyal to Pyongyang.⁴¹ Pyongyang finds it difficult to escape from a catch-22 bind: A successful export strategy is not possible without massive imports of high-tech equipment and plants, which in turn would not be possible without hard-currency credits, which in turn would not be possible without first paying off its foreign debts through a successful export strategy and so on in a vicious circle. Clearly, Japan as the world's latest dominant credit power is the most logical source of help. Yet, in Pyongyang's world view, its old nemesis, Japan, remains a more formidable and dangerous enemy than the United States.

The central objective of Pyongyang's foreign policy and the key to reunification—the withdrawal of U.S. troops from the Korean peninsula—remains unfulfilled. Instead, thirty-six years after the end of the Korean War, a year more than the entire period of Japanese colonial rule, North Korea finds South Korea still under U.S. military occupation and command. Moreover, North Korea finds itself encircled by and tripwired into the nuclearized cold

⁴⁰ Kim Jong Il, *Let Us March Forward Dynamically Along the Road of Socialism and Communism Under the Unfurled Banner of the Anti-Imperialist Struggle: Talk to the Senior Officials of the Central Committee of the Workers' Party of Korea, September 25, 1987* (Pyongyang: Foreign Languages Publishing House, 1988), p. 3.

⁴¹ See Hy-Sang Lee, "North Korea's Closed Economy: The Hidden Opening," *Asian Survey* 28:12 (December 1988): 1264–79; B. C. Koh, "North Korea in 1988: The Fortieth Anniversary," *Asian Survey* 29:1 (January 1989): 41.

war confrontation (so-called extended deterrence), contrary to the more synchronized rhythms of Soviet-American relations elsewhere. It claims to have sighted more than a thousand American nuclear warheads deployed in South Korea. Since 1976 it has watched—and reacted to in various forms including putting its own armed forces on alert—annual joint U.S.-ROK exercises without any letup. In fact, it is known that, in the course of the Team Spirit exercises, the U.S. and South Korean armed forces are mastering simulated war games including those of land invasion and nuclear strikes against the North.

Bending its principled stand for direct Washington-Pyongyang negotiations (1974-84) and switching to the original U.S. position for tripartite U.S.-ROK-DPRK talks in 1984 didn't help North Korea, however, as the United States quickly backed away from its own proposition. Even acceding to the Nuclear Non-Proliferation Treaty in December 1985, under Soviet pressures, seems to have made no impression on the United States, as B-52s from Guam and fighter-bombers from air bases in Japan or Okinawa make their periodic simulated nuclear bombing runs toward North Korea only to be countermanded at the last minute.⁴² No matter how North Korea plays the U.S. card, the deck is always stacked against it. As if to rub more colonial salt into the North Korean national wound, there emerged in the early Reagan years, in Pyongyang's eyes, an unholy Tokyo-Seoul-Washington axis in Northeast Asia.

There are two silver linings in this menacing geopolitical reality. In 1984-85, Moscow-Pyongyang relations improved noticeably, helped in part by Pyongyang's turn to the Soviet Union as the only viable source of high-tech weapons systems and in part by Moscow's own perception at the time of the threat of an emerging U.S.-China-Japan military cooperation. One revealing normative concession was Pyongyang's public expression of gratitude to the Soviets, for the first time in many years, for the defeat of Japan and liberation of Korea. At the same time, the adoption of America's nuclear-war fighting posture in Korea in the early 1980s has given rise to South Korean Christian leaders' breaking the taboo and openly criticizing the presence of American nuclear weapons in Korea. Anti-Americanism joined hands with antimilitarism and antinuclearism in opposition politics.

Even in the Third World, Pyongyang's principal domain for international support by virtue of its membership and Seoul's nonmembership in the NAM, North Korea in the 1980s suffered a series of diplomatic setbacks. To begin with, the Third World quest for the NIEO exhausted itself by the turn of the decade. Even some of the most vocal supporters had to pronounce it a spent movement. With the threat from the Third World thus divided and diffused, the Western world in general and the United States in particular have hardened their anti-NIEO posture. Against the backdrop of the NIEO in disarray, Third

⁴² Based on accounts of former American pilots in Bruce Cumings, "Ending the Cold War in Korea," *World Policy Journal* 1:4 (Summer 1984): 773.

World countries' unilateral search for economic aid, and Seoul's economic muscle diplomacy, North Korea suffered its first setback when it was compelled to refrain from placing the Korean question on the agenda of the Seventh Foreign Ministers' Conference of the NAM, held in New Delhi, India, in February 1981. Next year, in 1982, Pyongyang suffered another defeat when another NAM conference voted down Pyongyang's proposal that called for, *inter alia*, the withdrawal of all foreign troops from the Korean peninsula. In the wake of the Rangoon bombing, Burma, perhaps the most nonaligned and neutral country in the world, severed diplomatic relations with North Korea, followed by Costa Rica, the Comoros Islands, and Western Samoa.

The hosting of numerous Juche conferences and symposia for some Third World countries on its home turf seemed pale by comparison to Seoul's hosting of the Interparliamentary Union (IPU) conference in 1983, the World Bank/International Monetary Fund annual meeting in 1985, the Asian Games in 1986, and most importantly the Summer Olympic Games in 1988. A global search for boycotters of the Olympic Games induced only one Third World country, Cuba, to sign on. In the end, the Seoul Olympics attracted a record-breaking 14,000 athletes and officials from 160 countries, one more than the total UN membership. More significantly, the critical social movements in South Korean society, taking advantage of their access to global prime time and heightened global scrutiny, played a pivotal role in forcing the Roh regime to take the first major step toward democratization and opposition politics.

Socialist Paradise (Paradigm) Lost?

As it turned forty in September 1988, the DPRK seemed in the straits of a middle-age identity crisis with few genuine friends left and little cause for celebration. What was happening on the other side of the peninsula in 1987–88 underscored this crisis by revealing a remarkable contrast on the leadership/succession problem. While Kim Il Sung in the North was already well on his way to meet Marx (or his father) with the succession crisis still unresolved, Roh Tae Woo in the South seemed busy polishing up his image as the first freely elected president in almost twenty years and projecting South Korea's new national identity as both a newly industrialized country (NIC) and a newly democratizing country (NDC). While Pyongyang was going through the motions of celebrating the fortieth anniversary of the founding of the DPRK, the ROK was reveling in a coming-of-age—and “Seoul is better than Pyongyang”—party of Olympian proportions before worldwide television audiences. In the global shadow of South Korea's celebrations, North Korea's international reputation seemed to have reached a nadir.

Almost from the beginning North Korea as a small, insecure state in a divided nation standing at a crossroads of great-power rivalries has been afflicted with a sort of protracted national identity crisis with regard to external reference groups. Almost from the beginning the DPRK's national identity

crisis and legitimation crisis became two sides of the same coin. The resolution of this identity crisis through international legitimation has remained the leitmotif of North Korean foreign policy and part and parcel of Kim Il Sung's three-pronged attack on the legitimacy crisis. First, he has successfully wiped out factionalism from within, thus removing the internal threat to the legitimacy-seeking process. Second, he has skillfully exploited the Sino-Soviet conflict in minimizing the dysfunctional input of external control and/or intervention and maximizing, to a certain extent, allied support. And finally, he has vigorously responded to the clear and continuing threat from another "legitimate" government in the South by inaugurating an active and imaginative Third World diplomacy. That he has been remarkably successful in this legitimacy-seeking diplomacy in the global politics of collective legitimation and delegitimation through its Third World connection, at least through the end of the 1970s, cannot be gainsaid. Thus, Pyongyang's legitimacy-seeking process has evolved in a series of phases, from a primary focus on shoring up the domestic base of legitimation in the 1950s to a revival of national reunification initiatives in the 1960s to a global search for absolute legitimation in the 1970s and 1980s.

In sum, Pyongyang has tried hard but failed in its abiding search for absolute legitimation in the course of its engagement in global politics. Paradoxically, the more Pyongyang succeeded in gaining relative legitimation (i.e., legitimation of the DPRK as a separate and independent state through its membership in international organizations and dual diplomatic recognition), the more it failed in gaining absolute legitimation of the DPRK as the only representative government of the Korean peninsula.

Embedded in Pyongyang's identity/legitimacy crisis in recent years has been the widening gap between its role commitments and role capabilities. Although Habermas' "social-scientific concept of system crisis" was meant for advanced capitalist states, it seems to be of particular relevance to North Korea. Just as advanced capitalism creates "new needs" it cannot satisfy—and cannot follow ecological imperatives of growth limitation without abandoning its defining principle—so North Korea has created national role commitments to absolute legitimation via reunification that its existing supply of role capabilities could not possibly meet. With the still unresolved succession crisis, the leadership seems unable or unwilling to bridge the commitment/capability gap. To drastically enhance self-correcting and self-steering capabilities seems beyond its grasp. And yet to drastically reduce and revise its overcommitment to reunification is viewed not as a necessity for survival but an ultimate betrayal of *raison d'état*. Juche has degenerated from principled self-reliance to a credo of inevitability (the holy spirit), imprisoning creative imagination and constraining adaptive behavior.

The widening gaps between role conceptions and role capabilities on absolute legitimation—and between promise and performance on the reunification problematique—have cast Pyongyang's national self-identity as the bastion of revolutionary liberator in doubt. Such an identity crisis has accentuated the legitimacy crisis, which in turn has intensified searching behavior. Faced with the ever-growing menace from South Korea and the world at large in the 1980s, Pyongyang intensified its searching behavior to test the limits of the possible and the permissible. More often than not, however, such behavior proved to be counterproductive for Pyongyang, as it apparently strengthened the resolve of its adversaries, embarrassed its allies, and alienated its actual or potential friends in the Third World.

Of course, both Koreas played Dr. Jekyll and Mr. Hyde in the now-on and now-off reunification game. However, growing economic might has boosted Seoul's confidence. Seoul has learned how to beat Pyongyang in its own game through a more realistic, diversified, and "functional" *Nordpolitik* on Pyongyang's home turf (the Second and Third Worlds). That Seoul has surged so far ahead of Pyongyang in the global politics of competitive legitimation in the 1980s can be explained in part by the former's expansion and diversification of its national role conceptions in response to the changing global realities and in part by the latter's rigid confinement of its national role conceptions to the withdrawal of American troops, the reunification of the peninsula, continued allied (Sino-Soviet) support, and the deification of Kim Il Sung and Kim Jong Il. While Seoul was marching on in the product-cycling process (from textiles to electronics and semiconductors) of the global political economy, Pyongyang was building more and more monuments to the Great Leader and the Dear Leader. The swollen state and spent society gap in the North seems to widen, further exhausting the domestic supply of political legitimation.

International reputation is an essential part of any nation's quest for national identity. It is, as well, a fragile and precarious element. It takes years to cultivate but only a short time to damage beyond easy repair. Outperformed in the economic race by Seoul, encircled and threatened by U.S.-ROK joint war exercises as well as by rising Japanese militarism, and unsupported by the Communist world for absolute legitimation (Hungary even established diplomatic relations with Seoul), Pyongyang is being driven into a corner where it feels compelled to have its voice heard through an extreme, attention-capturing behavior. To be taken seriously in Washington, Beijing, and Moscow, Pyongyang seems compelled from time to time to demonstrate that it still retains a negative power to disrupt the peace and stability of the Korean peninsula. It maintains a measure of geopolitical leverage—nuisance value—by demonstrating its fragility, its unreliability, its unpredictability, and its "tyranny of the weak" skills to force Chinese and Soviet allies to take a principled stand.

Whether this latest identity/legitimacy crisis may serve as a blessing in disguise, as a great teacher of the reality principle, remains to be seen. As matters stand now, there are confusing and contradictory signals. There is growing evidence of global learning, as shown in the internal debate among intellectuals on the role of realism versus idealism in the modernization process.⁴³ North Korea seems to want finally, if a bit hesitantly, to reach out and join the world. And yet, the Juche-based “us/them” dichotomous mentality persists. In fact, Juche ideology thrives on a Manichaeian vision of continuing struggle between Good and Evil. The word “change” or “reform” is yet to enter Pyongyang’s political vocabulary. After all, why change the socialist utopia where everything is so beautiful and bountiful?

Despite the refrain that paradise will never change, North Korea is now seeking new ways and means—indeed a new paradigm—of maximizing external inputs (e.g., capital, investment, trade, diplomatic recognition, etc.) while minimizing “ideological pollutants” that would threaten Juche ideology. Here then is the rub. Faced with the Grotian moment of system breakdown or system breakthrough, North Korea, for ideological and practical purposes, can neither fully embrace nor completely reject its opening to the non-Communist world. An authoritative decision on this momentous issue is not likely to come until the rise of another “Great Leader” in the post-Kim Il Sung era.

⁴³ See Zweig, “Slowly, North Korea Begins to Stir,” and his trip report.

3. The Korean Triangle: The United States and the Two Koreas

HAN SUNG-JOO

For more than thirty-five years since the end of the Korean War, the triangular relations among the United States, the Republic of Korea (ROK; South Korea), and the Democratic People's Republic of Korea (DPRK; North Korea) have remained basically unchanged. Pyongyang has insisted that the presence of U.S. troops in the South is the basic cause of both the military tension on the Korean peninsula and the country's continued division. While demanding their unconditional withdrawal, Pyongyang has sought to undermine the authority of the South Korean government by attempting to negotiate directly with the United States. As allies, Washington and Seoul have closely coordinated and cooperated in their policy toward Pyongyang. Despite occasional disagreements and even tension between them over how to deal with North Korea, they have successfully fended off Pyongyang's manipulative attempt to drive a wedge between them. For the most part, the United States has deferred to South Korea, insisting that a meaningful talk between Washington and Pyongyang on any issue is contingent upon significant progress in North-South Korean dialogue.

Several factors have been responsible for the remarkable durability of the triangular relationships described above. Notable among them are the ideological rigidity of North Korea, the South Korean fear of Pyongyang's military adventurism, the continuing military rivalry between the United States and the Soviet Union, and finally, the absence of a decisive development in the regional or global situation that calls for a drastic change of the status quo on the Korean peninsula. The question, however, is whether and how long the present pattern can withstand the forces of change in the global and regional international order.

In the most conspicuous change, both major and lesser powers are moving away from their previous policies of confrontation, adopting instead policies of

accommodation and reconciliation. This is evidenced not only in the normalization of U.S.–Soviet relations, but also in the reconciliation between the Soviet Union and the People's Republic of China and the actual and prospective improvement of relationship between such traditional rivals as the PRC and Taiwan and China and Vietnam. As the Soviet Union actively seeks expanded ties with Asian countries, especially in the economic area, the prospect is growing for better relations between the Soviet Union and such countries as Japan, South Korea, and even Taiwan.

While there is no improvement in the Korean situation despite the rapid change in global and regional relations, the changing environment presents a serious policy dilemma not only to Pyongyang but also to Seoul and Washington. Pyongyang's dilemma stems from its own inability, for political as well as ideological reasons, to overcome its rigidity and intransigence; the dilemma of the other two arises from their having to contend with an uncompromising and hostile adversary while accommodation and reconciliation are the order of the day elsewhere. This chapter will examine the interests, predicaments, and options for the three parties—Washington, Seoul, and Pyongyang—in the midst of the changing world and regional environments.

The State of North–South Korea Relations

The relationship between North and South Korea (one of the determinants of U.S.–North Korea relations) refuses to be improved. Twice since 1953, when the Korean War ended with the signing of an armistice, North and South Korea engaged in a serious dialogue to improve their hostile relationship, with a third occasion yet to come. The first dialogue took place during the 1972–73 period, when North–South Korean Red Cross representatives met to discuss the possibility of reuniting family members separated between the two areas. Subsequently, the two sides agreed to establish a North–South Coordinating Committee to discuss reconciliation and possibly reunification, only to see the dialogue halted in 1973 by Pyongyang's refusal to deal with the Seoul government. Then, between 1984 and 1985, North–South Korean talks took place in four different areas—Red Cross/family reunion, economic cooperation, political discussion between the parliamentarians, and sports. By examining why the conciliation talks of the mid-1980s failed to produce any positive results, we can diagnose the problems of today's North–South Korean relationship and predict its future.

In 1984, hopes of North–South reconciliation arose when North Korea made, and South Korea accepted, an offer of relief supplies to aid victims of the flood in September of the same year. That opened the way for the economic talks, the first between high-ranking representatives of Pyongyang and Seoul governments since the division of the country, as well as meetings to discuss issues related to family reunion and possible North Korean participation in the 1988 Olympics. The Red Cross talks in 1985 led to an exchange of meetings in

Seoul and Pyongyang and to visits by fifty separated family members from each side to the "other area."

Pyongyang's seemingly conciliatory gestures in 1984–85 were an attempt to refurbish its international image, which had been badly tarnished by the Rangoon bombing in 1983. Pyongyang had apparently concluded that talks with Seoul would be a necessary step in establishing ties with Western powers, particularly the United States and Japan. It also saw talks with Seoul as a necessary means of realizing its proposal for "tripartite talks" among the United States and North and South Korea, inasmuch as the United States was insisting that direct inter-Korea talks precede any possible multilateral negotiation on the Korean issue.

North Korea also had an economic motivation for opening the various channels of dialogue with South Korea. Recognizing that it was hopelessly lagging behind the South economically, it wished to move out of its political and diplomatic isolation and regain its ability to borrow from abroad and trade with other countries—an ability that had been seriously damaged by previous debt defaults. By starting dialogue with South Korea, Pyongyang hoped to open the possibilities of starting or otherwise expanding economic exchanges with non-communist countries such as the United States, Japan, and West European countries.

The South Korean government had its own political motives to welcome Pyongyang's willingness, short-lived as it was, to engage in talks with the South. For one thing, as the host country for various major international events including the Olympic Games that were to come, it was eager to secure North Korean acquiescence, if not cooperation. At the same time, Seoul considered improvement of North-South Korean relations a necessary step to opening its own relations with the Soviet Union and China, possibly leading eventually to cross-recognition of the two Koreas by the major powers. Seoul also hoped that the North-South Korean dialogue and exchanges would help counter the criticism that the South Korean government was content with the status quo and lacked the will and enthusiasm to unify the country.

Renewed exchanges in the mid-1980s led to nowhere as several obstacles kept Pyongyang from seriously pursuing accommodation with South Korea. Pyongyang continued to be the captive of its own rigid ideology and the personality cult that President Kim Il Sung had created for himself and his son. It was also keenly aware of the adverse political consequences of opening up its society to the outside world, even to a limited extent, after four decades of insulation. In addition, Pyongyang was not about to reduce its military pressure on the South. It not only maintained but continued to build up its already formidable armed forces, particularly as it was warming up relations with the Soviet Union, which showed greater willingness than China to help North Korea in its military buildup.

For Pyongyang, dealing directly and officially with South Korean “authorities” was tantamount to accepting the “two Koreas” formula, which it had opposed all along. At the same time, it could not give up its long-standing priority objective of “liberating” the South, which remained a primary source of justification for the sacrifices it was imposing upon its people. Furthermore, it did not wish to make it easy for Seoul to successfully stage the 1988 Olympic Games, where the potential participation of North Korea’s allies would enhance South Korea’s prestige.

The second period of North–South Korean dialogue thus came to an end because neither side had a genuine interest in a productive outcome from the exercise. Pyongyang was afraid of “conferring legitimacy” on the South Korean government and of facilitating South Korean relationships with its own allies, particularly the Soviet Union and China. On its part, the South Korean government was afraid that a false sense of security might result from superficial reconciliation with the northern adversary, a situation that might in turn lead to the weakening of the U.S. security commitment in Korea. Both protagonists recognized the usefulness of the status quo, at least for the time being. Neither sought to achieve a genuine improvement of relations between them through the inter-Korea talks.

Nor was the United States eager to see the status quo in Korea upset in any major way. While clearly wanting to prevent the outbreak of an armed conflict on the Korean peninsula, the United States recognized that a real military threat from North Korea and the resultant tension between the two Koreas necessitated and justified the existing security arrangements between it and South Korea as well as its security posture and presence in Korea. While the United States also wanted to improve relations with North Korea, any such efforts were marred by Pyongyang’s own intransigence, U.S. fear of undermining the authority of the South Korean government (which showed an extreme sensitivity to being bypassed in any way), and genuine U.S. concern that a premature rapprochement with Pyongyang would threaten peace and security on the Korean peninsula. Thus, none of the three parties in the Korea triangle had an incentive to bring about a major change in the Korean situation, at least until the mid-1980s.

New Elements in the Triangle

In the second half of the 1980s, new domestic and international developments gave the three powers policy dilemmas as well as options for changing the triangular relationship. In the international arena, the most notable and important development was a new super-power détente between the United States and the Soviet Union, which resulted from Soviet leader Mikhail Gorbachev’s new political thinking and accommodation policy. It not only led to the signing of an intermediate nuclear forces (INF) treaty between the two superpowers but also caused a reassessment of U.S. strategic requirements and

plans in both Europe and Asia.¹ Although the United States remains yet to be persuaded that the Soviet military might and threat are actually decreasing, there is a weakening of U.S. conviction that it needs to counter the Soviet Union militarily throughout the globe and on all levels.² A change in the U.S. perception of the Soviet military threat and challenge is certain to affect the U.S. view concerning the strategic value to the United States of the Korean peninsula as well as the presence of U.S. troops in Korea.

The Soviet Union is extending its conciliatory hand not only to the United States but also to its allies. For South Korea, which has been seeking to establish (and in some cases expand) relationships with socialist countries, the Soviet initiative represented a welcome opportunity to accomplish that goal. The United States has no reason to object to an improvement of the relationship between the Soviet Union and South Korea; in fact, such an improvement could spur an improvement in U.S.–North Korea relations.

Political change within South Korea has emerged as another major element that could cause a change of U.S. policy toward the two Koreas. The process of democratization in South Korea that began in earnest in the summer of 1987 has resulted in an explosive expression, albeit by a relatively small minority of South Koreans, of hitherto suppressed negative sentiments against the United States. Many Americans, including some in responsible positions in Congress and the administration, regard the nationalistic expressions of Koreans, particularly those of younger generations who remember neither the Korean War nor the critical role played by the United States, as acts of ingratitude and betrayal.³ Democratization has led Koreans, both in and out of the government, to take a more assertive attitude in their relationship with the United States, particularly in policy making and implementation. Such assertion often conflicted with the need for closer consultation and cooperation—and sometimes annoyed U.S. officials.

The enormous double deficit—in budget and trade—the United States has been experiencing for several years also affects U.S. policy toward South Korea. In the face of a critical need to cut (or at least slow down the increase of) its defense budget, the United States has been emphasizing “burden sharing” by its allies in Asia as well as Europe. But the temptation to resort to “burden shedding” grows as the deficit continues to present serious political and financial burdens on the United States. Ironically, it is those countries with which the United States has the largest trade deficit—Japan, West Germany,

¹ Charles L. Heatherly and Burton Yale Pines, eds., *Mandate for Leadership: Policy Strategies for the 1990s* (Washington, D.C., 1988).

² The Commission on Integrated Long-term Strategy, *Discriminate Deterrence* (Washington, D.C., January 1988).

³ See, for example, J. Bennett Johnston and Dale Bumpers, “An Overly Costly ‘Trip Wire’ in Korea,” *New York Times*, July 21, 1989.

and South Korea—where the United States maintains large overseas contingents. These facts combined may very well lead to a reduction of U.S. military forces in those countries. Many Americans are beginning to wonder whether the United States should continue to assume the main defense role for countries drawing large trade surplus from the United States at a time when its strategic requirement, particularly in relation to military rivalry with the Soviet Union, seems to require reassessment.

Although the changed environment has not caused North Korea to initiate a major change in its domestic and external policies—North Korea continues to have basically the same leadership, system, rhetoric, and goals that it has maintained for more than four decades—it does present a serious policy dilemma to Pyongyang, which has to choose between opening up the country and reconciling with South Korea at the risk of fomenting political challenge to the leadership and the regime on the one hand and maintaining isolation and intransigence at the cost of further lagging behind the South in economic growth and international standing on the other. Pyongyang's insistence that the "Korean question" be resolved only on its own terms presents Seoul and Washington a policy dilemma of their own in that they have to maintain a strong military posture while everything else points in the opposite direction. At the same time, however, the fluidity of the situation presents all three governments with policy options that were not available before, offering the possibility of a major change in the triangular relationships among Washington, Seoul, and Pyongyang even without a fundamental change of personnel or policy in North Korea.

Policy Dilemmas and Options

North Korea

The most critical policy question for Pyongyang is whether to open up the country, even partially, to the outside world at considerable political risk and forgo its goal of driving the South Korean government out of existence. So far, it has shown no such indication. But Pyongyang can still choose between several alternatives on other more concrete and specific issues concerning its relations with South Korea and the United States.

Pyongyang's existing policy consists of three key elements: a proposal for a confederation between North and South Korea, namely, the Democratic Confederal Republic of Koryo; a call for a tripartite conference of the two Koreas and the United States; and a demand for the withdrawal of U.S. troops. The confederation proposal is part of Pyongyang's united front strategy intended to take advantage of the pluralistic nature of the South Korean polity. As preconditions for its implementation, the proposal calls for the signing of a peace agreement between North Korea and the United States and the withdrawal of foreign (i.e., U.S.) troops from Korea. From Pyongyang's point of

view, it is a useful proposal, not only because of the political advantage that monolithic North Korea would have in the unlikely event that the confederation is actually realized, but also, and perhaps more relevantly, because of the propaganda value it has in demonstrating Pyongyang's desire for peaceful reunification as well as putting pressure on the United States to terminate its military presence in Korea.

The removal of U.S. troops and nuclear weapons has been a long-standing demand of Pyongyang's ever since the end of the Korean War. Until recently, their immediate and total withdrawal was presented as the key precondition for any settlement of the Korean question. In 1988, however, Pyongyang began to demonstrate some flexibility on this issue as it indicated willingness to accept the possibility of a phased withdrawal to follow other measures such as a peace agreement with the United States and a nonaggression declaration between North and South Korea.⁴ It is understandable why the North Korean leadership has been so insistent on the U.S. troop withdrawal. U.S. intervention prevented the military conquest of the Korean peninsula in 1950, and the presence of U.S. troops in the South kept North Korea from launching another "war of liberation." Pyongyang may also be convinced that the South Korean government is so dependent upon U.S. support that a substantial reduction or withdrawal of U.S. troops from Korea would cause collapse of the government and the polity itself. North Korea may even feel threatened by the U.S. military presence in South Korea.

But even though Pyongyang may be hoping gradually to increase contacts and exchanges with the nonsocialist world, it will be reluctant to come to terms with South Korea. The successful conclusion of the Pyongyang international youth festival in July 1989 must have given it confidence that contacts with the outside world can be conducted in a controlled way while minimizing the political risk involved. On the other hand, the freedom and democracy movement in China, which ended with bloody suppression the month before, must have served as a warning to the North Korean leaders that the political risk of opening up the country to the outside, particularly South Korea, remains high. Such political risk, coupled with Pyongyang's perception of South Korean political vulnerability, will serve as a sufficient disincentive to change.

South Korea

Seoul's main policy dilemma is how to keep its security ties with the United States intact while actively pursuing its *Nordpolitik*, which is aimed at improving relations with the socialist countries including the Soviet Union and China, and while attempting to implement the July 7, 1988, declaration, aimed at promoting exchanges with North Korea. The Seoul Olympics in 1988 provided a timely boost for what the South Korean government promoted in the

⁴ *Rodong Shinmun*, September 9, 1988.

name of the northern policy. Seoul's active approach toward the socialist countries, which did not recognize the South Korean government, has shown dramatic results. The Soviet Union and Eastern European nations sent large contingents of athletes and officials to Seoul for the Olympics. Talks on trade and other economic exchanges have flourished. Trade offices and new lines of communications have been opened with the Communist world including the Soviet Union. Major trading companies have opened formal liaison offices in major cities in China, the Soviet Union, and Eastern Europe. Hungary and Poland have established full diplomatic relations with South Korea with some other East European governments being expected to follow suit.

But the extraordinary success in expanding relations with the socialist countries has had its political cost. It made the embarrassed Pyongyang more hostile toward South Korea. Furthermore, together with the July 7 declaration,⁵ which called for active promotion of exchanges between North and South and an end to competition and confrontation between them internationally, South Korea's northern policy has had the undesired and perhaps unexpected result of unwarranted euphoria in the Korean public about Seoul–Moscow and North–South Korean relations, fostering a false sense of security and complacency.

The Roh Tae Woo government's new proposals, including the North–South Korean summit meeting, a six-nation (the United States, Soviet Union, China, Japan, and North and South Korea) consultative body, and confidence-building measures tended to make it a hostage to Pyongyang's willingness to accommodate while leaving the United States bewildered about South Korean intentions. It was perhaps not so much the content of these proposals as the way in which they were formulated and made public that made it difficult for the United States to accept and welcome them wholeheartedly. Insufficient prior consultation on matters that would involve the United States directly as an ally—and one in possession of the operational control of much of the Korean armed forces—was cause enough for its concern and bewilderment.

Another policy dilemma for Seoul is to what extent it should be ready to accept and what role it should play in the partial withdrawal of U.S. forces from Korea, which increasingly seems certain to take place during the first term of the Bush administration. South Korea will have to accept withdrawal (or at least reduction) as inevitable and prepare for it. Not to do so would not only leave South Korea militarily vulnerable but also be politically foolhardy because the reduction would most probably take place with or without the South Korean consent. On the other hand, however, to play an active and cooperative role in the U.S. withdrawal would facilitate and accelerate the process. It will be the difficult task of the Seoul government to find a healthy balance between

⁵ *Korea Herald*, July 8, 1988.

political reality and military needs in coping with the U.S. troop withdrawal issue.

The United States

The United States faces critical policy choices in three closely related areas: troop withdrawal, peace settlement, and opening of relations with North Korea. Ten years after rescission of President Jimmy Carter's decision to withdraw U.S. ground troops from Korea, the issue has emerged again in earnest in the United States. The key question being asked, particularly in the Congress, seems to be whether and why the United States should maintain the current level of troops—43,000—in Korea.⁶ Congress is requesting the administration to conduct a comprehensive study of the desirability and feasibility of troop reduction.⁷ Meanwhile, the Bush administration also seems to be disposed to consider at least some troop reduction in Korea.

The renewal in the United States of active discussion on the troop withdrawal issue is taking place against the backdrop of improved U.S.–Soviet relations, mounting budget constraints, and the need to restructure the deployment of U.S. forces abroad, particularly in Asia and the Pacific. A set of secondary objectives may consist of pressing the allies to increase their share of the defense burden, addressing what appears to be rampant expression of anti-Americanism in North Korea, and reciprocating to the Soviet Union's plan to reduce its own troops in Asia and responding to its call for at least a symbolic troop reduction in Korea. In implementing its troop reduction plan, the United States has to secure the cooperation (at least the acquiescence) of the South Korean government. Another difficult task is to convince North Korea that the initial reduction is not a prelude to further immediate withdrawals. As long as the United States carries out its withdrawal plan unilaterally, Pyongyang will have no incentive to engage in productive dialogue and peaceful exchanges with South Korea.

Reduction of U.S. forces in Korea should also be preceded, or at least accompanied, by changes in the U.S.–ROK bilateral command arrangements as well as in the armistice structure that has led Pyongyang to claim that it can and must bypass Seoul to discuss peace and security issues directly with the United States. In this latter task, one can be sure that Pyongyang will make any change in the armistice structure difficult. The present armistice arrangements in which the Republic of Korea is not a direct party provide Pyongyang with an excellent opportunity to denigrate the Seoul government as a mere puppet of the United States. Hence, Pyongyang would have little incentive to change the status quo.

⁶ Johnston and Bumpers, "'Trip Wire' in Korea."

⁷ Senator Sam Nunn's proposed amendment calling for consultations with the Seoul government about the possibility of reducing the U.S. armed forces in Korea passed the Senate on August 2, 1989. *Korea Herald*, August 3, 1989.

During the past thirty-six years since the end of the Korean War, the United States has had virtually no official dealings with North Korea. Pyongyang's highly negative attitude toward the United States and Seoul's strong objections to any bilateral relationship have been primarily responsible for the absence of meaningful contacts or exchanges between the United States and North Korea. In recent years, however, Pyongyang has been making gestures—half-hearted and intermittent as they may be—indicating its willingness to open a relationship with the United States. South Korea, in the meantime, has dropped, at least officially and on the surface, its objections to such a relationship. In the July 7, 1988, declaration, for example, President Roh proposed “cooperating with North Korea in improving its relations with countries friendly to South Korea, including the United States and Japan.”⁸

Indeed, in recent months, both official and unofficial contacts between the United States and North Korea have been increasing. An official channel for exchange of views has been established; direct talks between them took place in Beijing in late 1988 and early 1989, the first since the Korean War.⁹ In allowing, indeed pursuing, increased contacts with North Korea, the United States would be trying to correct the extreme imbalance that exists between South Korea's exchanges with China and the Soviet Union on the one hand and the United States' own with North Korea on the other. The United States can seek to help end North Korean isolation and increase its exposure to the outside world. Increased exchanges with North Korea may also contribute to making the South Korean dissidents less critical of the United States on the unification issue.

However, the down side of a rapid expansion of relationship between the United States and North Korea would be that North Korea will have no incentive left at all to improve its relations with South Korea. It would thus be important for the United States to emphasize that progress in North–South Korean talks is an essential condition for the improvement of U.S.–North Korean relations and that any troop reduction from South Korea would require reciprocal peace measures by North Korea including confidence-building measures and arms reduction.

Concluding Remarks

Despite the enormous changes that are taking place in international, regional, and domestic arenas, the shape and nature of the Korean triangle—among the United States, North Korea, and South Korea—remains basically unchanged. Underneath the surface, however, various forces, both domestic and international, are at work to reshape the triangular relations. Pyongyang has been most resistant to the changes in and around the Korean peninsula. As a result of the changing environment, however, all three parties in the triangle

⁸ *Korea Herald*, July 8, 1988.

⁹ *Far Eastern Economic Review*, February 9, 1989, pp. 18–19.

face new dilemmas and challenges in their respective policies. The actions and inactions of one party feed on the others' policy difficulties.

Although a shift in North Korean policy and attitude is the key to breaking the Korean stalemate, it is between Seoul and Washington that policy coordination and cooperation are possible. At the same time, all the major issues discussed above—U.S. troop reduction, arms control, restructuring of the Korean armistice, the unification question, Seoul's northern policy, domestic politics, and the like—are closely interrelated. All this points to the need for comprehensive thinking and analysis as well as close policy consultation and coordination between the two allies. Only by such actions can the United States and South Korea harness the forces of change to bring about peace and security on the Korean peninsula.

4. The U.S. Role in Northeast Asia

ALLEN S. WHITING

An old American folk saying argues, “If it ain’t broke, don’t fix it.” An equally established aphorism cries out, “Time for a change!” These two statements exemplify the debate between the conservative and liberal approach to foreign policy. The debate is endemic and often polemical, being ritualized into national presidential election campaigns. The contradictory themes characterize alternative modes of analysis that evaluate the status quo compared with the speculative projection of what change might entail. With each new administration in Washington, these modes presumably underlie policy reviews automatically undertaken to assess the present course and to examine alternatives. But whereas bureaucracy tends to prefer the continuation of what exists, our task is to test the status quo for flaws and to estimate what costs or benefits may lie in modification of American policy in Northeast Asia.

To take the conservative approach first, the folk saying holds that if things are not going wrong, do not try to change them. Advocates of continuity can credibly apply this formula to the U.S. role in Northeast Asia as it has evolved in recent years. Compared with 1969 when Washington struggled to extricate itself from the Vietnam War and 1979 when President Jimmy Carter faced the shock of Soviet troops moving into Afghanistan, 1989 offered good reason for the Bush administration to stick with the status quo, at least for the early 1990s.

A brief review of past trouble spots and potential sources of tension is reassuring in this regard. The Korean peninsula remains free of war and any serious threat thereof as it has for more than thirty-five years. In South Korea, it is true, radical student violence exploits a range of discontent, including anti-Americanism and antigovernment sentiment remaining from previous regimes’ brutality and corruption. Worker demands for higher wages and unions have threatened to widen the pattern of violence. But the general trend since 1987 is predominantly positive so far as liberalization and democratic processes are concerned, enhancing the prospects for social stability and national security.

In North Korea, a steady drumfire of polemical attacks against Seoul makes a mockery of Pyongyang's proclaimed desire for serious talks and peaceful unification. However, no terrorist activity disrupted the 1988 Olympics, nor have any alarm bells rung along the demilitarized zone for several years. Meanwhile, invitations to foreign investment have opened the door a crack to normal intercourse with the outside world.

The Japanese–American relationship continues to bump along the rocky road of trade disputes, but the security alliance exhibits no special difficulty. Wrangling over the joint FX fighter project included standard bargaining postures with some concern over mutual trust. Yet its final resolution marks another step in the evolving cooperation already manifest in joint maneuvers and greater burden sharing. Public opinion polls in Japan show no serious opposition to Japanese–American security ties and reveal continued hostility to the Soviet Union as the least liked major power.¹

Soviet–American relations in Northeast Asia attract far less attention than elsewhere, the region being neither a major point of contention nor a promising arena of cooperation.² But within this limited framework modest signs of improvement exist. For example, the Bering Sea serves as a “friendship bridge” over which small delegations cross in either direction under prior arrangement, occasional defectors notwithstanding.³ As with Soviet assistance in cleaning up the Valdez oil spill, this is more symbolic than substantive. Nevertheless, it signals an auspicious atmospheric change at no cost to U.S. policy.

More broadly, the stability of American commitments won high-level affirmation when President George Bush took the occasion of Emperor Hirohito's funeral to make brief visits to the People's Republic of China and the Republic of Korea. His itinerary was hurried and in Beijing became encumbered with the issue of human rights prompted by the invitation for Fang Lizhi to attend President Bush's banquet. But whereas past precedent routinely

¹ In January 1988 only 12.5 percent saw the Japan–U.S. Security Treaty as “useless” as against 68.8 percent who rated it favorably. Prime Minister's Office, *Public Opinion Survey on Self-Defense Force and Defense Problems* (Tokyo, June 1988), p. 7. In a later survey 84.5 percent said they “do not feel friendly” toward the Soviet Union and 70.1 percent said relations were “not good,” as compared with 72.2 percent who “feel friendly” toward the United States and 68.9 percent who saw relations as good for the most part. Prime Minister's Office, *Public Opinion Survey on Diplomacy* (Tokyo, March 1988), pp. 8–9.

² For a systematic exploration by Soviet and American scholars of this problem see International Strategic Institute (Stanford University) and Institute of Far Eastern Studies (Academy of Sciences, USSR), *On Strengthening Security and Developing Cooperation in the Korean Peninsula* (Stanford, Calif.: Center for International Security and Arms Control, September 1988); also idem, *Peace, Security, and Cooperation in the Asian-Pacific Region* (Stanford, Calif.: Center for International Security and Arms Control, January 1989).

³ Two young men slipped away during the signing of an agreement between authorities of Alaska and the Magadan region of Siberia, facilitating unrestricted travel for Eskimos. *New York Times*, April 26, 1989, p. 11.

dispatched the vice-president to state funerals abroad, as the president's first overseas journey after the inauguration this trip demonstrated the priority accorded Pacific affairs.

Yet despite this positive record the familiar American cry, "Time for a change!" also wins attention.⁴ Some advocate it as a response to changes in Soviet posture, if not in Soviet policy; others argue it must accommodate a shift from strategic to economic concerns manifest throughout the world, including Northeast Asia.⁵ The case for change is equally long as that for the status quo but can be quickly summarized.

Foremost, of course, General Secretary Mikhail Gorbachev's Vladivostok address of July 26, 1986, followed by his *Merdeka* interview in 1987 and his Krasnoyarsk speech in 1988, set out an agenda of new proposals together with a muting of old diatribes concerning the Asia-Pacific region.⁶ Successive trips to the various capitals by Foreign Minister Eduard Shevardnadze and Deputy Foreign Minister Igor Rogachev pursued themes advanced by Gorbachev. Skeptics dismiss this as merely "smile diplomacy" that seeks to gain much while giving little.⁷ Others term it "a new challenge," claiming that Moscow has stolen the initiative from Washington and calling for an imaginative response.

Whatever its ultimate intent, the Gorbachev imprint meets the standard criterion of "not just words, but deeds." Although acceptance of the *thalweg* or main channel boundary demarcation with China had been privately communicated earlier, its public enunciation at Vladivostok was implemented by detailed boundary surveys and announced agreement along most of the disputed Amur-Ussuri riverine frontier.⁸ The pledged withdrawal of most Soviet troops from the Mongolian People's Republic and the drawdown of Soviet forces opposite China, announced unilaterally, gave additional concessions to Beijing. The complete removal of Soviet troops from Afghanistan in February 1989 ended the nine-year invasion, another Chinese demand. Finally, Hanoi's agreement to vacate Cambodia by the end of September 1989 can be

⁴ Conservative sponsorship of this theme can be found in Michael E. Vlahos, *America in the Postwar East Asian Balance* (Washington, D.C.: The Heritage Foundation, 1989), address by director of the Center for the Study of Foreign Affairs, Foreign Service Institute, Department of State, November 4, 1988.

⁵ For a concise but comprehensive survey of "a historic change . . . in the Asian Pacific region," see John W. Lewis, "Defining the Strategic Context in Asia," in *Peace, Security*, pp. 1-15.

⁶ For the most complete and sophisticated elaboration of Gorbachev's proposals, see articles by Mikhail L. Titarenko, Aleksandr S. Yakoviev, Aleksandr S. Krasynnikov, Vladimir S. Miasnikov, Gozhakhmet S. Sadvakasov, Dmitri V. Petrov, Yuri I. Ognev, and Alexei Nikonov, *ibid.*

⁷ Harry Gelman, "Gorbachev's Policies in East Asia After Two Years," *Journal of Northeast Asian Studies* 7:1 (Spring 1988): 46-54, summarized negative aspects that outweighed positive aspects as of the time of writing. A similar but more optimistic view is offered by Hiroshi Kimura, "Gorbachev's Agenda for Asia," *Pacific Review* 1:3 (1988): 215-26.

⁸ The major exception in the east concerned Bear Island or Heixiazhi opposite Khabarovsk.

presumed to be at least in part a result of Soviet policy, if not by direct pressure then indirectly signaled through Sino–Soviet discussions of the Indochina situation in mid-1988.

Cumulatively, these actions removed the celebrated “three obstacles” to normalization reiterated by Beijing over the past decade, thereby permitting the Sino–Soviet summit in May 1989. It would be wrong to explain them solely as a function of that relationship. Just as the removal of SS-20 missiles from Asia came as part of the Soviet–American intermediate nuclear forces (INF) agreement, so too do most, if not all, of these compromises emerge in a wider context, including Soviet domestic priorities. Nevertheless, for Asian audiences they provide more than a token of credibility in Gorbachev’s avowed “new thinking.”

Less dramatic changes have marked the Soviet posture toward Japan without, however, any policy change to date.⁹ In addition to improved contact through a competent specialist on Japan as ambassador, Moscow has expressed a willingness to add the disputed southern Kuriles or “northern islands” to the agenda for discourse. Hints of compromise on the long-standing issue have been dropped by Soviet specialists albeit without committing the Kremlin to any particular formula.¹⁰ Meanwhile the decentralization of economic controls to facilitate local decisions in the Soviet Far East, the granting of liberal terms to joint ventures in the region, and discussion of special economic zones on the Pacific littoral all combine to offer Japanese trade and investment a more promising administrative environment than previously existed.

Wholly separate from Soviet moves, other developments prompt calls for change in U.S. policy. Rising nationalism in South Korea, carried to an extreme by radical student anti-Americanism, challenges the status quo of joint military command.¹¹ Trade disputes further exacerbate relations, with American nationalism threatening backlash effects on troop commitments.¹² Seoul’s growing trade with Beijing and Moscow together with the path-breaking establishment of diplomatic relations with Budapest undermine the professed anti-Communist basis of the alliance as does Soviet–American détente. This in turn strengthens the small but growing student view that sees American troops as obstructing Korean unity rather than deterring an attack from the North.

⁹ Peggy L. Falkenheim, “Evolving Regional Ties in Northeast Asia: Japan, the U.S. and the USSR,” *Asian Survey* 28:12 (December 1988): 1229–44; Susan L. Clark, “Japan’s Role in Gorbachev’s Agenda,” *Pacific Review* 1:3 (1988): 276–89.

¹⁰ I heard “possible demilitarization of two islands” raised by a Soviet specialist during an informal exchange in Moscow, May 1986; similar references are reported in other Japanese and American conversations from time to time.

¹¹ *Korea at the Crossroads: Implications for American Policy* (New York: Council on Foreign Relations, The Asia Society, 1987); *South Korea and the United States* (Racine: Wingspread, 1988).

¹² Edward A. Olsen, “Security Implications of Economic and Political Nationalism in the United States and South Korea,” *Journal of Northeast Asian Studies* 7:4 (Winter 1988): 40–51.

Finally, advocates of a revised American role in Northeast Asia point to balance of trade having superseded balance of power as the central concern of countries as dissimilar as China and the United States. Moscow's desire to enter the Pacific Economic Cooperation Commission (PECC), China's application to join the General Agreement on Tariffs and Trade (GATT), and Tokyo's expansion of economic aid in hope of offsetting criticism of its economic hegemony—especially in Southeast Asia—all purportedly testify to “a new era” replacing the Cold War.

These brief summaries suffice to demonstrate that a good case can be made for either continuity or change. The burden of proof, however, rests with the latter because the past and present role of the United States in Northeast Asia is too enmeshed with allied and parallel interests to be altered unilaterally. Careful consultation and in some cases prolonged negotiation will be necessary for change to be made in a responsible manner respectful of other national interests. Moreover, the most substantive Soviet moves did not come until 1988–89, four years after the Vladivostok speech. Given this perspective, we shall first examine Asian reactions to assess the impact of Soviet policy to date. Then we will hypothesize the consequences for an unchanged American role should Moscow's professed and presumed goals be realized in the near future. More specifically, we will project the likely changes in the balance of influence as well as the balance of power in Northeast Asia, assuming that in at least the near future the Soviet–American competition there remains zero-sum with one side's gain being the other side's loss. This procedure can provide a better basis for choosing between continuity and change. Finally, we will consider what merit may lie in changing the U.S. role independent of Soviet policy, within the separate shift of emphasis from military to economic matters.

Vladivostok Plus Four

In a dramatic display of *glasnost*, Soviet specialists on Asian affairs held a roundtable discussion in 1988 on why the Vladivostok proposals had enjoyed so little success.¹³ While Foreign Ministry spokesmen advanced a more positive position, academic institute analysts spoke frankly of disappointing Asian responses or the total lack thereof. Mikhail Nosov from the Institute of the USA and Canada lamented, “I wonder why the realization of Soviet proposals regarding the APR isn't making adequate progress. . . . We know well what has to be done but we apparently don't know quite well how it should be done.” Professor Henry Trofimenko from the same institute joined with Professor Alexander Chicherov from the Institute of Oriental Studies in blaming the failure to recognize that basic differences between Europe and Asia precluded simply transferring concepts from one region to the other. Harsh criticism of past policy toward Japan came from Chicherov's colleague at the institute,

¹³ “The Vladivostok Initiatives: Two Years On,” *International Affairs*, August 1988, pp. 144–56.

Constantine Sarkisov. Calling for “a revision of our stereotypes regarding Japan,” he said, “We have missed the moment when the Japanese moved into second place in the world, having outpaced us in economic potential. Our attitude to the Japanese–U.S. military-political alliance is essentially obsolete . . . morally outdated. It is out of keeping with today’s political realities.”

Turning to economic problems, Valery Zaitsev from the Institute of World Economics and International Relations declared, “The state of Soviet–Japanese economic relations is disquieting. They have been in crisis ever since the second half of the seventies. Negative trends are on the rise.” His fellow discussants unanimously criticized Moscow’s failure to take the necessary steps to upgrade the infrastructure in the Siberian Far East and to radically revise its economic base for participation in the burgeoning Pacific Basin trade. As one participant put it, “The more we put off decision, the harder it will be to make up for lost time, because developing dynamically next door are Japan and China.”

The most significant achievement of the Vladivostok speech and its implementation manifested itself two years later in the first Sino–Soviet summit since the dissonant Krushchev–Mao meeting of October 1959. During the decades following that meeting dissonance deteriorated into border clashes as polemics escalated into mutual accusations of threatened aggression. By 1979 Deng Xiaoping was able to preempt a Carter–Brezhnev summit by visiting Washington and calling for a united front of the North Atlantic Treaty Organization (NATO), Japan, the United States, and China “against the polar bear.”

In light of this dismal record, summitry in Beijing is no mean achievement. Yet as we have already noted, the Soviet concessions on China’s three demands for “normalization of relations” cannot be attributed exclusively to Moscow’s Asian policy. Nor does Gorbachev alone deserve credit for altering the Soviet stance toward China, the initial turn in that direction having begun under Leonid Brezhnev in 1981–82.¹⁴ By December 1984 the warm embrace that Chen Yun gave to Deputy Foreign Minister Ivan Arkhipov, head of the Soviet assistance program in the 1950s, signaled to audiences in China and abroad that détente was well under way. But not until Moscow proved willing to discuss Hanoi’s occupation of Cambodia and win agreement to the Vietnamese withdrawal was Beijing willing to host Gorbachev.

In short, by giving in to China, in 1989 the Soviet Union was finally able to catch up with the United States as of 1972, when the first American president arrived in the People’s Republic. But as President Bush’s preemptive visit to Beijing demonstrated, Gorbachev’s reception in the Great Hall of the People in itself did not reduce the American role in China’s economic modernization. To

¹⁴ Chi Su, “Sino-Soviet Relations of the 1980s: From Confrontation to Conciliation,” in Samuel S. Kim, ed., *China and the World*, 2d ed. (Boulder, Colo: Westview, 1989), pp. 109–28, traces overall development.

whatever extent that role lessens in the near future will be the result of American reaction to the brutal suppression of the student democracy movement.

This applies in particular to the military aspects of China's relations with the two superpowers. An American naval visit to Shanghai immediately after Gorbachev's departure signaled continuity in an area of relations still beyond Soviet reach. True, protesting the use of force in Tiananmen Square, President Bush suspended implementation of various agreements to upgrade Chinese fighter capability with an avionics package, the transfer of antisubmarine warfare technology for Chinese destroyers, and the improvement of Chinese radar capability. These would serve to strengthen the American role in modernizing the People's Liberation Army.¹⁵ Presumably, the agreements will be reactivated once stability returns to China and the political issue fades in Washington. In addition, joint intelligence cooperation, including the monitoring of Soviet missile activity from American-supplied facilities in Xinjiang, quietly ensures Washington's place in Beijing's perception of its strategic priorities.

It is too soon to say what impact Sino-American tensions will have on Chinese assessments of superpower relations. During 1988-89 the strategic triangle faded from prominence in Chinese analyses of international relations. Its prior prominence was replaced by economic power blocs defined on the basis of gross national product (GNP) and foreign trade instead of intercontinental ballistic missiles (ICBMs) and second-strike capability. In this Chinese perspective the European Community (EC), North America, and Japan plus the "four little tigers" (Hong Kong, Singapore, Taiwan, and South Korea) constitute the fulcrum points of present and prospective world politics. By comparison, the Soviet Union and its socialist bloc partners barely rate inclusion.

Thus the late Huan Xiang, the foremost public exponent of foreign policy analysis and director of the Centre of International Studies of the State Council, remarked, "In a certain sense one can really say that the arms race and military security are being replaced by economic competition and economic security as the most important matters."¹⁶ He forecast that "thanks to the relaxation in U.S.-Soviet relations, the world is going to experience relative relaxation for ten to fifteen years."

This transfer of emphasis from military to economic matters shades Moscow's importance for Beijing in favor of Japan, the United States, and the EC, all of whom greatly surpass the Soviet Union's share of Chinese foreign

¹⁵ Steven I. Levine, "Sino-American Relations: Renormalization and Beyond," in Kim, *China and the World*, pp. 89-108.

¹⁶ Huan Xiang, "Approach Correctly the New Changes in the International Situation," foreword to *Basic Political and Economic Problems in the Contemporary World*, in *Renmin ribao*, January 5, 1989, in Foreign Broadcast Information Service, *Daily Report—China* (hereafter FBIS, *China*), January 10, 1989, pp. 2-4.

trade. Despite the impressive annual percentage increases in this Sino–Soviet exchange, it remains comparatively minuscule, being basically balanced through barter. In 1988, it comprised 2.4 percent of China’s total foreign trade as against nearly 20 percent for Japan and 12.7 percent for the United States.¹⁷ Qualitatively, it lacks the technological component available from the other sources despite the limitations imposed by the Coordinating Committee for Multilateral Export Controls (COCOM).

In the heat of Sino–American exchanges immediately after the Tiananmen massacre, Beijing boasted of being able to visit Moscow for loans while Washington pledged to seek “postponement” of World Bank consideration of loans to China. Neither posture had any immediate effect. Moscow’s public position remained unclear, and its private capacity to compete in lending is slight. Far from being “postponed,” in the 1989 fiscal year World Bank loans to China jumped 24 percent to reach \$2.12 billion, some contracts being concluded in late May.¹⁸ Given inflation and the pressure to reduce investment, Beijing is unlikely to seek much foreign financing in the near future. But when it does, Moscow will not be able or willing to meet the need in view of its own problems. Reciprocally from Gorbachev’s standpoint, China cannot meet the need of Far East Siberia for capital and technology, without which the staggering investment in the Baikal–Amur Mainline (BAM) cannot be justified, much less recovered.¹⁹

In this regard, Japan ranked high in Gorbachev’s verbal esteem at Vladivostok and may have held an equally high position in his hope for capital and trade to generate growth in the Soviet Far East. If so, there is little to show four years later. Tokyo has stood firm in its insistence that Soviet occupation of the southernmost Kurile Islands is illegal and that the Soviets must withdraw before a peace treaty can be signed. Implicit in this posture is the linkage of politics and economics, barring any encouragement for Japanese entrepreneurs to develop the natural gas and other resources that abound in adjacent Siberia.

But more than politics inhibits Japanese involvement in Siberian development. Fundamental Soviet economic obstacles and the lack of Japanese need combine to defeat Moscow’s proposals for large-scale, long-term projects in this inhospitable environment.²⁰ BAM is not yet fully operational, despite the celebrated 1984 joining of rails begun from its opposite ends. Little supporting

¹⁷ Lu Tzu-chien, “Observing Sino-Soviet Relations on the Eve of the Summit,” in *Hong Kong Kuang Chiao Ching*, April 16, 1989, pp. 12–16, in FBIS, *China*, April 21, 1989, pp. 6–10.

¹⁸ FBIS, *China*, May 31, 1989, p. 3; *Xinhua* (Beijing) in English, May 31, 1989.

¹⁹ Kimura, “Gorbachev’s Agenda,” summarizes evidence of Soviet dissatisfaction with BAM, pp. 222–23.

²⁰ Allen S. Whiting, *Siberian Development and East Asia: Threat or Promise?* (Stanford, Calif.: Stanford University Press, 1981).

infrastructure exists to overcome the problems of climate, housing, transportation, and foodstuffs.²¹ The high start-up costs of mineral extraction and processing compare unfavorably with alternative sources elsewhere. In addition, Japan's economy is moving from machine products to information processing, reducing the need not only for raw materials but also for energy. Meanwhile, the Soviet decentralization of administration requires more time and experience before local officials can cope with the sophisticated demands of Japanese entrepreneurs, whether in joint ventures or in more traditional modes of economic intercourse.²²

Again, even more than for China, the U.S. role in Japan so far outweighs that of the Soviet Union as to leave little room for comparison. Interdependence is an overused term for many international relationships but completely fits the military and economic ties that bind Tokyo and Washington. Each remains essential to the other's vital needs. Without access to 135 bases and facilities on Okinawa and the four main islands, American military power in Northeast Asia and the western Pacific would be severely constrained.²³ Without American defense commitments, Japanese military expenditures would impose a heavy burden on a budget that is already under pressure. Without the American market, Japanese industry would enjoy little growth. Without the Japanese purchase of U.S. government notes, the American debt could not be financed.

Inextricably woven into Japanese perceptions of an undesirable Soviet presence are recurring military intrusions into adjacent air and sea lanes.²⁴ Given the proximity of Vladivostok and the narrowness of straits through which ships and planes must pass to reach the western Pacific, such intrusions are difficult to avoid, especially since the Pacific Fleet comprises more than one-fourth the entire Soviet navy. In some instances, such as an overflight of Okinawa that was subsequently claimed to be pilot error, they appear to be deliberate. But the images quickly transmitted by television and newspaper have a negative impact on "smile diplomacy." Professor Dimitri Petrov from the Institute of the Far East put it succinctly: "We must proceed more vigorously in effacing the 'enemy image' which has taken fairly deep root in the thinking of the Japanese."²⁵

In sum, Moscow's hopes for better relations with Tokyo have yet to be realized because of the political impasse over the Kurile Islands and the

²¹ Leslie Dienes, *Soviet Asia: Economic Development and National Policy Choices* (Boulder, Colo.: Westview, 1987).

²² Falkenheim, "Evolving Regional Ties," pp. 1240-41.

²³ James R. Van de Velde, "Japan's Nuclear Umbrella: U.S. Extended Nuclear Deterrence for Japan," *Journal of Northeast Asian Studies* 7:4 (Winter 1988): 16-39.

²⁴ Masashi Nishihara, "Prospects for Japan's Defense Strength and International Security Role," in James Morley, ed., *Security Interdependence in the Asia-Pacific Region* (Lexington, Mass.: D.C. Heath, 1986), pp. 65-92.

²⁵ "Vladivostok Initiatives: Two Years On."

economic obstacles to Siberian development. Its chances of competing with Washington, much less displacing it, are even more remote, Japanese–American trade disputes notwithstanding.

So far as the Korean peninsula is concerned, developments there have shown modest improvement from Moscow’s vantage point but can hardly be credited solely to Soviet initiatives. Seoul’s interest in Siberian development has focused on possible labor contracts for timber extraction and investment opportunities.²⁶ This won attention in 1988. But far more active interaction with China resulted in an estimated US\$2.5 billion trade that year. In any event Moscow stands second to Beijing in priority.

This brief survey of Northeast Asian reactions to the Vladivostok address during the intervening four years does not present any compelling reason for changing the American role in the region because of Soviet initiatives. It leaves open, however, the possibility of further initiatives enjoying greater success, a possibility that might be prevented by a different U.S. policy. Setting aside the likelihood of such an eventuality for the moment, what “worst case” consequences might ensue if Washington were to persist in its present role?

Soviet Success: What if?

Sufficient speculation has centered on the context and consequence of the Sino–Soviet summit to permit a fairly confident assessment of the most that can be expected in its aftermath.²⁷ Such confidence might seem misplaced, given the failure of analysts to anticipate the split between Moscow and Beijing in the 1960s or the degree of rapprochement in the 1980s. However, part of this failure lay in the idiosyncratic role of individual leaders. Mao Zedong clearly forced the pace and extent of differences with Moscow beyond that which his colleagues, Liu Shaoqi and Zhou Enlai, would have advocated. For his part, Khrushchev reciprocated impulsively by withdrawing all Soviet advisers and aid, virtually burning the bridge to Beijing. Gorbachev’s personal contribution to rapprochement is less certain, but the major steps outlined above came after his ascendancy and seem to reflect his individual style as well as his substantive redefinition of policy priorities. Certainly, he went further faster to meet China’s three demands than did his predecessors.

We cannot totally exclude the prospect of unique leadership imprint on future Sino–Soviet relations. Deng Xiaoping is nearing his final day in politics, if not in life. Gorbachev’s political future remains in doubt. But the coalitions

²⁶ I was first queried about this possibility by foreign ministry officials in 1981. See also Roy Kim, “Gorbachev and the Korean Peninsula,” *Third World Quarterly*, July 1988, pp. 1267–99.

²⁷ For articles anticipating the impact of Sino–Soviet détente in Asia, see *Pacific Review* 1:3 (1988): 290–319. Subsequently, *Sino–Soviet Relations After the Summit*, prepared for the subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations, United States Senate, by the Congressional Research Service, Library of Congress, February 1990 (Washington, D.C.: Government Printing Office, 1990).

that each has brought into power to support his policies would indicate that future priorities and foreign policy options will be close to current ones.

In the area of national security, neither Moscow nor Beijing will place its military defense in the hands of the neighboring regime. The bitterness, bloodshed apart, of the decade 1969–79 is too recent in memory for either side to take that step in the next decade. This does not preclude Soviet sales of equipment, particularly transportation and communication, that might strengthen the PLA in logistics and infrastructure. But China's goal of the indigenous production of weapons and spare parts will minimize dependence on foreign suppliers to the maximum extent possible. Moreover, among the suppliers seen as necessary, the Soviet Union will rank last because of both technological and political unreliability.

Chinese reassurances to foreign visitors that summitry will not lead to alliance is more than political rhetoric. The record of betrayal in past alliances, both real and perceived, cautions against a future one. May 4, 1989, marked the seventieth anniversary of the celebrated May Fourth Movement of 1919, triggered by Beijing University students protesting the Paris Peace Conference where the World War I Allies awarded German concessions in China to Japan. In the World War II Yalta Conference the United States and Great Britain secretly awarded concessions in Mongolia and Manchuria to the Soviet Union, only informing Chiang Kai-shek later. The third alliance, this time with a socialist comrade, fared no better: Mao suspected Khrushchev of striking a deal with Eisenhower in 1959 over Taiwan and watched Moscow move from neutrality to support of New Delhi in the border dispute of 1959–62. In short, China's military tilt toward the West may ease off somewhat in the coming years, but it will not move all the way over toward the Soviet Union.

Sino–Soviet economic interaction, on the other hand, should continue to grow, although not at the rate of recent years.²⁸ In addition to the border regions increasing local trade, the refurbishing of plant equipment acquired in the 1950s will enlarge Moscow's role in modernization. The compatibility of replacement machinery and parts makes this a faster and cheaper approach than the wholesale substitution of European, Japanese, or American equipment. Quantitatively, however, Moscow will not rival these latter sources of technology imports and markets for industrial exports. Qualitatively, the Soviet Union will remain in a wholly uncompetitive position as it seeks its own modernization from the capitalist economies.

Even the maximum possible expansion of Sino–Soviet trade should not cause concern, because it presumably will further Washington's express goal of a "strong and stable China." Such trade will not require large loans or the

²⁸ For a concise summary, see FBIS, *China*, June 6, 1989, p. 7; Beijing CEI Database in English, June 5, 1989. For a balanced account of the problems as well as the prospects in border trade, see Wang Heijun and Yang Zaili, "A Thaw in Heilongjiang—a Roundup of Sino–Soviet Border Trade in Heilongjiang Province," *Renmin ribao*, June 1, 1989, p. 5, in *ibid.*, pp. 5–6.

expenditure of scarce foreign exchange, remaining primarily balanced and essentially barter. It will strengthen interior areas remote from the burgeoning coastal trade where special economic zones, experience, and access to sea routes threaten to produce a grossly imbalanced development. Such imbalanced development, in turn, raises the risk of regional dissatisfaction with Beijing's policies, adding possible political unrest to economic dislocation. Thus trade across the 4,500-mile frontier and through Mongolia will benefit China's development without jeopardizing its tilt toward the West, much less increasing its dependence on Moscow.

Last and least likely among the contingencies that might result from a fully operative Sino-Soviet entente would be cooperation in external activities directed against the United States or its friends and allies in Asia. Concern abroad understandably arose in the mid-1980s when Moscow suddenly increased its military assistance to Pyongyang with the supply of MIG-23s and SAM-3s, receiving in return access to North Korean ports and overflight reconnaissance.²⁹ Further transfers of Soviet equipment would strengthen the potential threat to South Korea.

However, several points are relevant in this regard. First, the transfer of fighter planes to the North occurred in the context of anticipated American shipments of F-16s to the South. Thus it furthered an arms race already under way. At present and for the near future, there appears to be a mutual Soviet-American interest in lowering tensions to reduce military expenditures and also to avoid conflict that involves the two powers. If so, some understanding on future deployments to the two Koreas can forestall a unilateral Soviet buildup of the North. Second, even should that buildup resume, there is ample opportunity to match it in the South as has been done to date. Moreover, the present buildup of forces in the South aims at parity, calculated without the American units and without a nuclear inventory, which the North must plan against. Yet standard military assumptions posit offensive operations as requiring overwhelming strength against a prepared defense in the absence of stunning surprise or uniquely destructive weaponry. Neither of these last two conditions is likely to obtain for the North. Thus for Pyongyang to attack Seoul, a far greater disparity is needed than will be available in the foreseeable future, even allowing for a deliberate Soviet arming of the North.

As a final point, so long as the American commitment remains credible by treaty, by the presence of American armed units in South Korea, and by the demonstration of response capability through joint maneuvers, the likelihood of Moscow encouraging Pyongyang to attack is virtually nil. In fact, so long as Moscow remains committed by treaty to defend the North, we can count on its refusing to support an attack. We cannot foresee the impact Kim Il Sung's

²⁹ James Cotton, "Sino-Soviet Relations and Korea," *Pacific Review* 1:3 (1988): 296-305.

demise will have on decision making in the North.³⁰ The Rangoon bombing of South Korean officials and the blowing up of the Korean air passenger plane caution against assumptions of reasonable, much less rational, behavior by the North. Kim Jong Il is virtually unknown outside the Communist world, although a Chinese expert who claims close acquaintance insists the designated son-successor is no cause for concern.³¹ But it is far more risky a venture to expose North Korea to another devastating defeat by American air, sea, and ground power than to launch terrorist teams against South Korean targets. On balance, prudence argues for strong defensive preparations in the South, but probability estimates reassure against “worst case” alarm over the North’s future course of action, especially as a function of Soviet policy. Even less likely is a joint Sino–Soviet effort in support of an attempted forcible takeover by the North. Beijing’s willingness to commit itself to armed action on the peninsula in this context lacks all plausibility.

Another area of remote but not inconceivable Soviet success concerns Japan. Should Gorbachev manage to make as dramatic a reversal of extant military interests here as he has elsewhere, he might be able to arrive at some compromise on the southern Kurile Islands that would meet Japanese political demands and satisfy Soviet security considerations. Under these circumstances a peace treaty would finally emerge. Assuming that Siberian development problems eased appreciably and that global prices and sources of raw materials made investment there attractive, a modest level of interdependence might develop between the two economies. This radical transformation of a minimal relationship that has obtained for more than three decades would realize one of Moscow’s furthest hopes.

Were all these conditions to obtain, what consequences might follow with respect to Japan’s military and political orientation? Two extreme alternatives are conceivable. A nationalistic surge for total independence from the United States whereby Tokyo took full responsibility for its own defense could launch a major remilitarization program that, within a few years, would make Japan a major military power in the Pacific Basin. At the opposite end of the spectrum, a neutralist surge for disengagement from the military power game could prompt Tokyo to terminate the treaty with Washington on the calculation that no genuine threat existed and economic hegemony was sufficient for national security. Minuscule movements advocating either of these extremes have existed in embryonic forms for some time, but neither alternative appears even remotely compatible with the social and political ethos that has prevailed over the past two decades. Given the glacial pace of political change in Japan, no such consequence would follow immediately upon conclusion of a peace treaty

³⁰ Tadashi Kuranari, “The Asian Situation and Japan’s Response: With an Emphasis on the Korean Peninsula,” *Journal of Northeast Asian Studies* 7:4 (Winter 1988): pp. 68–75. Korea received special attention from Mr. Kuranari when he was the Japanese foreign minister.

³¹ Personal interview.

between Moscow and Tokyo, thereby allowing for an adjustment of American policy in due course.

It is true that the 1950 Sino–Soviet treaty of alliance explicitly named Japan as the threat against which it was committed and that even when the treaty was no longer functioning the two Communist capitals separately inveighed against a revival of Japanese militarism. However, this revival, should it occur in accelerated form, is not a likely basis for united action in the future. Beijing’s acceptance of a power balance in East Asia rests on a viable Japanese–American alliance which requires some contribution on Tokyo’s part beyond the mere provision of bases. Chinese analysts are ambivalent on how much this contribution should be without becoming an independent threat in its own regard but basically agree on the level of forces extant in 1988–89 as not worrisome. Soviet polemics against an alleged Beijing–Tokyo–Washington military entente faded with the prospects of Sino–Soviet détente, targeting instead an alleged Seoul–Tokyo–Washington alliance. But this alleged concern will not be shared by Beijing and in itself is insufficient to cause any untoward Soviet action.

Thus neither alone nor in collusion with Beijing does Moscow pose any plausible threat to America’s allies in Northeast Asia under scenarios that grant the most favorable results to the present “smile diplomacy.” Neither an assessment of what has transpired to date since the 1986 Vladivostok speech nor projecting “worst case” future consequences of greater Soviet success presents a compelling case for change in the U.S. role in the region.

Any Advantage in Change?

While change may not be necessary, it may, nevertheless, offer advantages over the status quo taken on its own terms without reference to Soviet policy. Initiatives invite attack from defenders of existing policy as disruptive and problematic. They also require careful implementation, the hazards of which cannot always be anticipated in advance, least of all by outside academics. Therefore, proposals for change deserve far more study and elaboration than is possible here. Mindful of these caveats, the following suggestions are offered for consideration and criticism.

Mediation is both difficult and sometimes dangerous yet sometimes is well worth the effort. Washington successfully brought Seoul and Tokyo into normalized relations during the 1960s. It might well move in this direction again, addressing the territorial differences in adjacent waters that might be resolved with American assistance.³² Such an approach might not only remove

³² For detailed examination of this very complicated issue see Choon-ho Park, *East Asia and the Law of the Sea*, 2d ed. (Seoul: Seoul National University Press, 1985), chaps. 1, 5, and 10; also Ying-jeou Ma, *Legal Problems of Seabed Boundary Delimitation in the East China Sea* (Baltimore, Md.: Occasional Papers/Reprints Series in Contemporary Asian Studies, 1984), chaps. 1 and 2.

a minor yet nettlesome problem in Korean–Japanese relations but also test the possibility of a larger forum on conflicting claims to off-shore underwater resources involving China as well.³³

At first glance such a proposal might qualify for our opening remark, “If it ain’t broke, don’t fix it.” Overlapping claims in the Yellow and East China seas, as well as the South China Sea, are relatively dormant except for intermittent Sino–Vietnamese clashes over the Spratley Islands.³⁴ China and Japan have shelved their dispute over the Senkaku Islands or Diaoyutai as they are known in both Beijing and Taipei. Even during the peak of acrimonious exchanges in 1987 the issue never arose.³⁵ All these conflicting claims are likely to remain dormant so long as no major oil discoveries prompt them to be asserted by force. Once such discoveries occur, however, it will be too late to attempt mediation. In the meantime, this calm permits consideration of mediation before a change in context makes it impossible. To reword the cliché, oil may create troubled waters.

Leaving these issues to be settled bilaterally invites their exploitation by genuinely assertive nationalists or by opportunistic domestic opposition movements. In either case international tensions will rise as the public articulation of positions complicate, if they do not prevent, compromise. An interesting example of the resulting impasse arose in 1978 during Deng Xiaoping’s triumphal tour of Japan to celebrate the Sino–Japanese Treaty of Peace and Friendship. Only a few months before more than one hundred Chinese fishing boats had circled the Senkaku Islands with signs proclaiming them to belong to China, a demonstration that received widespread media publicity in Japan. Asked at a press conference about the islands, Deng refused to discuss the issue, saying that perhaps the next generation could handle it better; he was unwilling or unable to give on the issue, despite the salubrious state of Sino–Japanese relations.

Whatever Deng’s motivation, his words apply to the present leadership in China, if not in Japan. At the moment and for at least the next year, Washington’s relations with Beijing preclude any exploration of this problem. The cumulative anger over American positions on Tibet, human rights, and the use of force in Tiananmen Square will take time to reduce. For its part, Tokyo feels caught between domestic and American pressure on trade and cannot confront another issue demanding compromise. Washington–Seoul relations are somewhat better but not so good as to invite mediation on a nationalistic

³³ For China and the East China sea disputes, see Park, *Law of the Sea*, chaps. 9 and 10; Ma, *Legal Problems*, chaps. 3–6.

³⁴ For the South China Sea, see Marwyn S. Samuels, *Contest for the South China Sea* (New Brunswick, N.J.: Transaction Books, 1980); also Park, *Law of the Sea*, chaps. 7–10.

³⁵ Allen S. Whiting, *China Eyes Japan* (Berkeley and Los Angeles: University of California Press, 1989).

issue involving Japan. In sum, none of the contending parties invite American interference in their off-shore disputes.

On the other hand, the complex legal and political questions involved in all of these disputes require extremely detailed study before the United States (or any other country) tackles the role of mediator. Only after such a study can a decision be made as to the relative merits of the contending claims and formulas devised that may win mutual acceptance. During this time one or another problem currently burdening relations may fade. Alternatively, the need for off-shore oil, the exploration and exploitation of which is largely dependent on American firms and technology, may make contenders more amenable to mediation.

Ideally, of course, a Pacific Basin forum that could address all the outstanding off-shore controversies, including the South China Sea, would work out a multilateral approach that could ensure the peaceful exploration of underwater resources to the mutual gain of the competing claimants. There is ample precedent elsewhere to draw upon. But in addition to the lack of leadership, such an effort requires greater evidence of likely compromise than exists now, most notably between Vietnam and China. No such obstacle exists in Northeast Asia, however.

Just as economics have replaced military factors as a prime point of concern, so too within economics the problem of energy has become critical. Although the great expectations entertained for off-shore oil in the late 1970s have not been realized, they could become reality in the future. Sustained and systematic exploration in the East China Sea has been inhibited by existing controversies whose resolution might open the door to discoveries otherwise indefinitely deferred. China's occasional display of force in the area underscores official admonitions from Washington cautioning American firms to avoid disputed areas. Thus some form of international agreement is necessary to free exploration of the area. Otherwise some enterprising company may move on its own and, should it be successful, raise the stakes for ownership beyond compromise.

The political climate is seldom "right" for compromising national claims of territorial sovereignty, particularly when strategic or material interests are involved. Obviously the climate is least propitious when leadership succession is under way or recently achieved. This argues against any expectation of success with China until the post-Deng situation has stabilized. In the meantime, however, an initial effort at resolving Korean-Japanese differences could set an example and develop formulas that might be applied more broadly.

American experience and equipment offer advantages that can be shared in return for cooperative compromise. A common interest in lessening dependency on Middle East sources unites all three countries in this first experiment at mediation. The gradual depletion of reserves elsewhere will eventually place a premium on new discoveries. China's energy needs will compound if

modernization proceeds, and its vast reserves of coal pose nearly unsurmountable problems of pollution. These considerations can make ocean resources a focal point of economic and political conflict if their exploitation is not agreed upon in advance.

An American State Department official addressed this question more generally:

It is often assumed that the Soviet threat is the glue preserving U.S. leadership and influence in East Asia. But leadership status and transitory influence are no longer the issues. Economic cooperation is the issue. A continuing decline in the Soviet threat in Asia enhances, does not diminish, U.S. leverage. Traditional tensions and rivalries between East Asian states will surface. American mediation may be more highly valued in twenty years than it ever was in days of Cold War crisis.³⁶

Compared with so signal an alteration of role, other proposals pale by comparison but nonetheless deserve attention. President Carter's proposed unilateral withdrawal of American forces from South Korea proved so disastrous in 1977 that he was forced to postpone it in 1979, and President Reagan renounced it in 1981. Some modification of the American presence there without, however, eliminating the basic American role and responsibility remains a possibility. Indeed, Senator Carl Levin, subcommittee chairman of the U.S. Senate Armed Services Committee, has already proposed a phased reduction of U.S. troops there to take place over five years, leaving behind air and intelligence units together with a brigade to protect positioned equipment.³⁷

The pace and nature of force reduction must, of course, be carefully discussed in advance with South Korean officials. Consultation in Japan would also be required, albeit to a much lesser degree, together with advance explanations in Beijing and Moscow.

Whether such reduction would reduce anti-American agitation or not, its justification should rest on the greatly improved South Korean self-defense capability acquired in the past decade and bolstered by the remaining American units, particularly air. Annual exercises would continue to demonstrate the quick response capability of all American forces in the region. Reaffirmation of the treaty commitment would underscore Washington's resolve. Under these circumstances, the size of the American military presence is less important as a deterrent than is the credibility of an overwhelming military response to North Korean aggression.

³⁶ Vlahos, *East Asian Balance*.

³⁷ A thoughtful South Korean response is "Proposal for Reduction of the U.S. Forces in Korea," *Chosun Ilbo* editorial, June 4, 1989, p. 2, in FBIS, *Daily Report—East Asia*, June 5, 1989.

The U.S. role in East Asia can be incrementally changed by the sheer force of circumstances beyond Washington's control. It also can be changed by domestic policies adopted in the United States without regard for the consequences abroad. Budget cuts that impact on military capabilities carry this threat. Finally, unilateral action by independent governments can change the American role. The Iranian revolution that ousted the shah dramatically proved this point.

But to the extent that change can be planned with care and implemented with caution, it addresses the perpetual truth of nothing being permanent in life, including international relations. Despite this observation being a truism, its rejection by bureaucracies content with continuity often blocks preventive diplomacy and delays decisions until forced by crisis. Decision making in a crisis can be correct but costly, compared with advanced measures that prevent the crisis from arising. In this regard, the U.S. role in East Asia "ain't broke," but perhaps it can be changed for the better.

5. Coexistence, Revolution, and the Dialogue for Unification

CHONG-SIK LEE

The kaleidoscopic turn of events on the Korean peninsula between 1988 and 1989 again demonstrated the complexity of the relationship between North and South Korea. President and General Secretary Kim Il Sung of North Korea made a historic statement on January 1, 1988, that North and South Korea must *recognize each other's existence*. He elaborated the idea further on September 8 when he said, "In order to realize unification . . . we must *follow the principle of coexistence* and adopt the method of leaving the two systems as they are and uniting them [under a confederation], neither side swallowing nor overwhelming the other"¹ (emphasis added).

These were revolutionary statements for Kim Il Sung for, since the end of the Korean War in 1953, he had steadfastly denounced the application of the principle of peaceful coexistence on the Korean peninsula. He stated in November 1954 that

the idea that Korea could be separated into Northern and Southern parts and that the parts should coexist is very dangerous; it is a view obstructing our efforts for unification. Those holding this view would relegate the responsibility of revolution in South Korea to the South Korean people and relieve the people in North Korea of the responsibility of liberating South Korea. This is nothing more than a justification of the division of the Fatherland and for perpetuation of the division.²

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¹ *T'ong-il Shinbo* [Unification News] (Pyongyang), September 17, 1988.

² "On Our Party's Policies for the Future Development of Agricultural Management," November 3, 1954, in *Kim Il-sŏng Son-jip* (Selected works of Kim Il Sung), vol. 4 (Pyongyang, 1960), p. 189.

It had taken the president thirty-four years to alter his position, but he did in fact make the change.

President Roh Tae Woo of South Korea also took a giant step forward on July 7, 1988, when he announced his intention to accommodate North Korea as a part of the national community rather than as an adversary and said that South Korea would assist North Korea in its effort to improve relations with the United States and Japan. This was in stark contrast to South Korea's past insistence that North Korea should be kept isolated. On August 15 Roh expressed his wish to meet with the North Korean leader, saying that he was willing to go to Pyongyang or any other place North Korea designates to discuss all matters related to North-South relations. Again, on October 18 at the UN General Assembly, he called for direct talks on all matters, including an agreement on nonaggression, military reduction, and the means for turning the truce agreement into a "peace system."

These encouraging statements were accentuated in 1989 by dramatic developments that led the world to believe that North and South Korea were improving their relations. In January, for example, a *Choson Ilbo* (Korea Daily) reporter startled the South Korean citizenry by filing reports from Pyongyang. South Korean reporters had never before been permitted across the truce line unless they were accompanying official delegations. The most dramatic news, however, was Chung Chu-young's visit to North Korea in the same month. North Korea not only invited the head of the Hyundai conglomerate in the capitalist South but concluded an agreement with him for joint development of Kumgang Mountain's resort facilities. South Korea's Ministry of Industry and Commerce also announced on January 19 that joint venture projects were under negotiation. Many believed that peace and unification were at hand.

The "peace process," however, halted abruptly on February 8 when North Korea announced that the Team Spirit exercises held by South Korean and U.S. forces must be terminated before any progress could be made. If the euphoria of January began to diminish in February, it took a nose dive in March when the South Korean government reacted harshly against Reverend Mun (Moon) Ik-hwan's unauthorized visit to Pyongyang. Not only did the government decide to arrest and prosecute Mun for the violation of laws upon his return home, it began to reassess its policies toward the North. Since then, Pyongyang and Seoul have exchanged familiar denunciations against each other.

How do we explain the positive movements up to January 1989 and then the sudden chill in relations? What do these events portend for the future? The core of the problem remains the same as before in that two incompatible political systems confront each other across a truce line. They have not been able to reduce their level of hostilities, let alone reach a compromise. But a new dimension had been added in 1988 because of the sudden political change in South Korea. The replacement of the authoritarian regime under President

Chun Doo Hwan by a more pluralistic “Sixth Republic” under Roh Tae Woo made inter-Korean relations more complicated in both South and North Korea. The new situation presented both states with new opportunities and challenges. What we have seen between 1988 and 1989, in my opinion, is the beginning of the process of adjustment between a monolithic or unitary political system in the North and a new pluralistic system in the South.

The New Development in South Korea

What was new in South Korea was not only that the authoritarian structure of the previous years had been dismantled, but the presidential election of December 1987 ushered in President Roh Tae Woo, who won only a minority of votes cast. Moreover, in the National Assembly election that followed in April, Roh’s party won only 25.5 percent of the votes. It goes without saying that more voters were against his government than for it. Clearly the Roh regime had a weak political base and could emerge as the ruling force only because the opposition was hopelessly splintered. While the military could yet play a role in civilian politics, and their choice among the incumbent leaders (or those active in politics at the time) would clearly be the former general, Roh Tae Woo, politicization of the military would only have a negative impact on Roh’s political stature. Flagrant use of the Armed Forces Security Command (Po-an saryongbu) during the Chun regime had intensified public aversion to the military’s role in politics.

The situation was compounded by a widespread paralysis of authority that set in as a corollary to the dismantling of the authoritarian regime. The rapid economic development since the mid-1960s had wrought social and value changes that diminished traditional respect for authority. A series of broken promises by power holders and large-scale scandals involving President Chun’s family served to reduce respect for politicians. Even such institutions and groups as churches, the press, and the intellectuals were no longer held in high esteem because they had been mobilized by the military in power.

The situation was aggravated by the intensifying revisionist intellectual movements that have gained in popularity among university students since the mid-1980s. Many students challenged the established versions of Korean history including that of the founding of the North and South Korean regimes, North–South relations, and U.S.–South Korean relations. A minority, indeed, came to accept the North Korean version of history, which argues that the Democratic People’s Republic in the North is the only legitimate government representing the entire Korean people and that it was American imperialism and its creature, the South Korean regime (the Republic of Korea), that prevented unification. When a paralysis of authority set in and the integrity of every element in the society that had even the remotest connection with the established order in South Korea came under suspicion, the discourse among the students came to be one-sided. Even those not accepting the revisionist

arguments remained confused and suspicious. It was this atmosphere of skepticism and doubt that garnered support for the call for people-to-people talks with North Korea. Those who rejected the integrity and legitimacy of the Roh regime could not entrust the unification talks to the government.

Thus the Roh regime began with adversities created by socioeconomic and political developments that preceded the emergence of the regime. Roh's close personal and political ties with his predecessor, Chun Doo Hwan, also did not help. There were public clamors for the punishment of Chun and those responsible for the bloodbath at Kwangju in May 1980, but Roh was unwilling or unable to vigorously prosecute the matter. Given his weak political base, President Roh faced the problem of building a societal and political consensus within South Korea, particularly on the explosive unification issue. Yet political rivalries made it difficult for a consensus to emerge. Furthermore, no dialogue was possible with the *chaeya seryok* (the forces out in the field) who rejected the integrity of the established order.

Roh's July 7 Initiative

President Roh's July 7, 1988, statement alluded to above was in response to the situation. It was, in part, an attempt to induce North Korea to moderate its ideological stance and open its doors wider to the Western world. Roh also needed to take a more positive step toward the North because of the impending Olympics. There were genuine fears that North Korea would disrupt the Olympic Games by terrorist activities and a belief that substantive progress in North-South Korean relations would have a sanguine effect on an event of epochal significance for South Korea. There was also no doubt that President Roh would reap a significant gain in South Korean politics if North Korea responded favorably to his initiative. It would not only strengthen his position vis-à-vis other politicians but would also muffle the ideologically motivated radical elements clamoring for the downfall of his regime.

North Korea had been suffering from major internal and external problems, and many had argued that it should be offered opportunities to open its door. Pyongyang's inability to repay its international debts incurred during the early 1970s caused a major embarrassment and left North Korea's economy and trade in the doldrums. The steady increase in trade and other forms of contact between South Korea and North Korea's traditional allies, China and the Soviet Union, accentuated the declining position of North Korea in the international arena. Hungary's rapprochement with South Korea, leading to the establishment of diplomatic ties in September 1988, only aggravated the situation.

South Korea, in the meantime, had attained a phenomenally high rate of growth since the 1970s, leaving the North far behind. Seoul, the South Korean capital, was also preparing to host the international Olympics in September, which was to bring athletes from all over the world including most of the Communist nations. Given the contrast, many had argued that it would be

foolhardy to push the adversary into a corner. It would be beneficial for both North and South Korea if South Korea took the initiative. Improved ties between North and South would not only reduce tension on the Korean peninsula but would make it easier for North Korea to normalize its relations with South Korea's allies, Japan and the United States, and that would have a positive effect on North Korea's economy.

North Korea's Reaction

The situation in South Korea and Roh's statement presented North Korea with a clear choice. It could expand on the principle of coexistence that President Kim had enunciated and use the weaknesses in the Roh regime to negotiate for favorable terms, or it could continue to promote the revolutionary cause it had been advancing. The first alternative would have improved North Korea's image in Japan and the Western countries and materially helped its economy but, at the same time, would have bolstered the Roh regime and demoralized the "revolutionary elements" in the South.

Given President Kim Il Sung's commitment to revolution, it was not surprising that North Korea chose the second road, at least for the time being. Kim's dedication to revolution needs no elaboration here. A glance at the constitution of the Democratic People's Republic of Korea (DPRK) will convince anyone in doubt that revolution according to the principle of *chuch'e* (self-reliance) is the president's unflinching goal.³ His perception of the developments in South Korea and his attitude toward the new leadership there were derived from his revolutionary outlook.

President Kim clearly articulated his attitude toward the Roh regime in a series of speeches. On January 1, 1988, he said that "even if a new government comes in, fascist military dictatorship will continue, and we cannot have any hope."⁴ On September 8 of the same year he said, "Today, the South Korean authorities, under American imperialist protection, put on the mask of democracy and have been cunningly maneuvering to deceive the people. But by suppressing through bloodshed, the just struggle of the young people and the students, they have exposed their fascist identity."⁵ The remedy for the situation was obvious. He said, "The South Korean people must smash the enemies' suppression and scheming maneuvers, unite solidly into one, and forcefully carry out the struggle, thereby bringing to an end the American

³ Article 3 of the constitution says that "the Democratic People's Republic of Korea is a revolutionary state, which had inherited the brilliant traditions formed during the glorious revolutionary struggle against the imperialist aggressors and is for the liberation of the homeland and for the freedom and well-being of the people." Article 4 says "the DPRK is guided in its activity by the *chuch'e* idea of the Workers' Party of Korea, a creative application of Marxism-Leninism to the conditions of our country."

⁴ *Shinnyonsa* (New Year address), January 1, 1988.

⁵ *T'ong-il Shinbo*, September 17, 1988.

imperialists' colonial rule in South Korea and fulfilling their glorious duty to expedite the unification of the fatherland.'⁶ This is a language familiar to all who have followed President Kim Il Sung's utterances for four decades. The sentence also sums up much of his revolutionary aim.

The president's attitude toward the Roh regime has not changed in 1989. On July 1, on the occasion of the opening ceremony of the 13th World Youth Festival, he said,

It is a truism that the old forces will become more cunning and vicious as they approach their doom. This is a historical lesson that the people must never forget. Today, the reactionary forces against history continue their aggression and interference hiding behind the mask of [peace] and [cooperation] while being ready to throw away their masks and take the road of naked aggression and interference as soon as opportunity arises. . . . The youth and students of our generation who are strong in the sense of justice and looking toward a new world must never ignore today's grave reality. The youth and students must become the fighters in the struggle against reactionaries and become the forerunners of the age in the holy task of building the new world.⁷

It was only natural, therefore, for North Korea to scoff at President Roh's July 7, 1988, statement. North Korea's Committee for Peaceful Unification of the Fatherland issued a statement on July 11, saying that it was nothing but the continuation of the old formula for "two Koreas." The statement further claimed that Roh obviously could not accept a peace treaty between the DPRK and the United States, nor could he accept the proposal for a declaration of nonaggression, nor could he remove the national principle for anticommunism (*pan-kong kukshi*). "How could the unification of the country be discussed," the committee asked, "while leaving the U.S. forces in Korea, which has the commanding authority on military forces (*kunsa t'ongsukwon*) and all other powers?" The North Korean view was that the declaration started with "stages" for "splitist two Koreas," and ended with "cross-recognition." There was nothing new—therefore, it was not worth considering.⁸

President Kim Il Sung indicated on September 8, 1988, that he was willing to meet with President Roh as the latter had proposed on August 15, but only if Roh was willing to "establish the confederation government or the Peaceful Unification Committee that is aimed at the establishment of the confederation." However, Kim had grave doubts as to whether President Roh had the power to make such an agreement or establish the conditions necessary for the

⁶ Ibid.

⁷ Ibid., July 3, 1989.

⁸ Choguk P'yonghwa T'ong-il Wiwonhoe Sogiguk T'ongbo [Bulletin of the Secretariat, Fatherland Peaceful Unification Committee], no. 66, August 1988, pp. 1-7.

unification because Roh was nothing more than an American lackey. According to the North Korean leader: "But if [he] does not have the power (*kwon nung*) to confer on and resolve these fundamental problems on his own and wishes to discuss ways to perpetually divide the nation into 'two Koreas,' there is no need for anyone to come to see us."⁹

Given this perception, it was impossible for President Kim to negotiate with the Roh regime. Even if that regime was not fascist, he could not deal with it alone because it did not have the people's support. He stated on the occasion of the visit of General Secretary Milos Jakes of the Czechoslovakian Communist Party on May 27, 1988, that "the problem of unification, which concerns the fate of the entire nation (*minjok*), cannot be resolved satisfactorily if it is negotiated by certain political parties or the authorities alone. What's more, it would be an act of ignoring the will of the South Korean people if [we] negotiated the unification problem with the South Korean authorities who are not supported by the people."¹⁰

President Kim Il Sung evidently feels that time is on his side with respect to the revolution in South Korea. He stated on January 1, 1989, that the struggle in South Korea for the unification of the fatherland is now changing into that of the majority; it is expanding into a mass movement encompassing various classes and sectors (*kakke kakch'ung*); and it is moving from the stage of discussion or debate into actual struggle.¹¹ It was only natural for North Korea to encourage and promote revolutionary movement in the South and reject the current leadership as a negotiating partner. The North Korean leader was resigned to coexistence with the South but was not ready to renounce revolutionary goals, particularly when the "revolutionary" forces appeared to be in the ascendance in the South. The visit by South Korean National Assemblyman Suh Kyong-won in August 1988 could not help but reinforce the president's optimism.

The events that triggered euphoria in South Korea and elsewhere in January 1989 were compatible with President Kim Il Sung's perception and aims in that South Korean reporters' presence in North Korea could only enhance the image that North Korea was ready to open its doors to the South Korean people. By inviting Chung Chu-young, North Korea also demonstrated its willingness to work with all South Korean elements not hostile to North Korea, even if they were chieftains of South Korean capitalism. North Korea would obtain economic gains but suffer no political loss if the South Koreans were willing to engage in joint venture activities under the existing political framework. North Korea would not even reject the government under President Roh as long as it was recognized and admitted that the government did not represent the entire people.

⁹ *T'ong-il Shinbo*, September 17, 1988.

¹⁰ *Ibid.*, June 4, 1988.

¹¹ *Shinnyonsa* (New Year's address), January 1, 1989, pp. 8-9.

It was for these reasons that President Kim Il Sung proposed the Joint Conference of political parties, social organizations, and leading personalities of North and South Korea in 1988 and the North–South Political Consultative Conference (Nambuk chongch’i hyopsang hoe-i) in 1989. He wanted to talk to the representatives of all the South Korean people. In proposing the conference in 1989, Kim invited three South Korean notables—Cardinal Kim Su-hwan, Reverend Mun Ik-hwan, and former presidential candidate Paek Ki-wan—along with the heads of four political parties in South Korea. President Roh Tae Woo, it should be noted, was invited in his capacity as the head of his political party. This was a position the Roh regime could not accept because it denied the legitimacy of the government installed under South Korea’s constitution. This was also why the Roh regime reacted harshly against Reverend Mun, who chose to visit North Korea in response to President Kim’s invitation.

Tasks for the Future

The events between 1988 and 1989 helped to identify some of the old as well as new problems for a North–South Korean dialogue. It may be useful here to recapitulate some of them. The unauthorized North Korean visits of National Assemblyman Suh and Reverend Mun epitomized the problems a pluralistic South Korea will face in negotiating with a hostile and monolithic North Korea. The situation is a new one for South Korea. In the past, authoritarian rulers in South Korea had left no doubt that North Korea was the unmitigated enemy and that no one in South Korea would be allowed to establish any form of contact with individuals from the North. The language of the National Security Law was clear—it was against the law for South Korean citizens to contact North Korean personnel.

The dismantling of the authoritarian regime, the sudden change in the international climate, and President Roh’s declaration of intent to accommodate North Korea as a part of the “national community” created an ambivalent attitude among the South Korean population vis-à-vis North Korea. Some elements in the society also raised doubts as to whether the government should serve as the sole channel in negotiation with the northern regime, particularly in view of its weak political base.

It should be noted here that South Korea may continue to be governed by a minority-supported regime for some time to come unless a major change occurs in its political configuration. This will be the case even if political parties other than President Roh’s Democratic Justice Party ascend to power. This is why both North and South Korean leaders must give serious consideration to the problems inherent in a pluralistic system in South Korea.

For South Korea, the first need is to stabilize the pluralistic system. It then needs to build a consensus with respect to North–South Korean relations. The unification issue should be totally removed from partisan politics, and minimally, those parties that support the present constitutional framework should

establish a mechanism that coalesces national opinion on a regular basis so that the views expressed by the government can be seen as representing the wishes of the majority. These are difficult but essential tasks if substantial progress is to be made toward unification.

As for North Korea, there is a need to clarify the meaning of coexistence that Kim Il Sung supports. The president had indicated on a number of occasions that the two systems on the Korean peninsula should be left as they were when the confederation was established, but he also urged the South Korean people to overthrow the existing system in South Korea. It is obvious, however, that revolution and coexistence are not compatible even if one assumes that the revolutionary movements with South Korea are self-engendered. The South Korean government could not be expected to engage in serious discourse as long as the other side is bent on destroying the negotiating partner.

The relationship between “coexistence” and “confederation” also needs to be reexamined. There can be many forms of coexistence other than confederation. It is encouraging, in this connection, that President Kim presented the Peaceful Unification Committee as a preliminary step toward confederation in his speech of September 8, 1988. Although the president did not elaborate on the idea, any proposal for an intermediary mechanism was certainly a move in the right direction because South Korea has been insisting on reviving the North–South Coordination Committee. There is obviously a possibility for compromise. But the chances of establishing such a committee are slim unless the constitutional structure and its operation in South Korea are left to the South Korean people themselves.

President Kim Il Sung in North Korea will also need to modify his attitude toward the South Korean leaders if the present stalemate is to be broken. As of January 1989, according to the president, what was involved was “not a confrontation of North and South regions or that of ideologies and systems [but rather] a confrontation between the direction (*roson*) for unification and that for splitting [the fatherland], between peace and war, and between patriotism and betrayal of the nation.”¹² No progress can be made as long as President Kim regards all those not inclined to follow his policy line as “splitists” and traitors intent on waging war.

Thus, much work lies ahead for both North and South Korea if the relationship is to improve and unification be brought about. But one should not minimize the importance of changes that have occurred during the past few years. These changes may not bring about unification immediately, but they were essential steps toward that goal. They give us more reasons to be optimistic.

¹² Ibid., p. 13.

6. Conflict Resolution in North–South Korea Relations: A Retrospect and Prospect

JOO-HONG NAM

For more than three decades since the end of the Korean War, Korea has been one of the most heavily armed operational theaters in the current strategic map of the world. Because of the volatile nature of the balance of force between the opposed Koreas (Republic of Korea [ROK; South Korea]; Democratic People’s Republic of Korea [DPRK]; North Korea), the threat of war and the danger of nuclear escalation have existed on the Korean scene for some time. Moreover, the inherent uncertainty of power calculations in the evolving nature of entangling alliances—U.S.–South Korean alliance versus a Sino–Soviet–North Korean alignment—creates misperceptions and even mutual fears of surprise attack by the “other” Korea.

Yet no major powers of the region are in position, either unilaterally or collectively, to impose a solution or bring about structural change in the Korean conflict. The leadership of the two Koreas is ill-prepared to accommodate one another’s terms for national unification. Each has defined unification to mean, in effect, the dissolution and subsequent incorporation of the other party’s political system into its own.

“Negotiated Settlement” on the Korean Peninsula

The main problem of both Koreas’ political strategy for “negotiated settlement” of the unification issue lies in the way each wants to tackle it. The North emphasizes “independent” solution of the unification problem by the Korean people, the South, “peaceful” solution. The North has persistently maintained that unification must be obtained “by all means” including the use of military means without external interference. Hence the U.S. forces in South Korea must be removed as a prerequisite for intra-Korean settlement.

Against this extreme, the South has held that peace must be maintained “at any cost” even if that cost might be the prolonging of national division.¹ While Pyongyang regards the unification issue as a matter to be solved immediately, Seoul sees it as a matter to be pursued through the peaceful process of mutual accommodation.

Such asymmetrical attitudes persist despite some radical changes in the strategic environment since the mid-1980s. The new *détente* between the Soviet Union and the United States and the rapprochement between the Soviet Union and China should, in theory, provide sufficient incentives for North Korea to moderate its militant policy vis-à-vis the South. Moreover, South Korea’s active pursuit of what it calls *Nordpolitik* (“northern diplomacy”) toward China and the Soviet Union and the latter’s favorable policy responses to it could serve to tell the Pyongyang leadership that the door is opened to improved, more beneficial relations with Seoul, Washington, and Tokyo. In other words, the “indirect approach” to South Korea by North Korea’s two principal allies should pressure Pyongyang’s aging leadership to adopt “new strategic thinking” in its policy behavior vis-à-vis the South.

But it would seem that all these developments have only reinforced North Korea’s perception of vulnerability to external manipulation. Since neither U.S.–Soviet *détente* nor Sino–Soviet rapprochement gave priority to the resolution of the Korean problem, North Korea may regard itself as a victim rather than a beneficiary of great-power politics. Pyongyang’s deliberate indifference to Soviet reforms and China’s internal developments suggests that it will continue to hold to the stated objectives and principles on *chuch’e* ideology, an ideology of totalitarian control and self-isolation. For North Korea, South Korea’s improved relations with Moscow and Beijing obscure what it sees as its “lonely” struggle for national unification. North Korea might even see the Soviet Union and China as tacit allies of the United States in perpetuating the Korean division.

Presently competition outweighs cooperation in intra-Korean relations. Despite Seoul’s unilateral declaration of an “open door” policy on July 7, 1988, Pyongyang has been unwilling to reciprocate on any terms that could integrate their activities for national unification. It instead sought ways to manipulate the revolution of rising expectations within South Korean society since the declaration. While avoiding official contacts with the authorities in Seoul, Pyongyang has tried to capitalize upon anti-American feelings among the liberal elements in South Korean society and drive a wedge in the U.S.–Korean security relationship. The eruption of heated debates on the unification

¹ Joo-Hong Nam, *America’s Commitment to South Korea* (Cambridge: Cambridge University Press, 1986), p. 132.

issue across the broad spectrum of South Korean society provided an opportunity for North Korea to cultivate pro-Pyongyang and anti-American voices with the ROK.²

North Korea's "Great Leader," Kim Il Sung, seems confident that he could use such internal debates to stimulate political change in the South, without the need of direct intervention or subversion. Kim believes that rapid democratization in the South would work to his advantage because it would create psychological pressures on the Seoul regime to "talk" with the North by increasing the domestic political importance of the unification issue. For him, the revolutionary movement by some radical pro-Pyongyang students in the South is a hopeful symbol of progress toward national unification.

North Korea must confront, however, the reality of a South in which pro-North forces are extremely unpopular and thus weak and where prospects for early political changes favorable to the North remain as remote as ever. The strong anti-Communist tradition of the South and its relatively stable politico-social forces make a North-induced unification movement difficult to achieve. For most South Koreans, what is required to bring about national unification is not so much change in the structure of conflict (which is impossible in the short run anyway) but certain conditions to "moderate" the conflict. And they believe that the onus of moderating the conflict lies more on the North than on the South because it is Kim Il Sung's age-old dream of "national liberation" that remains a chief psychological barrier to North-South dialogue.

It can be argued that the viability of accommodation between the divided Koreas depends, above all, on North Korea's willingness to recognize the state of coexistence as a given reality. In other words, the pursuit of Korean reunification requires peaceful coexistence as a precondition. As long as North Korea is not prepared to recognize the South's right to exist or the legitimacy of its authority, there will be no viable basis for accommodation. Pyongyang must be persuaded that such a basis cannot be provided unless it stops its futile attempt to cultivate pro-Pyongyang and antigovernment elements in the South. The Pyongyang regime must also realize that to regard the coexistence of the two political entities as *de facto* is not to perpetuate the national division. Rather, it is to distinguish between the emotional and nationalistic zeal for reunification and the "reality" of the rigid politico-ideological cleavage dividing the two.

It is clear at this stage that the North's concept of a "Confederal Republic of Koryo" envisages an eventual dissolution of the South's current anti-Communist system. Despite its changing emphasis on and flexible interpretation of confederal arrangements,³ Pyongyang's opposition to the South's idea of a

² This has been evident in a recently revealed espionage scandal with the ROK's National Assembly that involved one opposition member of the Assembly and several other politicians.

³ See, for instance, Selig A. Harrison, "Changing North Korean Attitudes Toward the Unification of Korea," a paper prepared for the Seventeenth International Conference of the Korean Institute of

“national partnership” for cooperation implies that Pyongyang thinks of a confederation as an entity forming a single national identity rather than one formed from two separate states in one nation. For instance, North Korea has never been able to agree on the idea of a two-Korea framework on the post-World War II German model. For the North, setting the framework of unification on that model means nothing but a perpetuation of the division. The Pyongyang regime cannot tolerate such an indirect approach to national unification since its legitimacy has been based in large part on Kim Il Sung’s alleged revolutionary credentials for national unification. Kim has skillfully used the unification ideal as politico-psychological reinforcement to justify his totalitarian control of half the peninsula. Kim Il Sung could not, indeed, abandon this direct approach to unification without seriously undermining his image.

Such domestic dimensions of the unification issue tend to make Pyongyang’s attitudes toward the South uncompromising. Pyongyang fears that the ultimate aim of Seoul’s unification policy is to “open” the North Korean society to outside influence through various contacts with the South. Pyongyang saw the South’s July 7 declaration as a ploy to force a fundamental change in its foreign policy objectives and domestic politics, an inducement for a North Korean version of *perestroika* and *glasnost*. But Kim Il Sung could not pursue any active domestic reforms at this stage without endangering his leadership. The more intra-Korean dialogue for national unification leads to measures to open the North to outside influences including contacts and communications that reach the broad spectrum of the North Korean society, therefore, the more likely the northern leadership is to become uncompromising in its dealings with the South.

The Military Solution

North Korea regards the conflict system as (1) war between two contrary social systems—socialist and capitalist, (2) civil war within South Korea between the popular proletariat or masses and the ruling bourgeoisie or reactionaries, and (3) war against U.S. imperialism for freedom and independence. Hence, the rivalry with the South is by nature irreconcilable. This assumption has led to the grotesquely inflated belief of the superiority of the North’s politico-social system over the South’s. North Korea has built a fantasy of its superiority over the ROK on its *chuch’e* (self-reliance) ideology. All its citizens and professional soldiers are required to hold beliefs and to behave in ways that conform to the stated objectives and principles of *chuch’e*. Therefore, there can be no conflicts among the goals of its domestic policy, military policy, and foreign policy as long as *chuch’e* ideology dictates national priorities.

It must be noted that North Korea uses military policy as a source of national political cohesion by setting aside other national priorities. Its rather unusual propensity for worst-case planning in defense policy has made it sacrifice heavily to acquire relatively superior military capability and posture vis-à-vis the South. By emphatically upholding the seriousness of a threat from the U.S.–ROK alliance, Kim Il Sung has been able to rally domestic forces behind his carefully cultivated mystique as the nationalistic leader who can “save” the country by “liberating” the South. Therefore, in North Korea other domestic priorities do not serve as a constraint in the formulation of defense policy. Nor is it clear to what extent the changing forces of international politics serve as a constraint on its formulation of security strategy, as mentioned earlier.

That North Korea’s defense policy vis-à-vis the South is in equilibrium is reflected in its military strategy and posture. Since the announcement of its war readiness in April 1970, North Korea has kept an overwhelmingly offensive posture by putting its forces on hair-trigger alert along the front line. The operational readiness of North Korean forces is such that North Korea is now capable of moving forces without being detected by even the most sophisticated U.S. military intelligence equipment. In addition, the North has numerous advantages over the South in military infrastructure such as its war-oriented economy, dispersion of industrial activity for military purpose, and hardened military and civilian facilities. The North still possesses some cumulative advantage long after the South’s military expenditures surpassed the DPRK’s.

In short, while a defensive mentality has shaped the whole course of South Korea’s recent political and military history, North Korea’s defense policy and military strategy have shown inherently offensive features, a strong tendency to preempt, despite the South’s perceived threat not being immediate and visible. For instance, Pyongyang has frequently repeated its right to absorb the South should an appropriate opportunity for “liberation” arise.⁴ The military believes that their soldiers need to be politically motivated to fight a war of national liberation; hence, they place their faith in obedience to the party and the Great Leader Kim himself. *Chuch’e* is indeed the fighting ethos of the North Korean soldier.

Such militant attitudes militate against arms control negotiation with the South. Although the North has proposed various arms control measures, past experiences show that the Pyongyang regime uses the arms control issue as a propaganda ploy rather than a practical approach for reducing tension. Arms control is a subject with a strong moral and emotional appeal for the people in the divided country; neither Korea can ignore it except at some cost in domestic opinion and international prestige. The leaders in Pyongyang know well that

⁴ Pyongyang has repeated its threat that “war is inevitable if they find no viable alternative sooner or later.” Quoted in *Hankuk Ilbo* (Hankuk Daily), July 7, 1990.

arms control negotiation provides good propaganda value for the side initiating it.

North Korea, for instance, has capitalized upon the idea of a nuclear-free zone in Korea for its anti-American propaganda campaign. In 1986, North Korea hosted the first of a series of Pyongyang-sponsored international conferences on the subject. By revealing continuing sensitivity to the U.S. nuclear presence in the South, the North hopes to rally domestic and international support for its demand for total U.S. withdrawal from Korean affairs. For this reason, the North Korean propaganda machine labeled the annual U.S.–ROK Team Spirit military exercise (which, by nature, is a defensive field exercise) as a “nuclear war exercise.”⁵

There are, of course, sufficient economic reasons for the North Korean leadership to reduce rising military expenditures and use the money to meet other more serious domestic demands. A decade of economic difficulties seems to have made the North Korean leadership doubt the present military policy. Some observers even believe that Pyongyang’s economic imperatives now appear to dictate the choice of “guns or butter” in setting its national priorities. And time is not on Pyongyang’s side: it cannot hope to keep up with the South’s enormous economic power and concomitantly rising production of armament. The weapon gap is likely to widen with the passage of time if current trends continue.

As yet, however, there is no clear evidence to suggest that the North is prepared to undergo a fundamental change in its basically offensive strategy vis-à-vis the South. In general, arms control between enemy states is possible only when a perception of security interdependence exists. As the conclusion of the Intermediate Nuclear Forces (INF) Treaty has clearly demonstrated, arms control can work only when it meets the requirements of mutual deterrence. The INF agreement was designed to strengthen deterrence at a minimum level of theater nuclear forces by creating a state of mutual vulnerability. If North Korea is really interested in some measure of arms control, therefore, it must first recognize a common interest in reshaping the current no war, no peace state of antagonistic military relationship with the South. Given the uniqueness of unrestrained competition between the opposed Koreas, the effort to shift from confrontation to negotiation requires, above all, a stable deterrent environment—a balance of power between the U.S.–ROK alliance on the one hand and a North Korea–Soviet Union–China alignment on the other. In short, meaningful arms control negotiation between the two cannot precede the effort first to maintain the respective military status quo. Past records show that in the absence of a consensus to maintain the military status quo, North Korea is prone to base its negotiation strategy on military power. For example, the

⁵ *Nodong Shinmun*, March 17, 1981.

North, realizing the South's relative military weakness, demanded the withdrawal of U.S. forces in the South as a precondition for negotiation. While such a demand might seem to facilitate the solution of the military deadlock by "independent" Korean efforts, there is no guarantee that unification on these terms would be achieved in a "peaceful" manner. Any attempt abruptly to change the fragile military situation in the absence of mutual trust and cooperation would only create uncertainty and confusion. As far as U.S. forces stationed in Korea are concerned, their future depends largely on the state of military balance between the hostile Koreans. The withdrawal of part or all of the U.S. forces in the South cannot be considered a precondition of arms control negotiation as long as North Korea's threatening superior military posture vis-à-vis the South remains unchanged. Any precipitate U.S. withdrawal would actually make intra-Korean settlement more difficult to achieve since it would certainly increase South Korea's fear of surprise attack from the North.

With the United States keeping a trip-wire posture on the Korean front, North Korea could not have confidence in achieving the specific objectives that theoretical analysis of a surprise attack might suggest to be possible, such as the seizure of Seoul in the initial stage of a war. It is most likely that any North Korean decision to go to war would be made under great pressures both from within and without the Pyongyang leadership and in the face of severe perceived retaliation by the United States. The leadership in the North knows the U.S. military commitment to the South is vital for the survival of the latter, and to that extent, the North is "deterred" by the U.S. military presence in the South.

The Balance of Power System on the Korean Peninsula

Since the United States holds a key position in the balance-of-power system in the Korean conflict at the moment, North Korea believes that there will be a psychological panic in the South if the U.S. government decides to decouple, as the Carter administration once attempted in the late 1970s, its military commitment to the ROK from its political commitment to collective security. This belief explains why the Pyongyang leadership has placed so much emphasis on the withdrawal of U.S. forces for an "ultimate solution" of the Korean problem. It must be noted in this context that in a tactical move to inspire political debates within the United States over the future of U.S. forces in Korea, North Korea conceded in July 1988 that American withdrawal was contingent upon North–South force reductions. This was seemingly a major shift in its previous position. Pyongyang suggested that "the North and South

shall make a phased and drastic reduction of their armed forces and simultaneously take measures to withdraw stage by stage foreign forces and nuclear weapons present in the area of the Korean peninsula.’’⁶

The North Korean intent goes beyond the immediate propaganda value of such a statement. From the North’s perspective, the very prospect of complete American withdrawal would create the conditions of insecurity in the South necessary to force the southern leadership to adopt a more compromising posture vis-à-vis the North. The North Korean leadership appears to believe that even if Seoul does not soften its anti-Communist approach, a complete U.S. withdrawal from the South would erode the government’s support.⁷ As seen in Pyongyang, therefore, time is on its side politico-psychologically, especially since its more reasonable proposal of a phased U.S. withdrawal from the South appears to have succeeded in stimulating political debates for an earlier withdrawal within the U.S. Congress. Moreover, the United States now seems to be prepared to moderate its closed door policy to North Korea in an effort to facilitate North–South dialogue.

To be sure, any significant development of North–South relations and/or U.S.–North Korea relations would depend above all on North Korea’s willingness to circumscribe its independent and rather unpredictable approaches to the resolution of conflict. In other words, the onus of overcoming a deeply rooted sense of mutual distrust lies more on North Korea than on South. The underlying reason for this is that the North has always showed signs of dual behavior and recklessness in dealing with the South. Evaluating North Korean intention is indeed complicated by the fact that Kim Il Sung has given signs of unusual behavior and of a strong tendency to take risks even if he cannot entirely control the results (e.g., the axe murder of two U.S. officers in Panmunjom in August 1986, which brought the two sides almost to the verge of war). Information on North Korea is less available and far less accurate than on South Korea.

Most of all, there has been a remarkable degree of coincidence over the years between North Korea’s peace gestures and its stepped-up military preparations. To take a few examples, the beginning of North–South dialogue in 1971 coincided with North Korea’s acceleration of its military buildup and its decision to dig underground infiltration tunnels into the South’s front-line defense positions.⁸ In October 1983, Pyongyang’s proposal of peace talks came a day after its terror bombing of a South Korean delegation in Rangoon, which killed nine ministers and injured several. In 1985, talks on economic and

⁶ This was quoted in “Joint Declaration of Nonaggression Between North and South (Draft),” in General Association of Korean Residents in Japan, *DPRK’s Consistent Efforts for Nuclear-Free Korean Peninsula and Détente* (Tokyo, July 1988), p. 12.

⁷ Harrison, “Changing North Korean Attitudes,” p. 15.

⁸ Nam, *America’s Commitment*, p. 138.

cultural exchange with the South accompanied the movement of North Korean forces into a particularly threatening posture.

Therefore, it is uncertain at this stage how much rationality should be accorded to North Korea's seemingly flexible attitude on the issue of U.S. withdrawal from Korea. A sign of decline in the military sense of decisiveness on the part of the northern leadership in dealing with the South has yet to be seen. It can be said that the condition of insecurity or the uncertainty of each about the other's basic intentions and future actions works strongly against any viable intra-Korea communication. The fate of each depends on its response to what the other does. There exists, in that sense, a security interdependence between the opposed Koreas.

As yet, however, it is too early to expect that such a security interdependence would lead the Koreas eventually to integrate their activities to improve their mutual security. Their interdependence could lead them either to strive for dominance by competitive risk taking or to contrive ways for regulating intra-Korean relations by competitive risk avoiding. In either case, it would seem that they can neither destroy the structure of their present antagonistic relations nor change it drastically. They seem destined to continue to probe each other's weakness and skirmishes in a test of wills, as they have done in the past.

The dilemma for North Korea is that while it is unwilling to resolve differences completely and establish new patterns of behavior vis-à-vis the South on a basis similar to the latter's July 7 declaration, it has to demonstrate its own version of a politically desirable and militarily feasible state of coexistence. It can be argued that the North cannot escape such a policy dilemma unless it is prepared to "open" its tightly controlled, war-oriented society and accept outside influences so that the military status quo can be maintained at the lowest possible level of competition compatible with deterrence stability. They can do that by pursuing "comprehensive political agreement" or "declaration of basic principles" on antagonistic cooperation with the South. But this time such principles must encompass, unlike the July 4, 1972, declaration, all forms of politico-military cooperation including the establishment of a "hot line" and a credible system of arms control measures and contacts and communications that reach the broad spectrum of the North Korean society.

These measures can be followed by the conclusion of a nonaggression pact between the two sides and of separate peace treaties among the belligerents of the Korean War—China and the ROK, the United States and North Korea. Such efforts can be further buttressed by the recognition of the two Koreas by the four major powers and by joint United Nations membership for the two states. Unless there is such a step-by-step process, the effort to stabilize the static status quo may, indeed, lead the competing Koreas to strive for a position of strength in intra-Korean dialogue by focusing more on each other's vulnerability.

On the broader plane, the resolution of the Korean conflict also requires a balance-of-power consensus among the major players involved in the region. Clearly, the viability of peace in Korea is contingent on the stability of the current system, symbolized by existing security arrangements between the United States and the Republic of Korea. And the U.S.–ROK security alliance is justified as long as North Korea remains allied with the Soviet Union and China. This is, indeed, the paradox of Korea's warlike, interim peace. The United States will continue to remain a strong Pacific power, maintaining the existing alliance with South Korea; the development of a new superpower détente in the wake of a thaw in the Sino–Soviet rivalry will further complicate the status quo in Korea; and finally, changing Sino–American–Japanese relationships remain an ambiguous factor in future power politics in and around the Korean peninsula.

7. North Korea and the Socialist World

DONALD S. ZAGORIA

The reform movement sweeping the People's Republic of China (PRC) and the Soviet Union, the collapse of communism in Eastern Europe, and the improving relations between the socialist world and the Republic of Korea (ROK; South Korea) have left the Democratic People's Republic of Korea (DPRK; North Korea) in a state of virtual isolation as one of the last remaining vestiges of Stalinism in the modern world. These developments raise the question of whether Pyongyang can indefinitely continue to resist the reform wave gathering strength in other Leninist systems.

Here, I want first to consider Pyongyang's growing isolation from its allies and friends in Moscow, Beijing, Eastern Europe, and Asia, most of whom are establishing closer relations with South Korea despite North Korea's vigorous objections. Second, I will examine the impact of the reform movement in the Communist world on North Korea. Finally, I will assess North Korea's current predicament and its various policy options.

Pyongyang's Growing Isolation

Perhaps the most notable trend on the Korean peninsula during the past two years has been the success of South Korea's *Nordpolitik*—the effort to establish diplomatic and quasi-diplomatic relations with Moscow, Beijing, Eastern Europe, and the socialist countries of Asia, thereby isolating Pyongyang from most of its allies and former allies. One of the most striking successes for this policy has been the rapid rapprochement in relations between the Republic of Korea and the Soviet Union. The surprise meeting in San Francisco on June 4, 1990, between South Korean President Roh Tae Woo and Soviet leader Mikhail Gorbachev represents a sea change in Soviet policy toward South Korea after half a century of hostility. The USSR has recently established diplomatic relations with the ROK, and Soviet trade with South Korea has risen sharply

during the past few years from virtually nothing to some US\$600 million in 1989.

Meanwhile, following the collapse of the Communist regimes in Eastern Europe, all of Moscow's former European satellites, with the single exception of Albania, have opened full diplomatic relations with South Korea. After Hungary recognized Seoul in 1989, Poland, Yugoslavia, Czechoslovakia, Romania, and Bulgaria followed suit in 1990. And President Roh Tae Woo made his first state visit to Eastern Europe last November when he visited Hungary.

In Asia, too, the Communist states are also beginning to come to terms with South Korea. Mongolia, after resisting heavy pressure from Pyongyang, became in March 1990 the first Asian Leninist state to recognize Seoul. The Indochina states may soon follow. Two South Korean diplomats visited Vietnam in April, and South Korea is poised to participate vigorously in Western plans to extend economic assistance to Vietnam, Laos, and Cambodia once the fighting in Cambodia ends and there is a political settlement.

Although China has not yet made a political opening to South Korea, the PRC is carrying on a booming trade with the ROK which totaled some US\$3.2 billion in 1989. This trade far surpasses China's trade with North Korea. Moreover, China is moving rapidly to increase the number of joint ventures with South Korean enterprises on the Chinese mainland. A recent statement by Chinese Foreign Minister Qian Qichen also indicates that Beijing is leaving open the possibility of establishing diplomatic relations with Seoul at some time in the future. Qian went out of his way to remark that Korea's division is fundamentally different from China's Taiwan case, an argument that goes against North Korea's official line and leaves Beijing with considerable diplomatic flexibility.¹

The growing rapprochement between the socialist world and South Korea is motivated largely by the economic crisis in the Leninist states and the recognition by most of them that they must integrate their economies into the global economy or face continued economic and social stagnation. Because of its geographic proximity, its abundance of consumer goods, its relatively high level of technological sophistication, and its construction teams, South Korea is in a particularly strong position to help the Soviet Union, China, and the Asian Leninist states to modernize.

This economically motivated rapprochement between the socialist world and South Korea represents a substantial setback for North Korea's dictator, Kim Il Sung. For the past several decades since the end of the Korean War, which Kim initiated, Kim has sought to isolate, delegitimize, and subvert the South Korean government so that he could reunify Korea on his own terms. At times, the North Korean dictator has resorted to crude terrorism, most recently

¹ See *Far Eastern Economic Review*, June 28, 1990, p. 50.

in 1987 when his agents blew up a South Korean airliner in an effort to sabotage the Seoul Olympics. Even more recently, South Korean authorities have discovered another invasion tunnel evidently built illegally by the North. Pyongyang has also sought to exercise crude pressure on Seoul by spending more than 20 percent of its gross national product (GNP) on defense and massing a huge army along the demilitarized zone (DMZ) within easy striking distance of South Korea's capital in Seoul. And Pyongyang has incessantly campaigned to remove American forces from South Korea and to tarnish the Seoul government's image by condemning it as an "American puppet."

For much of the postwar period, Kim's allies in Moscow and Beijing were willing to support North Korea's erratic policies toward South Korea, despite the obvious risks and dangers, because of their strategic competition with each other and with the West. Neither Moscow nor Beijing was willing to risk "losing" Pyongyang either to the other or to the West. But now that the Cold War is winding down and Moscow and Beijing have ended their long years of estrangement, the strategic importance of North Korea is diminishing while the economic importance of South Korea is growing. Also, it is becoming clear in both Moscow and Beijing that Kim Il Sung has little leverage on either of them. He is heavily dependent on the Soviet Union for oil, trade, credits, subsidies, and modern weapons and on both the Soviet Union and China for large amounts of aid that help maintain his troubled economy.

In sum, Pyongyang can no longer play off Moscow against Beijing to block Soviet and Chinese overtures to South Korea. In the future, the political and economic ties between Moscow and Seoul and between Beijing and Seoul are likely to grow. Thus, North Korea's strategy of isolating and subverting South Korea is increasingly devoid of substance. It is North Korea itself that now stands in danger of isolation.

The Impact of Reform in the Communist World on the DPRK

In addition to the dangers of growing isolation from its own allies, Kim Il Sung has to be concerned about the economic and political liberalization penetrating North Korea's tight Stalinist system. In 1990, Kim abruptly recalled thousands of students and technicians under training in Eastern Europe and the Soviet Union. And some five hundred North Korean students studying in China were called home for "surveillance" following the prodemocracy demonstrations in China in the summer of 1989. Indeed, according to one Soviet specialist on North Korea, virtually all the North Korean students trained in the Soviet Union, Eastern Europe, and China during the past decade or so constitute a reformist element within the North Korean political system.

Evidence of North Korean concern about ideological contamination is also reflected in the intensifying North Korean campaign against "the ideological

and cultural infiltration of imperialism.’’² North Korean media are accusing the United States of “craftily maneuvering” to undermine the socialist system by preaching bourgeois pluralism.

Even more suggestive of Pyongyang’s fears that the global trend away from “socialism” may be having an impact on the North Korean party is a recent “theoretical” article by Kim’s son and heir-apparent, Kim Jong Il, an article that has been given considerable prominence within the North Korean Communist Party elite. On July 15, 1986, Jong Il gave a talk entitled “On Some Problems Arising in Juche Ideological Education” to officials of the North Korean Central Committee. This talk consisted of three parts, the first two of which were released in North Korea and abroad in July 1987. The third part, however, was not made public even within North Korea until January 1989. This third part stresses the superiority of socialism and warns against “people” who “hold illusions about capitalism” because of “temporary difficulties” arising in the construction of socialism.³ Such statements—and the extraordinary reluctance to make them public—suggests that the North Korean dictator is very much concerned about the existence of reformist elements within the very highest ranks of the party.

North Korea’s Economic Performance

Added to North Korea’s fears about isolation and ideological contamination are concerns about economic performance. North Korean media have implicitly testified to the shortage of consumer goods in the country by emphasizing the need to develop light industry. Early in 1989, Kim Il Sung designated that year as “the year of light industry”; a variety of articles in the party theoretical journal *Kulloja* stressed that increased investment in light industry was essential to increasing the volume and variety of consumer goods. In June 1989 a Central Committee plenum announced a three-year plan to mobilize the people to develop light industry and pledged “to effect a decisive turn” in living standards in “two or three years.”⁴ The plenum singled out for special attention consumer goods such as textiles, processed foods, footwear, and “articles of daily use,” which, according to North Korean usage, includes everything from kitchen utensils and writing pads to television sets and refrigerators.

This extraordinary emphasis on consumer goods and light industry has been reserved in the past for the heavy industry sector and seems to be intended

² See, for example, “Pyongyang Seeks to Shield Country from Bloc System Changes,” in Foreign Broadcast Information Service (FBIS), *Trends*, September 27, 1989, pp. 24–26.

³ See Hajime Izumi, “North Korea and the Changes in Eastern Europe,” *Japan Review of International Affairs* (Tokyo), Spring–Summer 1990, p. 94.

⁴ See “Pyongyang Plenum Focuses on Light Industry, Consumer Goods,” in FBIS, *Trends*, June 21, 1989, pp. 38–39.

to reassure the populace that the government is making an all-out effort to raise living standards.

To improve light industry, the North Koreans will almost certainly be forced to import foreign technology of the kind that is generally available in Japan, South Korea, and the West, but not in the socialist world. Writing in the February 1989 issue of *Kulloja*, Yi Kil-tu, vice-chairman of the Light Industry Committee, argued that the existing facilities in the light industry sector could not be fully utilized without “modern” equipment—and he added that the equipment that cannot be manufactured in the North should be acquired abroad. Minister of Foreign Trade Kim Tal-hyon echoed this sentiment in the same issue of *Kulloja*, saying that the “timely importation” of equipment is essential to North Korea’s economic construction.⁵ Indeed, these two articles both strongly emphasized the importance of foreign trade to North Korea—implicitly admitting that the country cannot thrive if it remains isolated internationally.

Pyongyang’s Options

Let me turn now to examine Pyongyang’s options in a rapidly changing world. Throughout the postwar period, North Korea’s dictator, Kim Il Sung, has unswervingly pursued several fundamental goals:

- preserving and consolidating the rigid, totalitarian, and heavily militarized system he created
- maintaining North Korea’s independence under the principle of *chuch’e* or self-reliance which has, in practice, meant virtual isolation from the world economy and from the technological and information revolution now sweeping the industrial world
- weakening the U.S.–ROK alliance and forcing the United States out of Korea
- delegitimizing the South Korean government either through terrorist tactics or, as in the recent past, by seeking to exploit popular resentment against the Roh Tae Woo government by inviting South Korean dissidents to Pyongyang
- reunifying North Korea on North Korean terms

It is increasingly doubtful whether North Korea can achieve any of these goals in the new strategic environment that is now emerging. Pyongyang’s first objective—keeping intact its totalitarian system—will be difficult for several reasons. First, the history of both the USSR and China demonstrates how difficult it is to maintain such a system after the death of the founding leader. Kim Il Sung is now 78 years old, and there will likely be substantial pressures for significant change after his death. Second, the reform wave sweeping through the rest of the socialist world is sooner or later bound to infect the North

⁵ Ibid.

Korean party and army, as well as the civilian population. It has already infected the students and technicians sent abroad for training. In the modern world of mass communications, it is no longer possible to keep any country isolated.

Third, North Korea's Stalinist system is clearly at a competitive disadvantage with South Korea, and the gap between the two systems is almost certain to grow in the years ahead. The South already has a per capita gross national product (GNP) about five times that of the North, and by the turn of the century Seoul will emerge as a middle power with a GNP of between US\$200 and \$400 billion. By continuing to spend modest amounts of a rapidly growing GNP on defense, and by exploiting its impressive electronics industry, South Korea is likely to achieve military superiority over the DPRK sometime in the mid-1990s.

The South is also winning the diplomatic competition. More and more countries, including North Korea's own allies, are moving toward closer relations with Seoul.

In short, it is evident that Stalinist systems of the North Korean variety are increasingly obsolete in the modern world. They are falling further and further behind the market economies in almost every measure of socioeconomic, technological and political progress. Post-Kim North Korean leaders will find it difficult to continue on this Stalinist path because it virtually guarantees that North Korea will fall even further behind in the competition with South Korea and that it will eventually face a social explosion at home.

North Korea's second goal, maintaining its independence, is, of course, shared by most countries. But this goal has been pursued by Kim Il Sung in such an extremely nationalistic and autarkic manner that it has resulted in North Korea's isolation from the modern world. Throughout the entire world, including the Communist world, there is now growing awareness that trade, investment, and other economic relations with the dynamic market economies is an essential precondition to modernization.

North Korea's third objective, weakening U.S.-ROK security ties and forcing the United States out of Korea, is no longer shared by Moscow and Beijing. While both the USSR and China pay lip service to this goal, both recognize it is not a realistic objective in the foreseeable future. Moreover, both Moscow and Beijing fear that a weakened U.S. deterrent in South Korea might invite North Korean adventurism. And neither Moscow nor Beijing wants to see a new Korean war at a time when both seek stable relations with the United States and a calm international environment.

North Korea's fourth major objective, delegitimizing the ROK government, is now completely in conflict with the major trends. Both Moscow and Beijing as well as many Asian socialist states are moving toward *de facto* and even *de jure* recognition of Seoul.

Finally, North Korea's fifth goal—reunifying Korea on its own terms—is no longer possible without a major war.

What, then, are Pyongyang's options in the years ahead? It seems likely that, so long as Kim Il Sung lives, there will be no substantive changes in North Korea's policy. But there are two possible variants for North Korean policy even while Kim Il Sung is alive. The first option is to continue to defy pressure from Moscow and Beijing to resume the dialogue with South Korea that North Korea broke off in 1989. The second option is to resume the dialogue. Recent developments—including a meeting between North and South Korean prime ministers in October 1990—suggest that Kim has now chosen the second option. So far, however, these developments have not moved forward much improvement in North–South relations.

So long as Kim Il Sung lives, it is unlikely that the North–South dialogue will progress very far. Kim may increase economic contacts with South Korea and Japan, but he will have a strong incentive to maintain restrictions on any such contacts.

Kim will also seek to hold the line on two developments that would trouble Pyongyang the most, namely: (1) UN membership for both North and South Korea or for South Korea alone or (2) cross-recognition of North and South Korea by Japan, the United States, China, and the Soviet Union.

To hold the line against such developments, Kim is counting on Beijing. The Chinese have recently stated their opposition to granting UN membership to South Korea alone and revealed that the Chinese government would veto such a proposal if it came before the UN Security Council.⁶ And China has consistently expressed its opposition to the cross-recognition of the two Koreas.

Thus, even if the Soviet Union should shift to support UN membership for South Korea, admission will not come to pass as long as China is opposed. And even if Moscow extends formal diplomatic relations to Seoul, Beijing may not follow suit. Thus, as Izumi argues, so long as China holds the line, Pyongyang can probably manage to tolerate shifts in the Soviet position.⁷

Once Kim Il Sung dies, however, a succession struggle will almost certainly break out in Pyongyang, and it is by no means certain that Kim's son and heir, Kim Jong Il, will triumph. On the contrary, it is more likely that Kim's son will be ousted or that there will be an armed struggle for power between elements in the army and police loyal to the son and those opposed to him. A scenario comparable to the one that developed in Romania in the last days of Ceaușescu, when the Romanian army battled the security forces loyal to the dictator, may well occur in Pyongyang.

⁶ Korean Central News Agency, November 18, 1989, cited in Izumi, "North Korea and the Changes in Eastern Europe."

⁷ Izumi, "North Korea and the Changes in Eastern Europe."

8. *Chuch'e* versus Economic Interdependence: The Impact of Socialist Economic Reforms on North Korea

OH KWAN-CHI

Even though its own economy is reportedly in difficulty, North Korea seems unimpressed by the economic reforms of other socialist countries, as plainly demonstrated by the new slogan being bruited about, “Stick to our ways.” With regard to the economy, the country appears to be holding fast to its *chuch'e* thinking—an economic objective and strategy to develop a self-supporting economy—despite success stories told by reform-minded leaders in China and other socialist countries. What prevents North Korea from adopting similar reforms? How would it appraise the merits and demerits of economic reforms if it should introduce such reforms into its own economy? What costs will be incurred if it does not? What are North Korea’s calculations on future economic reforms?

These are the questions investigated in this paper. I first discuss North Korea’s assessment of socialist economic reforms, then review changes in North Korean economic policy. Next, I analyze the economic cost of *chuch'e* and, finally, explore the impact that North Korean economic reforms would have on inter-Korean relations.

North Korea’s Assessment of Socialist Economic Reforms

North Korea has shown its apprehensions about the economic reforms introduced in other socialist countries, particularly China. The Chinese have dissolved the people’s communes, decentralized industrial management, allowed private business (under some limited conditions), established special economic zones with capitalistic legal systems and managerial practices, and invited foreign capital from capitalist countries. These reforms have led to a

situation in which mammonism has replaced ideology, capitalist values have infiltrated Chinese society, and rampant inflation threatens economic stability.

To better understand how North Korea feels about socialist economic reforms, and China's in particular, it is necessary to review the economic development model that North Korea has ardently been following: the Stalinist industrialization model of the 1930s. In abstract terms the Stalinist model is a simple two-sector development model, consisting of agriculture and industry, as outlined by W. A. Lewis and others.¹ In such an economy, low levels of economic development are generally associated with the agricultural sector's dominant role, as measured in terms of product shares, factor shares, population distribution, and the like. In the course of development, agriculture contributes to the process by supplying labor and capital resources to the rest of the economy. In such a model, agriculture performs the following supportive functions:

- Provides manpower for industry
- Supplies foodstuffs or wage goods for the expanding nonagricultural sector and raw materials for industry
- Provides agricultural products for export to earn foreign exchange to pay for the importation of machinery and equipment
- Assists capital accumulation in the industrial sector by transferring savings from the rural to the industrial sector

In addition, some other features of the model are as follows:

- Priority in resource allocation is given to heavy industry, which provides capital goods.
- Light industry is allowed to produce only limited quantities of "luxuries," which are "rationed" by their scarcity.
- Industrial workers are paid subsistence wages.
- Grain and other agricultural products are procured by the state at state-fixed prices.
- The private consumption level is kept as low as possible.
- The Communist Party dictatorship prevails in every facet of life.

To understand how North Korea assesses socialist economic reforms, we need to understand how much they differ from the economic development model that North Korea has been following.

Despite the retreat from collectivization in other socialist countries, for example, the North Korean regime appears convinced that agricultural productivity can be improved and the transfer of savings from the rural to the industrial sector facilitated by even further centralization rather than the decentralization that sways the other socialist countries these days. The North Korean regime's thinking on agriculture was succinctly laid down in the Third Seven-Year Plan (TSYP):

¹ W. A. Lewis, *The Theory of Economic Growth* (London: George Allen & Unwin, 1955); Everett Hagen, *The Economics of Development* (Homewood, Ill.: Irwin, 1975).

The basic tasks of the agricultural sector during the Third Seven-Year Plan period, as already presented in "Theses Concerning Our Agricultural Management," are to transform it into an industry through technological revolution and into an all-people's ownership from a cooperative one.²

Thus, the dissolution of people's communes runs counter to the North Korean effort to push forward the transformation of the present collective farms into state farms.³ North Korean farmers who know of China's and the Soviet Union's privatization may begin to question the regime's agricultural policy. This is particularly so if the farmers have observed the dramatic improvement in the standard of living of the Korean residents in Manchuria since the semiprivatization of agriculture there. It seems evident that such realization exists and has produced some discontent: since the early 1980s, the North Korean regime has discouraged visits to Manchuria.⁴

Nevertheless, word of workers' rising income and improving standard of living since economic reforms began in China filters in. Special economic zones, permission for small private business, aggressive import of foreign capital, and the installation of a material incentives scheme in the agricultural sector all have contributed to such improvement. How then can the North Korean regime explain its shunning of similar reforms and justify its adherence to a *chuch'e* policy that has not produced anything comparable? How can the regime persuade its people, after three decades of hardship, to forgo improvement of their standard of living any longer, when they see that China has surpassed them within the last five years or less?

It is understandable why Kim Il Sung is opposed to opening the economy and decentralizing economic management in a way such as pursued by China: such reforms would create rising expectations that the regime could not meet. There would be an increasing demand for consumer goods, a demand that can be met only by an ever expanding light industry. And a rapidly growing light industry would be possible only if scarce resources were allocated to that sector at the expense of heavy industry. Such an arrangement would be in direct conflict with North Korea's strategies for economic development as represented by the Stalinist industrialization drive model.

The improvement in the standard of living in China, aptly demonstrated by greater consumption of consumer goods, apparently dismayed the North Korean regime, which paid more attention to the development of light industry in the Third Seven-Year Plan:

² National Unification Board, *North Korean Supreme People's Assembly Record*, vol. 4 (Seoul: National Unification Board, 1988), p. 820.

³ *Ibid.*; and Kim Il Sung's keynote address, in *Rodong Shinmun*, December 31, 1986.

⁴ Huh Dong-Chan, *The Living Conditions of North Korean People* (an informal discussion of North Korea) (Seoul: Korean Institute for Defense Analyses, April 1989.)

We should drastically increase output of consumer goods during the first three or four years of the plan by revolutionizing the light industry . . . the rapidly rising demands day by day should be met by an epoch-making record in the output of the household furnishings such as furniture, daily necessities such as school supplies and cultural articles, and television sets, refrigerators, sewing machines, bicycles, cameras, electronic watches, phonographs, recorder and other consumer durables . . . furthermore, to increase the production of consumer goods a greater number of daily-necessity-producing branches, workshops and production units in all sectors, factories and enterprises should be formed; the number of cottage industries and subsidiary work units should be increased in cities, workers' residential quarters and farm villages; August-3-people's-consumer-goods production campaign should also be exalted.⁵

North Korea's apparent concern with the improvement of the standard of living was also exhibited by its designating 1989 as "the year of light industry." Although the designation was probably meant as propaganda for the foreigners visiting the Pyongyang World Festival of Youth and Students, it has implications for domestic affairs as well: North Korea is not the only nation to try to soothe its people's mute discontent with consumer goods.

The most worrisome consequence of socialist economic reforms to North Korea, however, appears to be the concomitant awakening of a democratic consciousness and its accompanying political dissent, as vividly demonstrated in China by the Beijing demonstrations in May and June 1989. It would be foolish to believe that introducing economic decentralization and a capitalist economic management system could be done independent of any political impact. The North Korean leadership knows better; it expressed its deep concern over the ideological impact of such economic reforms in its Third Seven-Year Plan:

To hold fast purity of socialism and communism, and to advance revolution we should firmly be armed with Chuch'e thought. . . . At the same time we should closely watch out for the infiltration of capitalism and revisionism and struggle against any possible maneuvering trying to encroach upon our socialist system. . . . If the economy were managed only through a technology imperative and material incentives this would certainly further organization-parochialism and egoism, check promotion of superiority of socialism, and bring forth a serious retreat in economic development.⁶

⁵ National Unification Board, *Assembly Record*, p. 823.

⁶ *Ibid.*, pp. 835-37.

Although Kim Il Sung was reported to have said that he unconditionally agreed with and supported China's economic reforms, we should not be so blind as to interpret the statement too literally. His antipathy toward Chinese-style economic reforms was revealed when he visited China in 1987. Although Deng Xiaoping suggested that Kim visit Shenzhen, one of China's special economic zones, Kim did not go.⁷ And his main worry about the ideological consequences of economic reforms materialized in the Beijing demonstrations.

Thus we can say that North Korea appears ambivalent about socialist economic reforms: on the one hand, it seems to recognize their benefits in lessening economic woes—as evidenced by its introduction of a joint venture law. On the other hand, North Korea has been worrying about the inevitable ideological confusion that the reforms will bring forth because it fears that this ideological confusion and economic disorder can be developed into political forces that can easily undermine the very foundation of the regime.

Changes in Economic Policy

Because of its commitment to a self-supporting economy, North Korea has made only slight changes in its economic policy since the early 1980s. The only policy change that can be considered opening the economy was the introduction of the joint venture law in 1984 and related laws thereafter. Even though these laws, patterned after similar Chinese laws, were apparently introduced to encourage foreigners' investment and the transfer of technologies, the real purpose was to induce investments by Korean residents in Japan.

North Korea began to negotiate with potential foreign investors for joint ventures at the beginning of 1984, even before the enactment of the joint venture law. Results, however, have been disappointing: by the end of 1988, only twenty-three projects were in operation, seventeen of them with Korean residents in Japan.

A decade before the joint venture law, North Korea adopted a new budgeting system for local administration and delegated authority for the production and supply of daily necessities to local authority. This measure should not, however, be interpreted as a move toward generalized decentralization. As already pointed out, North Korea has been trying to meet demands for daily necessities without interrupting its industrialization drive by utilizing daily-necessity-producing branches, workshops, and production units, and these measures to increase the output of light industry can better be managed by local administration.

Nor can the independent accounting system that North Korea emphasized in its Third Seven-Year Plan be taken as a move toward industrial decentralization either. For an independent accounting system to be meaningful, firms must be able to decide the output mix as well as the input mix, to purchase input

⁷ *Chosun Ilbo*, May 25, 1987.

requirements at competitive prices, and to sell products in a competitive market. In North Korea, however, both input and output targets are assigned in terms of physical units, and prices are arbitrarily set by the central authority. The real intent of this system is to reduce the cost of production. This will be possible because the central authority cannot control the production processes of which managers of a firm can make efficient use. By setting output targets and controlling input materials, the central authority can use the independent accounting system to force managers to improve their production processes. Savings in raw materials, intermediate goods, consumables, or labor-time will be reflected in the cost accounting of the bank with which a firm maintains its account. The central authority can thus easily obtain valuable information about how firms are managed by the independent accounting system.

Foreign trade figures often indicate a country's degree of openness. In the case of North Korea, such figures provide an indirect indicator of economic reforms. In the Third Seven-Year Plan North Korea emphasized the importance of foreign trade in economic development. Accordingly, it targeted foreign trade growth rate at an unrealistically high 18 percent per year.

In 1988 North Korea's exports amounted to \$1.99 billion, a 19.1 percent increase over the previous year; imports were estimated at \$3.16 billion,⁸ an impressive 32.2 percent increase. Trade volume, which has been increasing ever since 1984, was \$5.15 billion in 1988, an increase of 26.8 percent over the previous year. The foreign trade figures, well over the TSYF's targets, is impressive. North Korea's foreign trade has, however, shown unfavorable balance of trade over the last two decades. Although North Korea appears to be trying to increase foreign trade, such a policy with its resulting performance can hardly be interpreted as a move toward economic reforms.

In summary, North Korea has introduced no policy or institutional changes that indicate any economic reforms. The changes discussed here appear to be nothing more than a complement to centralized economic management.

Economic Costs of *Chuch'e*

The *chuch'e* economy of North Korea can be characterized by the following set of policies:

- Minimal dependence upon foreign capital and technologies
- Imports kept to the minimal level and limited to those machinery and industrial inputs that cannot be produced domestically
- Exports considered as a means to pay for imports, not as a strategy for economic development
- Priority in resource allocation for military requirements over all the other sectors

⁸ National Unification Board, *Current Survey of South and North Korean Economy* (Seoul: National Unification Board, 1989).

- Private consumption kept to a minimum

The cost of *chuch'e* in the economy can be measured in terms of the gross national product (GNP) growth rate lost because of these economic policies. To measure the economic growth *potential* of North Korea, a small macro-economic model was developed.⁹

The model comprises ten equations: production function, private consumption, government consumption, military expenditure, export, import, inventory investment, fixed investment, capital stock change, and GNP definition. In the Cobb-Douglas production function, import is treated as a separate factor to reflect the noncompetitive nature of imports in North Korea. Private consumption is assumed to be a function of per capita income, government consumption a function of GNP. Military expenditure is a policy variable and is assumed to be fraction of the GNP, whereas the fraction varies with time. Export is also treated as a policy variable to simplify its specification and to reflect the fact that export could be targeted within limits. Imports are constrained only by foreign exchange availability. Inventory investment is assumed to be linearly related to output, and fixed investment is treated as a residual that augments the capital stock of the following period. The GNP is a sum of gross domestic product and net factor income earned abroad.

The cost of the *chuch'e* economy is the difference in economic performance between that economy and a hypothetical reformed economy. The hypothetical reformed economy considered here introduces a set of reform measures, including the following:

- Introduction of a market system
- Privatization of industries and agriculture
- Integration of the national economy with the world economy
- Reduction of military expenditures
- Economic cooperation with South Korea

By transforming its economy into a market system through privatization and integrating it with the world economy, North Korea can exploit economies of scale in industries with comparative advantage and bring about efficiency in resource allocation. Furthermore, privatization will provide incentives for workers to strive for technological innovation. These reform measures, if pursued seriously, will attenuate the ideological conflict with the South, and, consequently, lead to reconciliation—which will be followed not only by reduced military tension but also by reduced military expenditures.

Once the tension is relieved, the mutually beneficial trade and economic cooperation with the South can easily be started: South Korea can provide not only capital and technologies but also the management know-how prerequisite to successful operation of export industries. The North can also develop a tourist industry to bring in badly needed hard currency. Most of all, South

⁹ See Appendix A.

Korea can provide rapidly expanding markets for many of North Korea's major export products—cement, coal, steel, medicinal herbs, fishery products, and tourists, among others.

These reform measures will undoubtedly help promote export growth, which is assumed to be 10 percent per annum, up 20 percent from the actual performance for the past five years. Improved relations with the South and the Western countries should attract foreign capital. It is not inconceivable to imagine South Korean economic assistance of the magnitude of \$5–\$10 billion in this scenario. Consequently, the North could increase external borrowing, which is projected here to rise to \$800 million per annum for the latter half of 1990s.

It is not easy to guess how much military expenditures can be reduced once tension is relieved. Since North Korea has, however, been advocating that the armed forces be reduced to one-third of present strength, it is not too unrealistic to conjecture that the ratio of the defense budget to GNP could be halved over a five-year period. Thus, the defense expenditure share of GNP is projected to decline to 10 percent by 1996 in the scenario for the hypothetical reformed economy. Basic parameters and the two corresponding scenarios are laid out in Tables A and B of Appendix B. The two scenarios differ mainly in the magnitude of external borrowing, net factor income earned abroad, net transfer, the ratio of military expenditure to GNP, and the rate of export growth. In the hypothetical scenario, the ratio of military expenditure to GNP is assumed to fall from 23.5 percent to 10.0 percent by the year 2000. The rate of export growth, the sizes of external borrowing, net factor income, and net transfer are assumed to increase with the opening of the economy.

That the *chuch'e* economy is costly is shown in Table 1. There we see that the average annual growth rate of the GNP under the *chuch'e* scenario is 3.0 percent, while the growth rate projected under the economic reforms is 7.2 percent. Thus, *chuch'e* "costs" North Korea 4.2 percent in annual average GNP growth. If the true cost of the *chuch'e* economy is even close to this estimate, North Korea is paying an exorbitant price for its self-imposed self-reliance.

Table 1
Cost of *Chuch'e* Economy

Year	<i>Chuch'e</i>		Reforms	
	GNP (U.S.\$ millions)	Growth rate (percent)	GNP (U.S.\$ millions)	Growth rate (percent)
1989	17,186	3.2	22,479	10.2
1990	17,764	3.4	24,496	9.0
1991	18,328	3.2	26,676	8.9
1992	18,901	3.1	28,936	8.5
1993	19,492	3.1	31,247	8.0
1994	20,076	3.0	33,575	7.4
1995	20,679	3.0	35,923	7.0
1996	21,299	3.0	38,289	6.6
1997	21,917	2.9	40,707	6.3
1998	22,553	2.9	43,183	6.1
1999	23,184	2.8	45,719	5.9
2000	23,833	2.8	48,319	5.7
1989–2000		3.0		7.2

Conclusion

Regardless of the extent of economic reforms in other socialist countries, North Korea is not yet ready for them to be introduced. This is not because it would not appreciate the economic benefits of the reforms but because it has not prepared to accommodate their impact on every corner of its society, which has been virtually closed to the outside world. Unless the North Korean regime undertakes an extensive reorientation of its people before it opens up the society and introduces economic reforms in any way similar to the ongoing reforms in other socialist nations, the country shall certainly face the same kind of political unrest that we have lately seen in other socialist countries. It is this political impact of the economic reforms that has the regime most worried. Consequently, the regime appears to have been willing to sacrifice economic growth to preserve political integrity.

If North Korea introduces market systems with appropriate privatization of means of production and tries to integrate its economy with the world economy, it will certainly experience economic problems during the transitional period: inflation, rising unemployment, and foreign trade deficits among others. To get through these transitional economic difficulties, the country would need massive external assistance, including materials, hard currency, and policy advice. South Korea and Japan seem to be the only countries that are willing and able to provide this external assistance—if the North relinquishes its

national goal to communize the peninsula and accepts peaceful coexistence. In this sense, economic reforms in North Korea will have a fundamental impact on inter-Korea relations.

North Korea is a tightly controlled and regimented society with no parallel outside the Soviet Union under Stalin's rule. Because Kim Il Sung can claim legitimacy and mobilize the people for an industrialization drive and military armament only by making national reunification the supreme national goal, it will be almost impossible for him to reconcile his dictatorship with the eased tensions associated with economic reform. We may have to wait until Kim Il Sung passes away to see North Korea reorient its economic policy toward openness of society and economic decentralization.

Appendix A: Macroeconomic Model of the North Korean Economy

1. Production function

$$Q_t = A \cdot K_t \cdot L_t \cdot M_t$$

2. Private consumption

$$C_t = GR_t \cdot e^{-1.481+0.517 \ln Y_t}$$

3. Government consumption

$$G_t = \beta_g \cdot GNP_t$$

4. Military expenditure

$$D_t = \beta_D \cdot GNP_t$$

5. Export

$$E_t = E_0 (1 + g_E)^t$$

6. Import

$$M_t = E_t + F + NFI_t + TR_t$$

7. Inventory investment

$$INV_t = \beta_v \cdot Q_t$$

8. Fixed investment

$$IF_t = GNP_t - (C_t + D_t + G_t + E_t + INV_t - M_t)$$

9. Capital stock change

$$K_t = K_{t-1} + IF_{t-1}$$

10. Definition of GNP

$$GNP_t = Q_t + NFI_t$$

KEY:

- Q_t = gross domestic product of the time period t
- K = capital stock
- L = labor
- M = imports
- C = private consumption
- GR = grain output
- Y = per capita GNP
- GNP = gross national product
- D = military expenditure

E	= exports
FB	= external borrowing
NFI	= net factor income earned abroad
TR	= net transfer from abroad
INV	= inventory investment
IF	= fixed investment
A	= constant
β	= capital elasticity of output
α	= labor elasticity of output
η	= import elasticity of output
β^g	= ratio of government consumption to GNP
β^D	= ratio of military expenditure to GNP
β^E	= rate of export growth
β^v	= ratio of inventory investment to GNP

Appendix B: North Korea under *Chuch'e* and Reforms

Table A
Basic Parameters: *Chuch'e* and Reforms

Parameter	<i>Chuch'e</i>	Reforms
Ratio of inventory investment to GNP	0.05	0.05
Rate of export growth (percent)	8.5	10.0
Rate of population growth (percent)	2.23	2.23
Average capital coefficient	4.5	4.5
Labor elasticity of output	0.55	0.65
Capital elasticity of output	0.40	0.30
Import elasticity of output	0.05	0.05

Table B
Two Scenarios: *Chuch'e* and Reforms

Year	<i>Chuch'e</i>				Reforms			
	d	NFI	EB	TR	d	NFI ^a	EB ^b	TR ^c
1987	0.235	100.0	200.0	50.0	0.235	100.0	570.0	50.0
1988	0.235	100.0	200.0	50.0	0.235	100.0	700.0	50.0
1989	0.235	100.0	200.0	50.0	0.235	100.0	700.0	50.0
1990	0.235	100.0	200.0	50.0	0.215	150.0	300.0	100.0
1991	0.235	100.0	200.0	50.0	0.195	150.0	500.0	100.0
1992	0.235	100.0	200.0	50.0	0.175	200.0	600.0	100.0
1993	0.235	100.0	200.0	50.0	0.155	250.0	700.0	100.0
1994	0.235	100.0	200.0	50.0	0.135	300.0	700.0	100.0
1995	0.235	100.0	200.0	50.0	0.115	300.0	800.0	100.0
1996	0.235	100.0	200.0	50.0	0.100	300.0	800.0	100.0
1997	0.235	100.0	200.0	50.0	0.100	300.0	800.0	100.0
1998	0.235	100.0	200.0	50.0	0.100	300.0	800.0	100.0
1999	0.235	100.0	200.0	50.0	0.100	300.0	800.0	100.0
2000	0.235	100.0	200.0	50.0	0.100	300.0	800.0	100.0

NOTES: d = ratio of defense expenditure to GNP

NFI = net factor income earned abroad (million dollars)

EB = external borrowing (million dollars)

TR = net transfer (million dollars)

^a If North Korea allows its workers to work for South Korean construction companies abroad, their remittances would amount to a greater portion of NFI.

^b If export grows at the rate of 10 percent per year. North Korea can manage external borrowing of this magnitude.

^c This includes development grants from international institutions.

9. North Korea's Relations with Eastern Europe

HA YONG-CHOO

What is Eastern Europe to North Korea in ideological, political, economic, military, and diplomatic terms? How have different patterns in North Korean–East European relations evolved? What are the major determinants of the relations? Finally, what are the prospects for future relations?

In this chapter, I will analyze these questions on both macro and micro levels. Viewing Eastern Europe as a whole, I will examine the importance, problems, and contradictions of Eastern Europe in North Korean foreign policy (macro analysis). In this macroanalysis, a conceptual framework for different bases of regime affinity will be used. Microanalysis will deal with the characteristics of bilateral relations between North Korea and specific Eastern European countries.

In terms of time periods covered, the chapter focuses on the dynamic and interesting developments of the 1970s and 1980s. In terms of data, speeches and communiqués resulting from high-level exchanges (ministerial and above, but mainly state heads) will be thematically analyzed.

Eastern Europe and North Korea

Eastern Europe is important to North Korea in ideological, diplomatic, economic, and military respects. Ideologically, Eastern Europe is the symbol of the socialist international community, which shares the common goal of realizing socialism and communism. Bound together by class and beliefs, this community attaches great importance to internationalism, transcending nationalism. Since these countries share the same goal, the domestic and international policies of any one of them, and the implications and ramifications of those policies, are directly relevant to the entire community.

Ideology determines the nature of the political, economic, and social order of a country; and sharing the same ideological goal with another country (or

countries) often provides a basis for the legitimacy of a regime. Eastern Europe and North Korea, born under Soviet influences in the post-World War II era, share similar revolutionary profiles in that (except for Yugoslavia) they did not have their own revolutions but had Communist systems imposed on them. Thus, North Korean-Eastern European relations have been greatly affected by their relations with the Soviet Union.

The question of how socialist international relations should differ from bourgeois international relations has been theoretically and practically a very important but difficult one. The key aspect of the question has been how to reconcile nationalism with internationalism. In reality, however, the prestige of the Russian revolution as the first socialist revolution and Lenin's charisma resulted in the imposition of the so-called twenty-one conditions on the constituent members of the Comintern in Lenin's time. (Lenin's position, however, was that the Russian experience should serve as a model rather than a means of conducting Russian state policies.)

Under Stalin, the ambiguity in proletarian internationalism was cleared in such a way as to support Soviet interests. Stalin defined an internationalist as "one who is ready to defend the USSR without reservation, without wavering, unconditionally, for the USSR is the base of the world revolutionary movement, and this revolutionary movement cannot be defended and promoted unless the USSR is defended."¹ Thus, under Stalin, Soviet domestic and foreign policies were imposed on other socialist countries. Under such circumstances there was no room for autonomy for small socialist countries under Soviet tutelage; instead there were vertical relations between the Soviet Union and the rest of the socialist countries. North Korean-Eastern European relations thus did not have their own dimension from 1945 to 1953.

Stalin's death meant the end of imposed unity. As seen in the 1953 revolt in East Germany and the 1956 uprising in Hungary, the artificial unity between Soviet and Eastern European interests ended. Furthermore, the emergence of China as an independent socialist power made a revision of proletarian internationalism inevitable.

Soviet leader Nikita Khrushchev made efforts to reconcile the unity of the socialist world with the viability of its respective members. The focus of a new stage of socialist internationalism shifted from support for Soviet interests to defense of the socialist camp. Further diversity and variety in building socialism were recognized:

It is quite probable that the forms of transition to socialism will become more and more varied; moreover, achieving these forms need not be associated with civil war under all circumstances. . . . In the European

¹ Joseph Stalin, "The International Situation and the Defence of the USSR," quoted in Margo Light, *The Soviet Theory of International Relations* (Brighton, Sussex: Wheatsheaf, 1988).

people's democracies . . . things went without civil war. . . . In all forms of leadership of the working class, headed by its vanguard.

The socialist countries base their relations on the principles of complete equality, respect for territorial integrity and state independence and sovereignty, and noninterference in one another's affairs. . . . Fraternal mutual aid is an integral part of these relations. The principle of socialist internationalism finds effective expression in this aid.²

Thus, each party was supposed to come up with a harmonious combination of national and international interests. Party-to-party relations were to be based on proletarian internationalism, state-to-state relations on the norms of international law. Despite this doctrinal change, however, the inherent contradiction between Soviet interests and those of other socialist countries was resolved in favor of Soviet interests.

In terms of conducting business among socialist countries, Khrushchev began to rely more on multilateral organizations, such as the Warsaw Treaty Organization (WTO) and the Council for Mutual Economic Assistance (COM-ECON). In economic areas, deviation from the Soviet model and the principle of socialist division of labor was adopted to take into account varying national resources and domestic demand.

Khrushchev's radical criticism of Stalin and his redefinition of a desirable world order as peaceful coexistence gave rise to differences in ideological formulations between the Soviet Union and North Korea. As Sino-Soviet disputes developed, the North Koreans sided with the Chinese in ideological orientations. At the same time, as Eastern Europe underwent various post-Stalin political, economic, and foreign policy changes, North Korean attitudes to Eastern Europe became more differentiated in terms of ideological affinity. The North Korea version of self-reliance, *chuch'e*, which essentially is the combination of Stalinism and nationalism with a strong anti-U.S. posture, was not compatible with the major orientations in Eastern Europe of deemphasis on Stalinism and peaceful coexistence with the West.

Under the Leonid Brezhnev regime, the post-Stalin version of socialist internationalism was further restricted after the Soviet invasion of Czechoslovakia in 1968. The Brezhnev doctrine stipulated that the international interests of the socialist commonwealth take precedence over the individual national interests of the members of the socialist commonwealth. It was proclaimed that socialist states had both the right and the duty to come to the defense of socialism whenever and wherever it was threatened. This doctrine further limited the flexibility of East European countries in determining their own ideological courses. In terms of domestic order, the Soviet version of developed socialism was imposed on East European countries. Thus the ideological

² "Declaration of the Conference of Representatives of Communist and Workers' Practice of Socialist Countries," Moscow, November 22, 1957.

creativity and originality of Eastern Europe was sterilized. On the other hand, Kim Il Sung's North Korean regime began to proclaim the originality of *chuch'e*, despite its hybrid version of Marxism-Leninism. In the East European countries, Kim's extreme xenophobia and personality cult were viewed as anachronistic. Nevertheless, up to the end of the 1970s, the North Koreans were able to insulate themselves from ideological disputes over revisionism and dogmatism, largely because of the stagnation in ideological formulation in the Soviet Union and Eastern Europe and the Sino-Soviet disputes.

Changes in the Soviet Union under the slogan of *perestroika* and their impact on Eastern Europe are and will be posing serious ideological challenges for North Korea. *Perestroika* and *novoe myshlenie* (new thinking) can be understood as radical redefinitions of socialism in ideological, political, economic, and foreign policy terms.³

In terms of ideology, *perestroika* is critical of the past view that assumes a harmonious relationship between the forces of production and the relations of production. Now it is admitted that conflicts of interest between individuals and state or society, between enterprises and state exist. However, recognizing conflict of interest does not mean subscribing to a class-struggle view of the world. The goal of the Communist Party of the Soviet Union (CPSU) is not in realizing communism in the near future. The current stage of socialist development is correcting distorted socialism.

In political terms, *perestroika* is nothing more than the recognition that the omniscient role of the party is over. Political reforms are being launched in the forms of debureaucratization, decentralization, and increased political participation. Political rules of the game are more institutionalized and thus more predictable.

In terms of economic reform, *perestroika* attempts to restore economic laws distorted under the highly centralized planned economic system, recognizing the role of commodity relations and the role of the market. Along with this, distorted incentive and distribution systems are being corrected to stimulate individual initiative in economic behavior.

The gist of changes in foreign policy doctrine is the shift from a class-struggle view of the world to the principle of universal interests, which emphasizes commonality, interdependency, and mutual cooperation. According to "new thinking," peaceful coexistence is not simply a different way of destroying capitalism. It acknowledges common problems facing humanity in general, such as nuclear threat and environmental issues.⁴

Significant changes are also visible in the Soviet approach to socialist international relations. Diversity within the Communist movement and in the immediate tasks facing various socialist countries is recognized even if it

³ Light, *Soviet Theory*, p. 194.

⁴ Gorbachev's UN speech, December 8, 1988.

sometimes causes different views. But although noting this diversity, Gorbachev proposed several principles governing socialist international relations: complete equality in relations without any conditions, responsibility of each national Communist Party to its state affairs, common concern for the cause of socialism, mutual respect for and cautious attitudes toward the experiments and achievements of other parties, strict observation of the principle of peaceful coexistence. He also admitted there is no single correct model for socialism to be emulated by all socialist countries.⁵

Reverberations of *perestroika* have been strongly felt all over Eastern Europe. As we are seeing now, coalition government is inevitable between Solidarity and the Polish Communist Party in Poland. In Hungary, further marketization is occurring along with political reforms. Though uneven in its development, changes are being made in the other East European countries as well.

That such changes are occurring along with similar changes in China and normalization in Sino-Soviet relations is posing a serious ideological challenge to North Korea and putting Kim Il Sung's *chuch'e* to a serious test. It is especially serious when the position of North Korea vis-à-vis South Korea is weakening in economic and political terms. As reforms evolve in Eastern Europe, North Korea may be able to maintain its own version of socialism only for a short time, relying on the short-term negative examples that inevitably will appear in the process of reform. Further, a fundamental difference in world view has emerged between Eastern Europe and North Korea. The latter maintains a two-camp view of the world; the former has given it up. All in all, the changes resulting from *perestroika* in Eastern Europe, unlike past changes, may cause ideological isolation of North Korea.

Ideology is closely related to the diplomatic aspects of the relations between Eastern Europe and North Korea. Until Stalin's death, North Korean relations with Eastern Europe were no different from Soviet-North Korean relations. Diplomatically, Eastern Europe was very important. East European countries, following the Soviets, recognized North Korea and established diplomatic relations between 1948 and 1949 (except Yugoslavia). They supported North Korea during the Korean War.

As North Korea got involved in taking advantage of Sino-Soviet disputes during the 1960s and the 1970s, Pyongyang adopted foreign policies that deviated from those of the Soviet Union. In the Sino-Indian border conflicts in the late 1950s and early 1960s, North Korea supported the Chinese position. Pyongyang also expressed deep disappointment and frustration over the Cuban fiasco in 1962. In 1964, North Korea organized the Asian Economic Seminar, where Soviet aid to fraternal countries was severely criticized. Although North Korea endorsed the Soviet invasion of Czechoslovakia in 1968, it took a neutral

⁵ Gorbachev, *Perestroika*, chapt. 4.

position on the Sino–Soviet border clashes in 1969. In 1970, North Korea supported Prince Norodom Sihanouk’s Cambodian government in exile, while the Soviet Union recognized the Lon Nol government. Pyongyang publicly denounced the Soviet-backed Vietnamese invasion of Kampuchea in 1979.⁶ North Korea has also deviated from the Soviet Union by not acting—for example, not joining COMECON and WTO.

Such deviation constrained North Korean relations with Eastern Europe. As détente between the United States and the Soviet Union evolved in the early 1970s, however, North Korea launched an extensive diplomatic campaign to seek support for its unification formula, namely, the withdrawal of U.S. forces from the peninsula, conclusion of a peace treaty, tripartite talks among North and South Korea and the United States, and Kim’s proposal for confederation (Democratic Confederal Republic of Koryo). The North Koreans were successful in this attempt only to the extent that the Soviets would support. This meant, for example, that they could not get support for the tripartite formula until Gorbachev came to power. What is important, however, is that even during the détente of the 1970s, the East European socialist countries did not embark on diplomatic initiatives with South Korea. Eastern Europe was North Korea’s diplomatic turf.

The situation has changed dramatically since Gorbachev’s new initiatives in foreign policies. Interested in becoming an Asian power, the Soviets have reevaluated the importance of South Korea, though mostly in economic terms. Further, South Korea’s image was greatly improved by the Seoul Olympics along with political changes in a more democratic direction. These factors also facilitated changing East European views of South Korea. Changes in relations were epitomized by the establishment of trade offices with Poland and Yugoslavia, and South Korea and the Soviet Union established trade offices with consular functions. Obviously, North Korea can no longer take the unswerving support of the East European socialist countries for granted, especially in relation to South Korea.

Eastern Europe also is important for North Korean diplomacy in that it plays a mediating role in dealing with the West as well as serving as a listening post for reading Moscow’s mood. More important, in the early 1970s North Korea joined the nonaligned movement through Yugoslavia’s support. North Korea’s involvement in the nonaligned movement, started primarily to pursue its diplomatic campaign against South Korea, may decline as the returns diminish.

Economically, the socialist bloc was crucial to North Korea in two respects. Socialist countries provided large amounts of aid for post–Korean War reconstruction.⁷ It has been estimated that about US\$1.7 billion was given to North

⁶ Ralph N. Clough, “The Soviet Union and the two Koreas,” in Donald S. Zagoria, ed., *Soviet Policy in East Asia* (New Haven, Conn.: Yale University Press, 1982), pp. 175–201.

⁷ Kim Youn-Soo, “The Foreign Trade of North Korea with European CMEA Countries,” mimeo;

Korea during the decade 1950–60. East European countries contributed about 26 percent of the total aid. And because North Korea opted for autarkic economic policies and thus does not have much access to Western markets, socialist countries are its most important markets. Until the 1970s, about 90 percent of North Korean trade was with the socialist countries. From the 1970s to the 1980s, the portion ranged from 60 percent to 80 percent. The East European portion ranged from 19 percent in the early period to 20 percent in recent times. Overall the trade structure is not in North Korea's favor. The country mostly exports primary products and imports industrial goods.

It is clear that North Korean economic interests in Eastern Europe are considerable; but as North Korea expands its market, the relative weight of Eastern Europe has been dwindling. As East European countries accelerate their economic reforms and thus become more Western oriented, the prospects for more economic interactions do not look promising unless North Korea also makes some economic changes. Another important point for North Korea is that given the progress in Soviet–South Korean economic relations and complementarity in economic needs, increasing economic interactions between Eastern Europe and South Korea will be developing.

Bilateral Relations

Bilateral relations depend on the affinity between North Korea and respective East European countries. *Regime affinity* refers to the degree to which the various countries share attitudes about various problems. *Positive affinity* refers not only to actual support by specific policies but also to sharing perspectives on ideology and world view.⁸ Likewise, *negative affinity* does not mean the existence of actual conflicts; it simply reflects different orientations for such reasons as different revolutionary records, different geopolitical situations, and differences in elite profiles.

There are largely four bases for regime affinity among socialist countries: leadership and elite profiles, party relations, the nature of the socioeconomic order, and international views. If regimes are much alike in all these four areas, one can say they have a high degree of positive affinity. Conversely, if they differ significantly, they have a high negative affinity. Variations between these extremes are possible.

In the socialist world, given the centralization of power, who is in charge of the top leadership is an important factor. Personality, education, revolutionary credentials, age, and policy orientation are important in determining the level and quality of contacts between the leaders as well as between the countries.

on the specific percentage figures, see Yong-Gil Chung, "Bukhan eu dai Donggu Jungchaek," in Byung-Chun Min, ed., *Bukhan eu Daeoe Gwangye* (Seoul: Daewangsa, 1987), pp. 124–139.

⁸ On the concept of affinity, see Ken Jowitt, "Moscow Centre," *Eastern European Politics and Society*, Fall 1987, p. 343ff.

Related to this is extent of the power exercised by the party in the respective countries—that is, the extent of the party's control over society, the unity of the party, and its autonomy vis-à-vis the Soviet Union.

Another important factor is how a particular socialist country perceives the revolutionary tasks, developmental stages, and socioeconomic changes that have been adopted in other socialist countries. It is assumed here that any Leninist regime is expected to carry out three developmental tasks: transformation, consolidation, and inclusion. The successful accomplishment of each task requires a different regime character as well as a different posture toward the domestic and international environments.

Transformation involves breaking down the old elite power structure. Consolidation is the process of establishing a new socioeconomic order by launching different programs. A regime at this stage takes a defensive posture toward the domestic and international environments. It has to maintain a certain distance from society while retaining the capacity to carry out difficult tasks through mobilization of society. Finally, inclusion is the attempt, based on achievements and changes in the process of consolidation, to redefine the regime's posture toward the differentiated socioeconomic and political structure and to integrate different sectors of society.

“Perceptions of the international environment” refers to the context in which socialist countries view the regional and world political situations. In this case, the major international environments considered are Soviet–U.S. relations and the Northeast Asia regional environment, including the Korean peninsula.

Examining the number and level of contacts between North Korea and various East European countries during the period of 1970–88, we find the following exchanges: With Albania, the DPRK had one governmental (above ministerial level) and one party visit; with Bulgaria, four head of state visits, five party visits, five governmental visits; with Czechoslovakia, two head of state, four party, and five governmental; with East Germany, three head of state, two party, seven governmental; with Hungary, one party, four governmental; with Poland, two head of state, two party, three governmental; with Romania, six head of state, three party, eight governmental; and with Yugoslavia, five head of state, three party, ten governmental.⁹

A cursory review of the above largely confirms our expectations: Numerous contacts were made with Romania and Yugoslavia at all levels, few with Albania and Hungary. However, what is striking is that contrary to our expectation of a low number of contacts with a country maintaining close relations with the Soviet Union, there were fairly frequent exchanges of visits with Bulgaria. This could be an anomaly requiring closer examination.

⁹ Based on *Rodong shinmun*'s reports on mutual visits from 1970 to 1978.

It is not surprising that the number of contacts between North Korea and Albania have declined since the mid-1960s. Such decline can be traced to the improvement of Soviet–North Korean relations since 1965 and more importantly to the opening and rapid development of North Korean–Yugoslav relations from the early 1970s. One can also add the lack of intrinsic economic interests in Albania.

In North Korean–Hungarian relations, it is easy to find weak, if not negative, affinity. In terms of top elite identification, there were no praises of each other in the speeches made by Janos Kadar and Kim Il Sung at Kim's visit to Hungary in 1984. Only lukewarm reference was made to party relations. Clear differences were evident in domestic policies on socioeconomic development: Kim Il Sung noted that North Koreans were “energetically carrying out the three revolutions—ideological, technical, and cultural—in order to achieve the complete victory of socialism.”¹⁰ On the other hand, Kadar said that “we discuss the objectives, problems to be tackled and tasks with working masses and recruit their creativeness into the fulfillment of the social tasks.” He further emphasized “giving a fuller scope to democracy to [the Hungarian] system.”¹¹

Congruence on understanding of international issues was more apparent than real. Kim reiterated antiimperialist struggles, and in this context he praised the Hungarian struggle against U.S. deployment of medium-range nuclear weapons in Europe. No mention was made about joint efforts with the Soviet Union in international affairs. Further, Kim solicited Hungarian support for the Koryo confederation formula for unification and for tripartite talks. In response, Kadar emphasized the importance of developing economic relations with countries with differing political systems and of disarmament in Europe. Further, he made clear the importance of the cooperation with the Soviets in accomplishing foreign policy goals. He endorsed North Korean efforts to ease tension on the Korean peninsula, but no reference was made to the support for tripartite talks, nor to Koryo confederation. It is clear that Hungarian efforts for economic reforms in the context of close foreign policy cooperation with the Soviet Union precluded a close relationship with North Korea.

Given such a record of past relations between the two countries, it is not surprising that Hungary became the first East European country to establish diplomatic relation with South Korea (February 1989). Pyongyang vehemently condemned the Hungarian move as a violation of socialist internationalism, downgrading the status of its diplomatic relation to deputy ambassadorship.¹² Relations between the two countries have been deteriorating ever since. And Hungary has become the symbol of the end of North Korea's diplomatic

¹⁰ *Pyongyang Times*, June 13, 1984.

¹¹ *Ibid.*

¹² Central Radio Broadcasting, September.

monopoly in Eastern Europe. The event also has opened a new chapter in North Korean–East European relations.

One can find a slightly more positive affinity in North Korean relations with Czechoslovakia. In the 1984 visit, Kim basically repeated the same themes he had noted in Hungary, except that he emphasized the importance of economic cooperation among socialist countries. Czechoslovakian President Gustav Husak supported North Korean proposals for unification, although he did not specifically refer to tripartite talks, the arms reduction plan, or U.S. troop withdrawal. To Kim's dismay, however, Husak repeatedly stressed the importance of cooperation with the Soviet Union and of COMECON and the WTO.

In his visit to North Korea in 1988, M. Yacasi, the new Czech first party secretary, informed Kim of socioeconomic and political reforms to come in his country, reflecting the impacts of *perestroika*. Kim reiterated the usual positions on domestic and international situations. However, two points he made are worth noting: his emphasis on the importance of the Third Seven-Year Plan for North Korea and of the agreement between the two leaders to give priority to expanding economic cooperation. Kim noted that the two had "agreed for this purpose to expand contacts and cooperation in science and technology areas by maximally utilizing the potentials of the economies of the two countries." One can read here the importance North Korea placed on successfully accomplishing the Third Seven-Year Plan and thus increasing economic cooperation in the midst of its relative economic underdevelopment in relation to South Korea and of reform movements in various socialist countries.¹³

In North Korean–Polish relations, no intimate elite ties are discernible. Instead, the unstable status of the Polish Workers' Party must have worried Kim Il Sung. In his visit to Poland in 1984, Kim praised Council of State president General Wojciech Jaruzelski for his "contribution to achieving the stability of the country and safeguarding the sovereignty and socialist gains of the Polish people through prompt and determined steps, when a grim situation prevailed." Regarding the international situation, the two sides found commonality in condemning the "imperialistic scheme" of the United States and other capitalist countries in placing trade sanctions on Poland and pursuing aggressive maneuvers in Asia. Although Kim alleged that Poland supported the North Korean unification formula, Jaruzelski never mentioned the tripartite talks, although he supported the rest of the unification package.

One can detect some interesting developments in Jaruzelski's visit to North Korea in 1986. North Korea supported the WTO's initiatives on European security; Poland reaffirmed its support for North Korean unification policies. The two sides agreed on the importance of establishing nuclear-free zones in

¹³ *Naeowetongsin*, no. 591, June 3, 1988.

Eastern Europe and the Korean peninsula. Jaruzelski recognized the significance of North Korea's Third Seven-Year Plan. In this connection, the two sides agreed to "inform each other of and exchange experience gained in various fields of socialist construction." They further agreed on expanding economic cooperation.¹⁴

Whether or how much the political changes occurring in Poland will change North Korean–Polish relations is unclear. What is clear, however, is that North Korea would somehow like to learn from the economic experiences of other socialist countries in an effort to accomplish its seven-year plan, although most likely in the *pre-perestroika* fashion.

East Germany (German Democratic Republic [GDR]) and North Korea shared the pains of division of the country. However, the two sides took the division quite differently: The GDR wanted to maintain the status quo and to be recognized by the international community. To maintain the status quo, the GDR regarded maintaining the solidarity of the East European socialist countries through the WTO as essential. North Korea, on the other hand, wanted—and still wants—a unified Korea. Kim clearly stated this position in his speech at Central Committee General Secretary Erick Honecker's visit to North Korea in 1977. Thus the two countries define the international and their regional environments in quite different ways. The GDR endorsed the Helsinki agreement, which settled the territorial problems in Europe, thus supporting *détente*. North Korea, on the other hand, continued to see the regional environment in more hostile terms, especially with the United States. Despite these differences, the two sides in the Treaty of Friendship and Cooperation agreed to support each other's position.

What can explain North Korea's relatively high level of contacts with the GDR during the 1970–88 period despite fundamental differences in key issues such as unification? Perhaps for Kim Il Sung, the GDR serves as a negative example to clarify the differences between the two cases and thus justify his position. It is also likely that North Korea is keen on inter-German dialogue and development.

Another reason for Kim's interest in the GDR would be that the GDR had been relatively successful compared to the other East European socialist countries in economic development without changing the structure of its planned economy. Thus the GDR experiences may point the way for North Korea. At the same time, North Korea sought economic cooperation with the GDR for science and technology in connection with the fulfillment of its Third Seven-Year Plan. Perhaps, too, since the GDR was slow in responding to *perestroika*, North Korea hoped to find an ally to oppose the changes Gorbachev was pursuing.¹⁵

¹⁴ Ibid., no. 506, October 3, 1988.

¹⁵ Ibid., no. 509, October 24, 1988.

Bulgarian–North Korean relations are an interesting case in that they have been numerous and high level, despite Bulgaria’s close ties with the Soviet Union. Bulgaria on every possible occasion in the course of its contacts with North Korea made public the importance of its relations with the Soviet Union and stressed the role of the Soviet Union during World War II and in COMECON and WTO. But the two were able to find affinity in the strong party leadership over society that existed in both countries and in their traditional planned and centralized economic systems. Further, they shared the desire to establish nonnuclear zones in the Balkan and Korean peninsulas. In 1985, Bulgaria, perhaps following the Soviets, endorsed the North Korean unification formula, including tripartite talks. However, despite such bases for regime affinity, one may wonder whether Bulgaria “deserves” that high level of contacts. One may hypothesize that since Bulgaria emulated Soviet policies, Bulgaria may serve as a listening post regarding changes in the Soviet Union. And if North Korea’s diplomacy is to feature playing one country against another, Pyongyang needs quick and correct information.¹⁶

Because during the 1950s and 1960s Pyongyang severely criticized Yugoslavia as revisionist, North Korean–Yugoslav relations were normalized only in 1971. Feeling the need to expand its diplomatic arena in the early 1970s, North Korea approached Yugoslavia to join the nonaligned movement, which was under the leadership of Marshal Tito, the Yugoslav president. From that time through the period under discussion, Yugoslavia supported North Korean positions. At the United Nations in 1975, Yugoslavia supported that North Korean position on the situation on the Korean peninsula. Yugoslavia also supported all North Korean unification measures and offered to serve as mediator between the West and North Korea. In addition to this congruence of views on international affairs, elite ties had been developed between Tito and Kim Il Sung, probably because of the respect Kim paid Tito. However, it has been difficult to find any commonality in the domestic political and economic orders of the two countries. Too many obvious differences existed between North Korea’s centralized system and Yugoslavia’s self-management system.

In the 1986 visit of Vlaikovic, chairman of Yugoslavia’s Federal Presidium, the two sides reaffirmed past commitments.¹⁷ But more emphasis was given to economic issues. For instance, Vlaikovic stressed the need for close economic cooperation on a long-term basis.

However, there is no doubt that the relationship will undergo changes. As a new kind of détente develops, the importance of the nonaligned movement will diminish. And in view of its political and economic troubles since Tito’s death, Yugoslavia will exert more effort to solve its domestic problems. This change

¹⁶ *Pyongyang Times*, June 1, 1985.

¹⁷ *Naeowetongsin*, no. 481, April 11, 1986.

in priorities in turn may shift foreign policy orientations toward more pragmatic policies, a shift that may affect Yugoslav–North Korea relations.

North Korean–Romanian relations found perfect positive affinity in all areas. Kim Il Sung and Romanian president Nicolae Ceausescu liked each other and shared similar personality cults in their respective countries.¹⁸ They may have shared a feeling of inferiority over having poor revolutionary credentials within the international socialist movement and their efforts to overcome the feeling by nonrevolutionary means. They also shared semi-Stalinist models of managing the economy.

Above all, however, the two countries found strong affinity in their respective autonomous postures in dealing with the Soviet Union. Romania accumulated an extensive list of policies that deviated from those of the Soviet Union. Among other things, it refused to join COMECON, criticized the Soviet invasion of Czechoslovakia, recognized West Germany, and joined the International Bank for Reconstruction and Development and the International Monetary Fund. Thus North Korea and Romania may have found it useful to exchange information and tactics in manipulating various situations.

Of course, the meaning of autonomy in socialist international relations is sure to change, given Gorbachev's new thinking in socialist international relations. Further, Soviet *perestroika* has had and will continue to have direct and indirect impacts on North Korea and Romania. Consequently, the bases for strong affinity between the two countries may change.

Several Observations

Based upon the analysis so far, several concluding observations are in order. A general observation is that North Korean–East European relations are in transition. The transition will not be smooth. In the past, Eastern Europe provided a sense of belonging to the socialist community, allowing countries to compare and exchange experiences, thus enhancing the legitimacy of the North Korean regime. Eastern Europe was also a constant source for support for various North Korean policies. North Korean relations with Eastern Europe have, it is true, been constrained by the Soviet factor. On the other hand, however, the Soviet-imposed unity on Eastern Europe provided predictability for the North Koreans. As changes occur, such predictability is no longer available. No longer, for example, does North Korea enjoy a diplomatic monopoly over South Korea in Eastern Europe.

The recent changes in East European countries have serious implications for East European–North Korean relations. The collapse of the Ceausescu and Honecker regimes; the end of the power monopoly of Communist parties in Poland and Hungary; the establishment of diplomatic relations between South

¹⁸ *Pyongyang Times*, June 23 and 27.

Korea and Hungary, Poland, and Yugoslavia; and the reunification of Germany will have serious domestic and diplomatic impacts on North Korea.

First, North Korea will be hard-pressed to open its system toward the West, especially as the two superpowers come to pay more attention to the solution of the Korean peninsula situation. Second, these changes will pose a serious challenge for the *chuch'e* ideology in terms of domestic political thesis and practice. The end of power monopoly and the introduction of market economies in East European countries is in direct conflict with North Korean political and economic principles. Finally, North Korea will also be pressed to normalize its relations with South Korea as most socialist countries come to accept the reality of South Korea.

In terms of specific issues, North Korea's focus has ranged from ideological, over economic and foreign issues, to Korean problems. Pyongyang has largely been successful in obtaining the support of the East European socialist countries on these issues except for disagreement on assessing U.S. intentions and policies. Support for North Korea's unification proposals has been consistent, but we can expect diversity rather than conformity among East European countries in the future. A related point is that signs point to North Korea's having come to realize the importance of economic relations, although this does not mean that ideological goals have been downgraded. Kim's constant and repeated emphasis on the Third Seven-Year Plan in recent years clearly indicates that North Korea feels the need to overcome its relative underdevelopment vis-à-vis South Korea.

Lastly, in relations at the micro level with each East European country, bases for regime affinity are sure to change as new situations develop. North Korea will have to become more flexible and more adaptable.

10. From National Unification to State Unification: A Realistic Design for One Korea

RHEE SANG-WOO

Koreans have suffered from national division for four decades. During that time, families have had no word from or about their loved ones left beyond the demilitarized zone (DMZ). No Koreans are allowed to travel across the military armistice line. Not even mail travels between the two Koreas. For North and South Koreans alike, the other side is farther than the moon.

In 1945, when the Korean peninsula was occupied by the Soviet and the U.S. armed forces, Korea was territorially divided. In 1948, when the Republic of Korea (ROK) and the Democratic People's Republic of Korea (DPRK) were established in the South and the North respectively, the Korean state was divided. Finally, in 1950, when North Korea invaded South Korea, war divided the Korean nation.

Koreans yearn for reunification. Both North and South Korean governments pledge to achieve unification: to unify the Korean community under one government. The forms of the unified government configured in their minds are, however, completely different. North Korea wishes to install a Leninist state where the proletariat has political power to carry out a socialist revolution throughout Korean society. South Korea will accept only a liberal democratic government that guarantees the basic human rights of all members of the society regardless of their societal background. North Korea will not concede the proletariat dictatorship for unification, while South Korea will not sacrifice liberal democratic values even for unification. Thus despite frequently reiterated plans for unification advocated by the two governments, no progress has yet been made toward unification. And as long as the two sides stubbornly insist on their ideological positions, there will be no way to formulate a unified government through negotiation, since there is no room for compromise.

Understanding this stalemate in pursuing unification, the South Korean government under the new leadership of President Roh Tae Woo has prepared a more realistic design for unification.¹ South Korea decided to put aside political unification for a while and to pursue national unification as an interim stage toward political unification. Believing that “politics is short, the nation is eternal,” South Korea decided to put its initial efforts on reestablishing national unity. Once the unity of the Han (Korean) nation is firmly restored, state unification will be much easier. Conversely, if national unity is completely broken, there will be no way to achieve state unification. Consequently, the South Korean government is preparing a two-stage unification design. At the first stage, all efforts will be put on nonpolitical integration between the two Korean communities; and at the second stage, Seoul will take some concrete measures to establish a unified state through negotiation with Pyongyang.

The recently advocated design for the Han commonwealth reflects the new unification formula envisioned by the new South Korean government. By this design, South Korea will focus on better management of the division, leaving state unification or political reunification for the next generation to solve.

Will North Korea accept South Korea’s proposal for better management of division? It will not. North Korea has already characterized the idea as a “cunning design for perpetuation of division.”² It stubbornly insists on a state unification formula and reconfirmed its advocacy of the proposal for a Democratic Confederal Republic of Koryŏ (DCRK). Under what conditions might North Korea forgo its insistence on an unrealistic political unification formula and decide to negotiate with South Korea for an interim design for peaceful coexistence? It seems to me that only when North Korea realizes that South Korea is an entity that cannot be overthrown by the North’s strategy of subversion and feels that the very existence of the DPRK is being threatened by the overwhelming South Korean influence on the North Korean people will Pyongyang become defensive enough to accommodate South Korea’s proposal for a tentative peaceful coexistence to save its own system in the North.

In this short paper I will first of all introduce the new unification formula promulgated by President Roh Tae Woo in 1989. I then will elaborate several

¹ The new formula for Korean national unification was promulgated in the form of a presidential address on September 11, 1989, and was reiterated in a presidential policy statement delivered at the National Assembly on October 10, 1989. For the English text of the address and the statement, see *Korea & World Affairs* 13:3 (Fall 1989): 569–76, and 13:4 (Winter 1989): 783–84. For a comprehensive presentation of the new formula, see Hongkoo Lee, “Unification Through a Korean Commonwealth,” *ibid.*, pp. 635–46.

² In response to President Roh’s address of September 11, North Korea quickly made such an accusation. See Ch’oe Min-il, “Dugae Choseon-ul Ch’uguhaneun Che 2 ui Bunryol Bangan” (The Second Design for Division for Pursuing Two-Koreas), *Rodong Shinmun*, September 14, 1989. For other reactions, see Gang In Deok (Kang In-Duk), “Hanminzokgongdongch’e Tongil Bangan-e Daehan Bukhan-ui Pyŏngka” (North Korea’s Reactions to the Han National Community Unification Formula), *Korean Journal of Unification Affairs*, 1:4 (Winter 1989): 278–99.

key issues on which the two Koreas show different positions—the main obstacles that mar negotiated unification.

The Han National Community Unification Formula

Since the Sixth Republic of South Korea was launched in February 1988, the new government has worked seriously to formulate a new comprehensive unification formula that will remain a guide for future policy. On July 7, 1988, President Roh Tae Woo made a “Special Declaration for National Unification and Prosperity” by which he officially recognized the North Korean regime as the official partner for consultation and cooperation in regard to unification issues.³ This official recognition of the North was a big step forward to inter-Korean détente and thus was welcomed at home and abroad.

Encouraged by the positive response from most Koreans and most of the international community—including not only friendly nations such as the United States and Japan, but also East-bloc nations such as the Soviet Union and the other Eastern European states—President Roh on September 11, 1989, promulgated a more comprehensive unification formula, “The Han National Community Unification Formula.”

The formula calls for “the merger of South and North Korea, under the principles of independence, peace and democracy, in a unified democratic republic, which is to be built upon a Korean Commonwealth to be formed in an interim stage.”⁴ By inserting an interim stage of a semiunified Korea, the formula filled the gap between the current confrontational stage and the desired stage of a fully unified Korea.

The formula represents a compromise between people’s yearning for quick unification and the reality of the unbreakable stalemate between North and South over political unification. In his address, President Roh frankly assessed the situation, saying that

the Korean people are one . . . Therefore a unified Korea must be a single nation. This is what the Korean people long for. . . . Unification should be achieved as quickly as feasible . . . however, the reality is that it will be impossible to achieve unification overnight without ending the long-standing deep distrust, confrontation and antagonism that have been built up between the South and the North over the past

³ In this six-point declaration President Roh Tae Woo suggested that both Koreas give up the competitive and confrontational diplomatic war. He also promised that South Korea will cooperate with Pyongyang in its efforts to improve ties with the United States and Japan. He further declared that “South and North Korea should recognize each other’s place in the international community and cooperate with each other in the best interest of the entire Korean people.” For English text, see *Korea & World Affairs* 12:3 (Fall 1988): 627–30.

⁴ See Roh’s address in *ibid.*, 13:3 (Fall 1989): 571.

40-odd years . . . it is thus imperative for the South and North to set an interim stage toward unification in which both will recognize each other and seek coexistence and coprosperity . . . and will endeavor to speed homogenization and integration of the national community.⁵

President Roh further argued that mutual trust had to be built between the South and the North, since political integration requires mutual trust as a basis, and that the South and the North should work toward building a single social, cultural, and economic community before pursuing political integration.

In the context of this progressive unification formula, President Roh proposed to the North Koreans the following:

- To work out a Unification Charter in a South–North summit
- To create the Commonwealth under the agreed Charter
- To set up a Council of Presidents, Council of Ministers, and Council of Representatives in the Korean Commonwealth
- To establish a joint secretariat and liaison missions in Seoul and Pyongyang

The most important feature of this new unification formula is the proposal of building the Han Commonwealth as an interim institution toward the creation of a unified and democratic republic. Thus to grasp the core idea of the new South Korean unification formula, one must understand the concept of the Han Commonwealth.

The notion of the Han Commonwealth, which was originally developed by Hongkoo Lee, minister of the National Unification Board some fifteen years ago,⁶ is different from the concept of a commonwealth generally used in international law. It is a sociological rather than a legal concept: a community of people who share a common sphere of national life to promote common prosperity independent from political boundary. Thus ethnic Koreans living in various states can form a commonwealth.

The concept is very close to the concept of *Vertrag Gemeinschaft* advocated by the two German states to define West German–East German relations in the latter 1980s. Under the Roh formula, both the South and North under the Korean Commonwealth would be sovereign states, yet their relationship in the nonpolitical area would be regarded as an intranational, not international, relation. For example, trade and travel between the two parts would be considered internal and not international, and thus no passports and tariffs would be required.

The South Korean government, believing that eventually North Korea will accept the formula, is steadily pursuing the Han Commonwealth idea.

⁵ Ibid.

⁶ See his article “The Korean Commonwealth and the Asian Community,” presented at the 30th International Congress of Human Sciences in Asia and North Africa, Mexico City, Mexico, August 3–8, 1976.

The Opposing Positions of South and North on Unification

Peace versus Unification

No Korean wants war. All Koreans want peace and unification. North and South Korea disagree, however, about how to pursue peace and unification. North Korea argues that once state unification is achieved there will be no “inter-Korean conflict” because there will be only one Korea. Thus for North Korea, peace is not separable from unification. Political unification is not only the final objective but also a means to achieve peace. In promoting this view, North Korea does not mention the violent process that would be needed to achieve their unification.

South Korea puts more emphasis on peace than on unification and insists that unification should be pursued on the basis of peace between the two Koreas. To reunify the two Korean states into one nation-state is an undeniable national goal. To avoid another genocidal war is also a national aspiration. The goal will not justify the undesirable means of violence. Thus South Korea prefers “unification through inter-Korean peace” to “peace through political unification.”

“Peace before unification” has been a firmly established guideline for South Korean unification policy for the past thirty years, since it officially discarded its policy of unification through military means in 1960.⁷ Since then time and again the South Korean government has reiterated the guideline. South Korea even has applied this guideline to defense planning: the South Korean military is organized to perform only defensive-deterrence operations.⁸ And all war-provocative measures have been avoided. For example, slogans of the Syngman Rhee regime (1948–60) such as “Let’s liberate our North Korean brethren” have been discarded, and the South Korean government is seriously working on various tension-reduction measures. It puts more effort into achieving confidence-building measures (CBMs) than on the unification formula per se.

The different stances on peace and unification of the two Koreas reflect their ideologies. The Republic of Korea was instituted to realize liberal democratic values over all the Korean community. Liberal democracy is an ideology based on the belief that all people are created equal. Thus, all

⁷ Foreign minister Chung Il-Hyung made a statement on the unification policy of the Second Republic on August 24, 1960. In this statement “unification by military means” was officially negated. For the full text, see *Tongil Munje Yönku* (A Study of the Unification Issue) (Seoul: Institute of Foreign Policy, Ministry of Foreign Affairs, 1966), p. 321.

⁸ See Chung Byung-Ho, *Nambukhan Kunsaryök* (Military Capabilities of North and South Korea), a paper presented at the 36th Annual Conference of the Korean Association of International Relations, Seoul, June 1–2, 1989. The weapon system as well as the force structure clearly display the purely defensive characteristics of the ROK Armed Forces.

members of the community are to enjoy basic human rights. None are to be discriminated against, and none are to be sacrificed for the others. All members are to coexist with each other. Peace means voluntary agreement among the members of a community for coexistence. Thus it is theoretically consistent for South Korea to put more emphasis on peace than on unification.

The Democratic People's Republic of Korea was established to construct a socialist society throughout the entire Korean peninsula. In North Korea, only "the people" (the proletariat) are to have full citizenship;⁹ "reactionaries" are denied citizenship. And the latter are dispensable. North Korea's primary objective in seeking Korean unification is to "liberate" South Korean "people." To achieve this "sacred" objective, "reactionaries" may be sacrificed and war may be tolerated.

The issues of peace and unification thus rest on genuine philosophical differences not easily resolved. In other words, compromise is not easily made, and the difference remains as a fundamental obstacle to the political reunification of Korea.

National Unification versus State Unification

Koreans have lived in one nation-state for more than a thousand years. As a result, to Koreans *nation* and *state* are hardly separable. Often the terms are used interchangeably. This practice, however, produces some confusion when we discuss Korean unification, for the two concepts are different. Especially since the Koreans established two different governments in 1948, the two concepts should be distinguished.

By *national unification* we mean a series of efforts to make a functionally integrated Han community. In this community all members share "we-feeling." All are entitled to travel freely within the community. All are to enjoy the common heritage of the nation. By *state unification* we mean our efforts to establish one unified government. In a unified state, laws are uniformly applicable throughout the whole territory. All are equally entitled to enjoy political rights.

The ultimate goal of the Korean is to build a unified nation and a unified state. If we are forced to choose one, however, what should be our choice? It seems to me that South Korea emphasizes national unification, North Korea, state unification.

The North Korean argument is relatively simple. Once the state is unified, national unification will be automatically achieved; thus it is meaningless to separate the two by stages. North Korea, however, overlooks the problem of achieving state unification without national unification. In the circumstances

⁹ See the North Korean Constitution, Article 7. By this article citizenship is restricted to laborers, farmers, noncommissioned enlisted men, and working intellectuals. In North Korea these constitute "the people." In Article 10, North Korea officially declares that it will carry out proletariat dictatorship (over the reactionaries).

where Koreans living on both sides of the DMZ retain deep mutual hatred, how can we agree to establish a common government? More than two-thirds of present Koreans were born after the Korean War. They have never met each other. Neither have they communicated with each other. They are educated to have different ideologies. How can we expect genuine compromise among them to settle the form of a unified government?

Realizing this crucial reality, South Korea argues that national unification should precede political negotiation for state unification. More concretely, South Korea argues that, prior to the establishment of a politically unified Korean state, there should be a functionally integrated Han Commonwealth.¹⁰ Divided families should be reunited. Personal contacts between Koreans of North and South Korea should be enhanced. Communication networks across the DMZ should be restored. People should be allowed to travel freely across the DMZ. Inter-Korean economic cooperation should be expanded. In this way the unity of the Korean national community would be restored, spreading a sense among all Koreans of belonging to one national identity. After the Han Commonwealth is achieved, political unification can be sought.

The South Korean design for two-stage unification has been publicly declared as the South Korean official unification policy.¹¹ The idea of “from national unification to state unification” was welcomed by realists; but, as anticipated, the North Korean government and some South Korean student dissidents derided it as a scheme for perpetuation of division.¹² That this idea was adopted as an official policy implies that the Korean conservatives, who incline to take a realistic approach to unification, have overcome challenges by the leftists, who favor an idealistic approach.

Commonwealth versus Confederation

In 1960 the North Korean government proposed to establish a Confederal Republic of Koryŏ as an interim government on the road to a unified Korea.¹³

¹⁰ See the presidential address in *Korea & World Affairs* 13:3 (Fall 1989).

¹¹ When this paper was presented in August 1989, the idea was not yet fully incorporated in the South Korean unification policy, but as I pointed out in the above, since September 11, 1989, this idea is integrated into the official unification formula of the Republic of Korea.

¹² Between November 7 and 24, 1989, just after the new unification formula was announced, the National Unification Board and Korea Gallup Inc. jointly conducted a nationwide survey. The survey, with a sample of 1,500 (multistage stratified sampling), revealed that 78.8 percent of the interviewees gave positive reactions to the two-stage approach toward unification. See Gukto Tongilwon (National Unification Board), *Hanminzok Gongdongch'e Tongil-Bangan-e kwanhan Gukmin Yŏron Zosa Bogoseo* (Report on the Public Opinion on the Han Commonwealth Unification Formula) (Seoul, December 1989), p. 14.

¹³ On August 14, 1960, Kim Il Sung in his address officially proposed his design for a federally unified Korea. He did not, however, give an official name for the unified state. In his address, Kim explained that “we will guarantee autonomous activities of the government of the Republic of Korea and that of the Democratic Republic of Korea . . . simultaneously we will establish a

Twenty years later, at the Sixth Congress of the Korean Workers' Party, North Korea proposed a Democratic Confederal Republic of Koryŏ as a final form of a unified Korea.¹⁴

According to this plan, a supreme national council, composed of equal numbers of representatives of the two Koreas, would function as a confederal congress of the unified Korea. This council would elect members of the Standing Committee of the Confederation, which would function as a unified government. The confederal government would represent the whole Korea externally, but the North and South Korean governments would also be allowed to develop bilateral relations with other states. The two existing governments, according to the plan, would become regional governments. The armed forces of the two Koreas would be merged into one "national allied forces," but the two governments would remain "sovereign," and both Koreas would retain their present "ideologies" and "political systems."

The proposal attracted great attention among South Korean starry-eyed idealists, since it suggests a tangible form for a unified Korea. It also aroused suspicion and confusion among the South Koreans. Many were confused by the term *confederation*. North Korea used the Korean word *Yongbang* ("federal government") to describe the new unified government while at the same time it used "Confederation" in the English translation. It seems to me that confusion was not by mistake but by design. The characteristics North Korea described contain idiosyncratic natures of both federation and confederation. For those who aspire to political unification, North Korea can emphasize federalistic characteristics; for those who fear losing their established status within South Korean society, North Korea can emphasize autonomous characteristics of the two de facto independent Koreas.

Another source of confusion is the internal contradictions of the proposal itself. For example, North Korea emphasizes the mutual noninterference in domestic affairs and the autonomous foreign policy allowed to each Korea; at the same time, it also stresses that only the confederal government would be allowed to send its representatives to international organizations such as the United Nations. Thus, depending upon the situation, North Korea can use the DCRK proposal as a formula for unification or as a formula for coexistence. The DCRK can be a confederation or two sovereign Koreas if North Korea stresses autonomy of the two Koreas; simultaneously, it also can be a unified state if North Korea stresses the sovereign power of the "federal government."

supreme national committee (Choego Minjok Uiwonhoe) which consists of the representatives of both governments to coordinate economic and cultural development of the two Koreas." For the text of Kim's address, see *Shin Dong-A*, January 1989, Appendix, pp. 166-73. The name of the unified Korea was officially given as "Confederal Republic of Koryŏ" in 1973 by Kim Il Sung in his welcoming address for Gustav Husak delivered on June 23.

¹⁴ This time, North Korea emphasized that the DCRK is not a transitional government, but a final form of the government of the unified Korea. For the text, see *Shin Dong-A*, pp. 331-40.

What kind of unified state does South Korea envisage? The plan “Unification through National Harmony” promulgated by the former president, Chun Doo Hwan, in 1982¹⁵ left the form of the unified government to be settled at the National Consultative Council for Unification to be organized by the two Koreas. The new unification formula of 1989 specified the form of the unified Korea in detail. According to the Korean National Community Unification Formula, the unified Korean government will take the form of a bicameral parliamentary democratic republic where the upper house will be composed of regional representatives and the lower house will consist of popular representatives to ensure the autonomy of the two existing Koreas.¹⁶

As for the measures to achieve the unified government, South Korea proposed to form a Council of Representatives composed of approximately a hundred legislators, with equal numbers representing the two parts of Korea, to draft the constitution of the unified Korea and develop methods and procedures to bring about political unification. General elections would then be held under the constitution to form both a unified legislature and a unified government.¹⁷

The new 1989 unification formula grew out of the 1982 formula, and thus the two share the same basic realism. The new formula, however, differs from its predecessor in clearly spelling out the structural and procedural components of the interim stage on the road to unification.¹⁸ Most importantly, it specifies the interim stage in the form of the Han Commonwealth, which will work for better management of the current division to pave the rough road to unity. Strictly defined, the proposed commonwealth is more a kind of regional cooperative system than a confederation. In the context of inter-Korean relations, however, the Han commonwealth is far more than that. Supported by the strong sense of national unity among both North and South, it will be able to function as a unified government. It will unite the two separated communities of the Han nation in all aspects except political unity, which is deliberately left to be solved in the future.

It is very encouraging that the idea of the Han Commonwealth and the scheme for the DCRK show one partial commonality despite their distinctive differences. Both schemes recognize the necessity for an interim stage of peaceful coexistence along the way toward political unification. If we start from this similarity, eventually we shall be able to work out a common peace scheme agreeable to both Koreas.

¹⁵ The plan was declared in his address delivered on January 22, 1982. In Korean this plan is called “il-i-i sŏnŏn.” For the text, see Yi Sang-U (Rhee Sang-Woo), *Tongil Hankuk-ui Mosaek* (Search for One Korea) (Seoul: Bak yuŏng sa, 1987), pp. 409–11.

¹⁶ See Roh’s address in *Korea & World Affairs* 13:3 (Fall 1989).

¹⁷ *Ibid.*

¹⁸ For a comparison of the 1982 and 1989 unification formulas, see Byung Chul Koh, “Seoul’s New Unification Formula: An Assessment,” *Korea & World Affairs* 13:4 (Winter 1989): 656–71.

Conclusion

The most severe obstacle to Korean unification is ideological antagonism between the two Koreas. Both Korean governments have tied their *raison d'être* to their commitment to the "official ideology" of their respective states. Thus neither government can make any concession on the ideological issue. This stalemate deters any attempt at reconciliation between the two Koreas.

In this circumstance, the only realistic way to shorten the distance to unification is to manage the current stage of division better. Both governments should put aside mutually provocative political issues and seriously pursue nonpolitical integration. All efforts should focus on restoring the unity of the Han nation. "From national unification to state unification" is the only feasible and realistic way to achieve the peaceful unification of Korea.

11. North Korea's Halting Efforts at Economic Reform

JOHN MERRILL

For more than twenty years, one of the most serious economic problems of the Democratic People's Republic of Korea (DPRK; North Korea) has been the military's hammerlock on scarce resources. The army is enormous; equally enormous have been the economic consequences of fielding, equipping, training, and maintaining such a large force. Estimates of the size of the army vary, but even Pyongyang openly admits that is too big an economic burden.¹

The economy suffers from numerous bottlenecks, which lead to shortages in many areas. Transportation and power continue to be serious problems, and every year there is a renewed effort to overcome them. Railroad electrification continues, as does double-tracking, signaling upgrades, and introduction of heavier rail cars, but there never seems to be sufficient progress to get ahead of the ever-increasing demands on the transport system. Power shortages are the norm. The inability to ensure power cripples machinery and disrupts production. Hydroelectric power is emphasized, until there is a drought; then thermal power gets attention.

One of the fundamental problems is not unique to the North but is a common failing of planned economies. Although economic inputs are fungible, because there is not a pricing system, one factory's surplus is not necessarily available to make up for another's shortage. One consequence of this situation is that decision making is constantly pushed to higher levels to get political pressure brought to bear, to avoid blame for missing targets, and to get

The views expressed in this chapter are solely mine and do not reflect those of the U.S. government or the Department of State. I wish to thank Bob Carlin, William Newcomb, and Jay Yim for their comments on this chapter.

¹ For Pyongyang's military buildup, see Robert H. Coffin, Jr., "North Korea—Fortress in Flux: Implications for the Future from a Force Development Perspective," paper presented to the Council of ROK-US Security Studies Conference (Seoul, 1989).

someone else to supply one's needs. Leadership, in turn, tries to force lower-level management to increase the productivity of labor, tap into reserves, and drive the system beyond capacity by putting it under pressure.²

Because the level of output for the economy as a whole is supply constrained by whatever happens to be the weak link in the production chain, those sectors that do well and have surpluses in effect waste resources by producing products that cannot be used. The North Koreans tend to focus on the sectors where there are logjams. This is a never-ending battle in an environment of taut planning; solving the problems of one sector only puts new strains on another.

North Korea is not the land that time forgot. True, there has been nothing so grand as Soviet-style *perestroika* or the reforms undertaken in Eastern Europe and China, to say nothing of an economist's restricted definition of reform as the introduction of market mechanisms, consumer choice, and property rights. But the North Korean leadership is aware of its economic problems; it has tried to grapple with them by a series of personnel reshuffles, organizational restructurings, and quick fixes. Since the later 1970s, when it became apparent Pyongyang was losing the economic race with the South, there has been a debate over what to do to rejuvenate the economy and a willingness to consider even more far-reaching economic changes.

Many of these developments seem to coincide with Kim Jong Il's rise to prominence. Kim seems to be associated with younger, more technocratic elements in the leadership. He may have listened to their counsel and backed reforms as a way to establish his credentials as an economic problem solver. The younger Kim's apparent role underscores a fundamental limit of North Korean-style reform. Nothing can be done that would compromise the succession or undercut the Korean Workers' Party (KWP), which has been Kim Jong Il's primary power base. Until he takes over fully, there will continue to be opposition to reform from more conservative elements. These days, moreover, Pyongyang feels threatened by the sudden collapse of Communist regimes in Eastern Europe and is more hesitant than before to strike off domestically in bold, new policy directions.

Understanding the North Korean Economy

Economic discussions of North Korea often are written as if economic development occurred in a vacuum. In the absence of reliable statistics, many studies of the DPRK deal too narrowly with generic economic questions without looking, except in the broadest terms, at the North Korean political context. Standards for measuring economic success have to be found within

² Myung Kyu Kang, "Industrial Management and Reforms in North Korea," in Stanislav Gomulka, Yong Chool Ha, and Cae One Kim, eds., *Economic Reforms in the Socialist World* (New York: Macmillan, 1989) pp. 200-211.

such a context at least in part; otherwise, we will fail to understand and explain the North's own view of itself. Moreover, the details of the political setting, the international situation at the time, and the specific constraints and challenges help determine the North's economic goals and the means it has adopted to meet them.

There is a tendency to take the North Koreans too literally, not so much their statistics—which are treated by observers with considerable skepticism—but their inflated rhetoric on economic matters. There is not enough attention to the fact that pronouncements on economic questions are not merely that but are also part of a larger political culture. Economic writings cannot be read in isolation but must be put in a broader political context. Economic statements may be simple assertions of a particular line. But they may also contain glimmers of disagreements in the leadership. In the grandest sense, these can be read as a debate between ideological conservatives and those who advocate more pragmatic approaches—a long-running debate that has defined the directions and limits of the North's economic development.

In many accounts, there is a tendency to disparage North Korea's economic performance. This is, in part, a result of the dearth of reliable statistical data and of information on economic decision making in the North. Most of all, the DPRK economy suffers by comparison with South Korea's economic miracle of the past twenty years. It is crucial to remember, however, in trying to understand the North's economy, that it performed quite well at least through the early 1960s.³ Even now, if the standard is the Third World or other Communist countries, the North is doing relatively well, growing slightly more than 2 percent a year in real terms.⁴

Frequently the approach is too historical, focusing on each separate plan, with no sense of how they fit together or of the underlying economic philosophy that binds them. And there is an overreliance on code words and clichés, which have come to hide as much as they explain. The phrase “Stalinist command economy” is used all the time, without any real effort to explain the special political and economic features that define what is North Korean about the North Korean economy.

General Description of Economic Circumstances

Economic reconstruction after the Korean War focused the North's energies and mobilized the population in a way that ideological fervor alone could never have done. Economic aid flowed in—published agreements show at least

³ U.S. Central Intelligence Agency, *Korea: The Economic Race Between the North and the South* (Washington, D.C.: Government Printing Office, 1978).

⁴ North Korea's economic growth dropped from 3.3 percent in 1987 to 2.4 percent in 1989, according to the estimate of the ROK's National Unification Board. Quoted in *Yonhap*, September 25, 1990.

US\$1.3 billion in grants and loans from the USSR alone between 1953 and 1976.⁵ There are other agreements for which dollar amounts are unknown. East European aid was substantial in the 1950s and 1970s; so too was aid from China. Nevertheless, the war's destruction was enormous; labor problems—in terms of both absolute and skilled manpower—went from bad to worse. The disruption in the social fabric, however, eased the transition to the systems and organizations of the Communists.

Virtually as soon as the war was over, there was a decision to develop an independent economy. Such economic independence was not sought in and of itself but as a necessary adjunct to the more basic decision to pursue an independent political line. This decision was not absolute, nor has it ever been. In large part, the history of North Korea has been the history of the choices and consequences of the conflict between its desire for maximum independence and its acknowledgment that it could not isolate itself totally from the political and economic currents sweeping the world.

North Korean accounts maintain that in the formative years of the regime forces within the leadership opposed this independent economic road and that external forces—the USSR—tried to persuade the North to join and support the larger international Communist economic structure rather than to strike out on its own.

The decision to develop an economic base would have been difficult in any case. It was made more difficult by the Sino-Soviet split, which made the choices starker and more painful. When Moscow reduced aid in the early 1960s, to punish the North's pro-Chinese leanings, Pyongyang's economic calculations were knocked off track. In effect, they never recovered; and the decision that followed—to make the North even more politically, economically, and *militarily* independent from its unreliable allies—has kept the country off balance ever since.

The North's economic problems have been compounded by the leadership's intense focus on the question of reunification, of which the ongoing political and military confrontation with the Republic of Korea (ROK; South Korea) and the United States has been a major factor. As its economy pulled ahead of the South's in per capita terms during the late 1950s and early 1960s, Pyongyang claimed it was planning its own development to prepare for reunification. When the North turned to a more confrontational stance in the early 1960s, economic development slowed as limited resources were poured into the military sector. This diversion of resources continued through the 1970s and into the 1980s. Only within the past few years have there been signs that the regime may be reevaluating priorities, although there has been no slowing of its military buildup. The North Koreans complain, for example,

⁵ Erik Van Ree, "The Limits of *Juche*: North Korea's Dependence on Soviet Industrial Aid, 1953–76," *Journal of Communist Studies* 5, 1 (March 1989): 68.

about the economic costs of placing their military on alert each year during the ROK-U.S. Team Spirit military exercise.

There is a tendency to portray the North as isolated, aloof from the winds of change sweeping the Communist world. The North Korean elite is not isolated. It is well aware of what is going on elsewhere. It also knows that none of the Communist reform programs have yet succeeded, and most, in fact, led to more problems than they have yet solved; structural deficiencies have been revealed that previous Communist leaders kept papered over. The Hungarian and Polish economies are not models of success, not yet, anyway, and are not worthy of emulation in Pyongyang's eyes. The recent troubles in the People's Republic of China (PRC) and the USSR merely confirm for the North Korean leadership that reform is a treacherous process. Still, there are signs of opening—not only the often mentioned Joint Venture Law, which was as important symbolically as it was for any specific deals that it encouraged, but also the North's acceptance of United Nations Development Program (UNDP) assistance on a wide range of projects, many of them export-oriented.

The establishment of the joint venture law is important to North Koreans, but they admit privately that they are still learning from the PRC's experience. The Chinese have always explained to visiting North Korean economic managers that the PRC's economic opening had both pluses and minuses—a point underscored by Tiananmen. The DPRK has established more than a hundred joint ventures in high-technology, mining, consumer goods, and service industries. Pyongyang has tried to contain the political impact of these projects by setting up most of them with companies affiliated with the pro-Pyongyang Association of Korean Residents in Japan. It has also tried to locate these projects in peripheral areas or in cities—like Pyongyang, Nampo, or Wonsan—to which entry is controlled and where the North can display its system at its best. Dozens more joint ventures have been established abroad, in Africa and in the Soviet Far East. At one point, Pyongyang even struck a deal with Hyundai honorary chairman Chung Chu Yong to cooperate in projects in the Soviet Union, Wonsan, and the Diamond Mountains. Soviet specialists say that the North's joint ventures have begun to run up against the “fundamental limitations” of a planned economy, but there is at least some reason to believe that more pragmatic elements in the leadership may also see them as a way to introduce market mechanisms through the back door.⁶

The Chinese have told the North that they had to offer numerous sweeteners and establish special economic zones to entice foreign investment. Pyongyang has apparently heeded this advice, and it reportedly plans to establish a special

⁶ Yong Chool Ha, “The Impacts of *Perestroika* on North Korea,” paper delivered at the annual meeting of the American Association for the Advancement of Slavic Studies, Honolulu, September 17–20, 1988; Marina Trigubenko, Georgi Toloraya, and Alexander Mansurov, “DPRK: First Few Mixed Enterprises,” *Far Eastern Affairs*, no. 3 (1990): 21–34; Hy Sang Lee, “North Korea's Closed Economy: The Hidden Opening,” *Asian Survey* 28, 12 (1988): 1264–1279.

economic zone at the juncture of its border with the PRC and USSR.⁷ The North also continues to invest heavily in tourist facilities and two years ago established an international tourist bureau. Even so, it remains leery of possible contamination by outside ideas and carefully vets tourists.

The Myth of *Chuch'e*

The political imperative for independence requires an ideological framework, and that has been the doctrine of *chuch'e*. It has been elaborated over the years and has been overlaid with a near religious aura. In its most rigid manifestations it has been an obstacle to development. But it has never been purely and solely a prescription for autarky. Outsiders tend to look at *chuch'e* in its macro applications, at the national level. Yet it is also—if not primarily—intended for localities and individuals: do it yourself or do without, work around shortages, be inventive. For a country with shortages, transportation bottlenecks, cascading planning failures, this is not a strange approach.

Neither is *chuch'e* a concept that national planners necessarily have felt prevented them from dealing with the outside world. It did not, for example, prevent the DPRK in the early 1970s from going to the international market for a huge infusion of new capital equipment, including the import of whole plants from Japan, France, and Scandinavia—an opening that failed when the North had to import wheat to meet a drought-induced harvest shortfall and the world market for its exports of lead and zinc softened as the economies of the industrial nations slowed down after the first oil shock.⁸ *Chuch'e* was then used to salve badly burned fingers and also to justify North Korea's turning back in. Yet by 1975, as if to restore *chuch'e* to an even keel, Kim Il Sung was again emphasizing the importance of foreign trade.⁹

The particular interpretation of *chuch'e* can be made to fit the needs of the moment. As a political symbol, it is a source of pride, a badge of distinction, and a shield in the midst of the turmoil of the Sino-Soviet dispute. As a working economic philosophy, it is malleable enough to permit the joint venture law of 1984, an effort to develop an extensive infrastructure to support foreign tourism, and a nationwide chain of hard-currency stores stocked with imported consumer goods.

⁷ *Chosun Ilbo*, October 24, 1989.

⁸ For background, see Ron Richardson, "Breaking the Shell," *Far Eastern Economic Review*, June 26, 1981, pp. 72–74. Pyongyang's foreign debt stood at US\$5.2 billion in 1988, according to the ROK's National Unification Board. *Yonhap*, December 28, 1989.

⁹ For a more recent exposition of the importance of foreign trade, see *Nodong Shinmun*, October 13, 1984.

Planning

Early on, Kim Il Sung gave frequent and meticulous on-site guidance. This leadership style was useful for a devastated economy; it communicated a sense of concern, established grass-roots support, motivated people, and kept local managers on their toes. But such highly intrusive management by the top leadership cannot be a substitute for efficiency and coordination. It distorts allocation of resources as pet projects get attention out of proportion to their economic worth. For political reasons, Kim Jong Il has carried on this leadership style. His pet projects—such as transforming Pyongyang into a monumental city—could become his undoing if opponents, with the backing of economic critics of the USSR, can demonstrate that he has squandered the country's wealth on showpiece projects that provide no economic benefit.¹⁰

North Korean planning appears to vary in some important respects from the Soviet model. The DPRK is more flexible about the plan period and less wedded to the norm of the annual plan. It seems often to make unannounced changes, adjusting targets downward, to allow it to claim success. The previous targets then pop up again when a new plan is announced.¹¹

In other socialist economies, "storming" occurs in the last few months of the plan year, but North Korea storms in the run-up to the birthdays of Kim Il Sung and Kim Jong Il or before major domestic and international events and holidays. North Korea's "storms" or "speed battles" are directed at very specific projects—often those that have become bottlenecks in the economy and are holding back other sectors—and allow it to take more than a year to meet annual goals.

North Korea places much more emphasis than other socialist countries on the integrity of its longer-term plan. The annual plans usually implement these longer-term objectives. The North has to be flexible, however, in adjusting its annual plan goals because of uncertain foreign input and internal disruptions inevitable in an economy that has no slack.

Unlike other Communist countries, North Korea does not plan on a five-year basis, but typically for a six- or seven-year period. This puts it out of sync with the planning cycles of other socialist countries. Pyongyang's planning cycle begins and ends either before or after other Communist countries have assessed their own long-term plans, particularly the foreign trade and economic assistance segments. For example, North Korea kicked off a seven-year plan in

¹⁰ Since the First Seven-Year Plan (1961–67) target growth rates have not been met. Pyongyang spent an estimated US\$4.5 billion in scarce foreign exchange to host the 1989 World Youth Festival. *Vantage Point* 12, 12 (December 1989): 12.

¹¹ The Five-Year Plan of 1957–61, for example, was completed in 1960; the First Seven-Year Plan (1961–67) was extended to 1970. For an overview of North Korean economic planning, see Joseph S. Chung, "Economic Planning in North Korea," in Robert Scalapino and Jun Yop Kim, eds., *North Korea Today: Strategic and Domestic Issues* (Berkeley: Institute of East Asian Studies, University of California, 1983), pp. 164–196.

1978, even though the Soviets did not even get around to looking at the 1980s until a year later. In fact, planning problems prevented the Soviets from completing the process of gearing up for their 1981–85 plan until 1982, with the result that North Korea had no idea of what kind of help it could count on from the Soviets until it was several years into its own plan. In the end, the Soviets agreed only to complete projects they had previously begun.

Presumably, the North Koreans made this choice not only because they recognize they need longer lead times to complete construction projects that are key to plan goals, but also because they wanted to avoid being integrated into the development plans of other socialist countries. Pyongyang has always resisted joining the Council for Mutual Economic Assistance (CMEA), which until recently has closely coordinated the plans of the socialist countries. Even in the past few years there has been evidence of continued North Korean resistance to Soviet efforts to get the DPRK more closely integrated into blocwide economic planning.

The Soviets use a *perspektivnaya* or twenty-year plan to set the direction of long-term development. North Korea engages in a similar practice when it announces long-term objectives ten or more years into the future. The vagaries of the economy and North Korea's circumstances often lead to objectives being shifted from one long-term plan period to the next, and sometimes the focus of a plan will shift part-way through. Both in the early 1960s and the early 1970s, improvement of consumer living standards was given high priority, only to be subsequently abandoned. The importance of the longer-term goals is reflected in the fact that the same projects keep reappearing in long-term plans. The goals articulated in the long-term-plan of 1976 appeared again in 1982, only slightly adjusted. Hydroelectric power plants announced in the 1960s have still not been constructed. Pyongyang's stable leadership knows what it wants but has to be flexible in achieving its goals. It swaps priorities and alters plan schedules.

North Korean plans are heavily weighted toward new construction. Following the traditional approach of a command economy, the North Koreans have pursued growth extensively rather than intensively, through quantitative expansion rather than qualitative improvement. Almost always the emphasis has been on the heavy industry sector. There are some hints, however, that this may be changing. Already in speeches in the late 1970s, Kim Il Sung acknowledged that the DPRK must begin to shift from extensive to intensive growth and that it had fallen behind international levels in science and technology. In his 1986 New Year's speech Kim stressed that a technological revolution was the key to boosting economic growth, and the Third Seven-Year Plan (1987–93) emphasized technological restructuring of the economy.¹²

¹² Teruo Komaki, "Current Status and Prospects of the North Korean Economy," in Masao Okonogi, ed., *North Korea at the Crossroads* (Tokyo: Japan Institute of International Affairs, 1988), pp. 45–63.

The economic planning system appears to have been overhauled in 1981. Central economic ministries were streamlined to focus on planning, technical guidance, logistics, and exports, while responsibility for supervising factories and ensuring fulfillment of quotas was entrusted to new provincial economic guidance committees, directly under provincial party organizations. Presumably, this has made provincial economic figures somewhat more important, but whether their increased importance has translated into political clout at the upper reaches of the party is a question worth further study. (There may be some historical precedent for the emergence of politically influential regional economic bosses. After World War II, Kim Il Sung and his anti-Japanese guerrilla faction linked up with more "managerial" types from the heavily industrialized northeast to establish a grass-roots political organization, and North Hamgyong accents to this day remain much in evidence in Pyongyang).

Agriculture

The North Koreans pay considerable attention to the agricultural sector, and it is an area in which they have had some success. The World Bank estimates that North Korean agricultural production exceeds basic nutritional requirements by over a quarter, although this figure probably has dropped in recent years. There have been reports of food shortages and cuts in rations, and the seriousness of the food problem is reflected in the order of terms in the set-piece phrase "food, clothing, and housing," which Pyongyang has recently begun to use instead of the traditional expression "clothing, food, and housing." But food shortages probably reflect other problems—such as distribution and bad weather—rather than serious deficiencies in the agricultural sector itself. In general, the agricultural sector has pulled its weight, generating some export earnings and maintaining reasonably good growth. Over the last few years, however, a series of bad harvests has caused it to be a drag on the economy. Whether the sector will be able to produce the surpluses necessary to fuel the growth in the light industry and consumer goods sectors that the leadership has started emphasizing in the past few years is therefore questionable.

Despite occasional rhetorical flourishes, North Korea has taken great care not to move beyond cooperatives to collectives on a large scale. Ideologically and organizationally, Pyongyang sees the rural areas as backward, but it also appears to realize that its stated goal of moving to "all-people ownership" in the agricultural sector would disrupt production. Two years ago Kim Il Sung's New Year's Day speech dwelt on creating state farms cultivated by workers, not peasants, and the need for land reclamation to support this effort. In many ways agriculture is a good case study of how pragmatic the North Korean leadership is on economic questions. Economic policy has not been subject to wild, ideologically based swings, certainly not like those in China. (The one time the North Koreans gave way to flights of economic fancy occurred when

they went on a buying binge for Western equipment in the early 1970s—hoping to bootstrap economic growth by bringing projects online quickly enough to pay for themselves with the exports they generated.)¹³

Industry

A recurring tension in the North has been between development of light and heavy industry. Pyongyang's decision to pursue independent economic development ensured the primacy of heavy industry, and the consequences of this decision were apparently greatly magnified when, in the early 1960s, there was a further decision to pursue an independent defense industry. The first decision meant a long delay in addressing the need for more consumer goods despite the claim that a large number of light-industrial plants had been established on the local level during the Chollima Movement in the late 1950s; the second decision added nearly a decade to any serious effort to address those needs. Neither the tug-of-war between light and heavy industry nor the attempt to resolve it is seen in the North as purely economic. It is, rather, essentially political, driven by international circumstances or internal political considerations. When it is said that the North has not emulated the Soviet Union in adopting restructuring, for example, it should be noted that the DPRK does not have the same ability to influence its external environment and that economic reform would necessarily entail a fundamental reordering of Pyongyang's domestic and foreign policy goals.

One effort to lessen some of the tension between light and heavy industry was the 1973 introduction of the local budget system. Provincial authorities were made responsible for all economic and social activities not directly funded by the state, including retail stores, schools, hospitals, and light industries. The new budget system encouraged local authorities to develop profitable enterprises to reduce subsidies and produce a surplus for the state.

The Second Seven-Year-Plan (1978–84) seems to have involved some decision to dilute the focus on heavy industry. There was renewed emphasis on the local budget system and on the question of distribution. The Sixth Party Congress continued this greater attention to light industry with a tacit admission that ideological motivation was no longer sufficient and that the workers needed some tangible rewards. Along with this, Kim Il Sung's Democratic Confederal Republic of Koryo proposal redefined reunification in a way—one state, two systems—that allowed a loosening of the belt.¹⁴ In 1983 and 1984,

¹³ Peter Hendry, "Waiting . . . and Changing: Between the Democratic People's Republic of Korea and the People's Republic of China, diverging routes to socialist agriculture are becoming more apparent," *Ceres* 94 (1983): 33-38. For a more recent overview of North Korean agriculture, see Lee Chin Kook, "An Analysis of North Korea's Attempt at Economic Development: With Special Reference to Agriculture," paper delivered at the Fourth International Conference of Korean Economists, Seoul, August 16–17, 1990.

¹⁴ For an analysis of Kim's proposal, see Rinn Sup Shinn, "Democratic Confederal Republic of

Kim Jong Il published a thesis and gave a talk to party cadres that endorsed this more balanced approach by providing a theoretical justification for material incentives and placing a higher priority on improving living standards.¹⁵ The remainder of the decade has seen a nearly continuous emphasis on the themes of consumer goods and light industry. There is as yet no effort, nor apparently any pressure, for a consumer society such as in Hungary. In the 1970s visitors from China agreed that the North was less drab, had more to offer than China. It is not clear that the North has slipped in this regard, only that China has, in some respects, pulled away.

Economic Debate

Since the late 1970s, Pyongyang has been casting about for new forms and approaches that would revitalize the economy. But to the North, the tension that exists between economic form and political content has not been easy to resolve. For Kim Il Sung, the principles of the revolution and the imperatives of North Korean independence dictate a need for caution in introducing economic reforms. North Korea has cautiously experimented with elements of decentralization, market mechanisms, and profit incentives. At the same time, it has also tried more traditional, bureaucratic tweaking approaches, regularly grouping and regrouping economic ministries and shuffling personnel, in hopes of somehow hitting on the right solution.

North Korea's latest attempt at economic reform got under way just a few months before the Rangoon bombing. Meetings in the spring of 1983 and a party plenum in June focused on increasing the output of the light industry and consumer goods sectors. Two new party economic secretaries were named at the plenum. On the centenary of Karl Marx's death in May 1983, Kim Jong Il was thrust forward as a theorist when the party newspaper *Nodong Shinmun* indicated he had written a treatise on how socialism should be applied under modern conditions. Laying the theoretical groundwork for reforms, Kim's thesis, *Let's March Forward under the Banner of Marxism-Leninism and Juche*, argued that socialism was, by nature, a transitional state and that many vestiges of capitalism cannot be discarded. Incentives, for example, are fine in this stage, even though in the long term, they will be discarded.¹⁶

Koryo: Motives and Implications," paper delivered at the annual meeting of the Association for Asian Studies, Chicago, April 6-8, 1990. For a comparison of North Korea's ten long-term goals and targets, see *Vantage Point* 12,10 (October 1989): 19.

¹⁵ Kim Jong Il, "Let Us Raise the Living Standards of the People Higher," *Social Sciences*, no. 4 (1984).

¹⁶ There was apparently some sensitivity about the treatise since the newspapers did not carry its full text but merely a summary. *Nodong Shinmun*, May 4, 1983.

From 1984 on, the North has tried to gradually implement these decisions.¹⁷ Its efforts have generated a debate, frequently appearing in the pages of the party theoretical journal *Kulloja*, over the pace and scope of reforms. Kim Il Sung seems to have set certain parameters for the discussions. Anything that smacks of jettisoning “revolutionary principle” is over the line, and commentators still must feel their way carefully when they begin to push against this limit. These debates are worded very carefully, stepping around political and ideological land mines.

One area of debate has concerned how to measure the “standard of labor.” More reformist-minded commentators have allowed that, while shining in political indoctrination meetings is fine, it is more important to contribute to actual production. Conservatives argue that the key to production is more revolutionary enthusiasm. Those supporting economic reforms agree but add a new wrinkle—high productivity would assure revolutionary enthusiasm.¹⁸

Concurrently, two developments intended to improve efficiency have occurred at the enterprise level: increased emphasis on the creation of industrial complexes and efforts to introduce greater decentralization. These industrial complexes are given the plan, but they have considerable leeway for implementing it at the local level. Justifying this leeway, reformers argue that the uniqueness of each plant makes it impossible for central bureaucrats to know how to mobilize the workers and maximize productivity. In a half-spoken way, such arguments are an implicit admission that the North Korean economy has previously been overcentralized.¹⁹

The industrial complexes have apparently been given authority to make some contracts for exchanging goods without having to go to central authorities for permission. Thus a horizontal level of interaction has been introduced, supplementing the vertical one already in place. Numerous articles have appeared in the media warning enterprise managers that they are now on their own and will get no sympathy—and more important, will be held accountable—if they fail to meet production goals.²⁰ Indeed, meeting plan targets has long been a matter of law; managers can be punished for failure.

Renewed emphasis has also been placed on the independent accounting system, first introduced in the early 1960s, but long neglected. The system has been expanded to include lower levels and extended to nonproduction agencies with the introduction of a “semi-independent accounting system.”²¹ The independent accounting system supports efforts to increase efficiency, but it is

¹⁷ Young Whan Kihl, “The Hermit Kingdom Turns Outward,” *Asian Survey* 25, 1 (1985).

¹⁸ *Kulloja*, April 1984, pp. 40–44; June 1984, pp. 51–55.

¹⁹ *Ibid.*, April 1985, pp. 59–63; November 1985, pp. 62–65.

²⁰ *Ibid.*, February 1986, pp. 70–76.

²¹ Yong Chool Ha, “Kim Il Sung’s Leadership Strategy and Economic Reforms in North Korea,” paper presented at the annual meeting of the Midwest Political Science Association, Chicago, April 9–12, 1986; *Nodong Shinmun*, June 16, 1985.

a two-edged sword. An enterprise that exceeds its quota can keep part of the surplus and reinvest it or give it out as worker bonuses. Arguments even ensue over the uses to which such bonuses may be properly put. For example, is it right to build a plant gymnasium that would benefit all workers, including the deadbeats? Rather than get enmeshed in such debates, central authorities appear willing to leave decisions on earmarking surpluses up to the individual enterprise.²²

The other edge of the sword is that enterprises that don't meet their quotas don't get paid. Apparently, a real effort to enforce the independent accounting system is under way. At first, the threats of the consequences of the failure to achieve plan targets predominated. Now, most of the discussions center on how to distribute surpluses.

To bolster managerial expertise in the newly decentralized environment, the government has reassigned younger, more capable cadres from the central ministries to the industrial complexes. (This practice may also help keep down the population of Pyongyang; the city is a magnet, and periodically the regime has to send some persons back to the countryside.) Presumably, cadres sent to the industrial complexes retain their ties with central authorities. The theme coming through more and more in the North Korean media is "Just do it!" Applied to economic management, this is *chuch'e* with a vengeance.²³

The economic decentralization has given rise to exhortations from those holding more orthodox views that party control must be tightened. The argument is that the more the economy is decentralized, the more important it is for the party to ensure political cohesiveness and responsiveness to central goals. The orthodox solution stresses the importance of party control and stepped-up political indoctrination. Orthodox arguments about the value of collectivism picked up steam in late 1987 when Kim Il Sung made a speech to the Supreme People's Assembly that raised the theme.

The reformists, however, seem to be trying to finesse the issue. They are not just adopting protective ideological coloration but almost throwing ideological cant back in the faces of the conservatives. It is hard to interpret their call for using the revolutionary zeal of the masses to the full as anything else. The argument is that giving more autonomy to local enterprises is a way of ensuring that nothing gets in the way of the masses' enthusiasm. And the reformists emphasize that the growing complexity of the economy makes it impossible for government to control everything.

Outside observers sometimes see these policy differences as evidence of disarray—even factionalism—within the leadership. This is probably going too far given the dominance of the two Kims. But factionalism has historically been an ingrained feature of the Korean political system. It was suppressed in

²² Kulloja July 1984, pp. 40–44; February 1985, pp. 57–62.

²³ "An Analysis of Kim Jong Il's Personality and Leadership Style," *Naewoe Press*, November 18, 1983.

the North only with the full flowering of Kim Il Sung's personality cult in the wake of the August 1956 "factional incident."²⁴ There is more and more talk in North Korea these days about this incident, and it may not be coincidental that a party plenum in January of this year adopted a resolution concerning the economy and economic construction that embodied the slogan "increasing production and conservation"—which also appeared in December 1956. The North Koreans voice frequent concern that factionalism may reemerge—and it will. But for now, differences within the leadership over economic policy likely reflect the complexity of the leadership's feelings about reform and its fear that what has been, up to now, a carefully managed reform process could slip the leash.²⁵

An article in *Kulloja* pushing for increasing consumption, which appeared early in 1989, seemed to signal a new stage in the economic debate. The argument was that the economy had developed past the point where the single-minded pursuit of accumulation was any longer appropriate. This position initially surfaced in 1983–84 but was soon overshadowed by Pyongyang's eagerness to land a share of the 1988 Olympics and, then, compensate for its failure to do so by lavishing attention on the 1989 World Youth Festival. Just before the festival, a party plenum called for a revolution in light industry, and the North seemed poised to push this line. But then events in Eastern Europe intervened—and Pyongyang slammed on the brakes.

Pyongyang appears to be following a three-pronged strategy to defuse any expression of popular unrest—imposing tighter control on information from overseas, emphasizing ideological rearmament, and (an aspect often neglected) increasing the supply of food and consumer goods. Indeed, Kim Il Sung may have given his personal stamp of approval to the drive to improve living standards by recently attending an exposition of North Korean-made consumer goods. In any case, the DPRK can no longer hope to get much aid for heavy industry from the Soviet Union and Eastern Europe.²⁶ Thus, the emphasis on

²⁴ In the wake of Nikita Khrushchev's de-Stalinization speech at the 20th Congress of the Soviet Communist party, pro-Chinese and pro-Soviet factions of the KWP mounted a joint challenge to Kim Il Sung's "personality cult" at a plenum in August 1956. Outmaneuvering his opponents and warding off a joint Sino-Soviet political intervention, Kim beat back the challenge and went on to ruthlessly suppress "reactionary and antiparty elements."

²⁵ For a discussion of Pyongyang's options, see Aidan Foster-Carter, "North Korea's Leadership: Kim Il Sung at the Crossroads," *Inside Asia*, June–August 1985, pp. 9–11; Selig S. Harrison, "Changing North Korea: Under Economic Pressure," *Diplomacy* 15, 7 (1989): 36–38.

²⁶ Japan External Trade Organization (JETRO) figures show North Korean trade dropping in 1989 for the first time since 1984. Exports declined 6.6 percent to US\$1.56 billion, and imports fell 12.1 percent to US\$4.8 billion. A major cause for the drop in trade was a 14.6 percent decrease in imports from the Soviet Union (exports held steady). Trade with the USSR accounts for 60 percent of the DPRK's trade, and North Korea depends on the Soviet Union for imports of oil, coal, and wheat. The USSR's preoccupation with its own reforms, North Korea's debt of more than the 2 billion rubles, warming ties between Moscow and Seoul, and the DPRK's domestic economic difficulties account for the decline in their trade, according to the JETRO report. *Asahi Shimbun*, June 26, 1990.

light industry and consumer goods may be an early sign of the direction that North Korea will take in its next long-term economic plan.²⁷

The succession of Kim Jong Il, now virtually complete except for his formal investiture, may give new urgency to efforts to strike a better balance between accumulation and consumption. The younger Kim seems to lack the charisma of his father and must make a name for himself, not only as a patron of the cinema and the arts, but also as a manager of the economy. The North Korean people are probably already aware of the economic successes in the South.²⁸ Too many invidious comparisons with the ROK's economic successes will be politically dangerous during the final stages of the succession. There have been many false starts down this road before; this time, however, it may be politically imperative for the North to follow through—to start to deliver to its people the economic goods.

²⁷ *Kulloja*, February 1988, pp. 68–72.

²⁸ For recent DPRK economic statistics, see ROK, National Unification Board, *Comparative Study of the Economic Situation of South and North Korea in 1989* (Seoul: National Unification Board, 1990). According to this report, North Korea's 1989 GNP was US\$21.1 billion; per capita income was US\$987; the economic growth rate was 2.4 percent, down from 3 percent in 1988; imports exceeded exports US\$2.8 billion to US\$2.0 billion. Military spending consumed more than 20 percent of GNP. Grain output was 5.5 million tons. Foreign debt was US\$6.8 billion. Quoted in *Yonhap*, September 25, 1990.

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