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ROK Policy on North Korea and Inter-Korean Economic Cooperation: Prospects and Analyses

Suk Lee

This paper reviews the development of the ROK policy on North Korea and its relations with inter-Korean economic cooperation over the past 15 years. It also briefly assesses the current status of inter-Korean economic cooperation and discusses its future development. In addition, the paper argues as follows. The ROK policy on North Korea consists of three parts: 1) the basic perceptions of the existing DPRK regime, 2) set of prioritized policy goals such as peace, coexistence and unification between the two Koreas and 3) various policy measures with the most important being inter-Korean economic cooperation. As a result, changes in the perceptions of the DPRK or in prioritizing policy goals on North Korea have had direct impacts on both the pattern and performance of inter-Korean economic cooperation and vice versa. It means that inter-Korean economic cooperation has been fundamentally driven by the ROK government. For future development, however, this government-led economic cooperation should be converted into a private sector-led initiative that can be relatively free from the changes in South Korea's policy on the DPRK. This private sector-led economic cooperation will also allow the ROK government to pursue its policy on North Korea in more efficient and rational ways.

Key Words: inter-Korean economic cooperation, engagement approach on North Korea, conservative approach on North Korea, controversies on ROK policy toward North Korea, prospects of inter-Korean economic cooperation

Introduction

For the past 15 years, economic cooperation between the Republic of Korea (ROK, commonly known as South Korea) and the Democratic People's Republic of Korea (DPRK, commonly known as North Korea)

has been defined by the ROK's signature policy on North Korea. As much as the success and failure of inter-Korean economic cooperation have led to changes in strategy, the development of South Korea's policy has continued to revolve around inter-Korean economic cooperation. In that sense, debates on South Korea's policy toward the North have also developed based on the general impacts and implications of inter-Korean economic cooperation and inter-Korean relations.

In retrospect, the ROK policy on North Korea between the late 1990s and the mid 2000s aimed to bring about fundamental changes to the confrontational status-quo of inter-Korean relations so that a common goal for peace and prosperity could be achieved. Thus, the catalyst for change was found in inter-Korean economic cooperation, which was still in its embryonic stage. Nevertheless, there was a strong conviction that expanding inter-Korean economic cooperation would open up the possibility of peace on the Korean peninsula, transformation of the DPRK for the better, and eventually unify two Koreas. Based on this understanding, inter-Korean economic cooperation developed quickly, which made bilateral relations closer and friendlier.

In contrast, South Korea's policy since the late 2000s has pivoted toward a principled approach. In light of the DPRK's continued nuclear and missile programs along with the military clashes in the West Sea, establishing a principled approach that can rectify the unbalanced inter-Korean relations has become significantly important. Such principles, in turn, were sought within inter-Korean economic cooperation because they were part of an aspect of inter-Korean relations in which both the cause and the remedy were believed to be found. As a result, more restrictive measures on inter-Korean economic cooperation were implemented under this principled approach. It has made inter-Korean economic cooperation significantly weaker in comparison to the past. However, South Korea has not abandoned such principles due to a reformed conviction that both inter-Korean economic cooperation and inter-Korean relations cannot properly develop or prosper without upholding such principles, which have often been neglected.

Then, why was inter-Korean economic cooperation so important

for South Korea's policy on North Korea during the past 15 years? Why did the ROK policy have to endure such dramatic ups and downs in different periods of time? The purpose of this paper is to discuss the development and future of inter-Korean economic cooperation by addressing these questions. In doing so, Section 2 examines inter-Korean economic cooperation from the late 1990s to the mid-2000s by focusing on its relations with South Korea's policy on the North in addition to the practical accomplishments and controversies that followed as a consequence.[1] Section 3 provides a brief assessment of the inter-Korean economic cooperation from the mid-2000s to the present, and Section 4 discusses which inter-Korean economic cooperation would be most appropriate for South Korea's future policy on North Korea. Finally, Section 5 concludes by summarizing the discussions above.

Engagement Approach and Inter-Korean Economic Cooperation between 1998 and 2007

In the late 1990s, inter-Korean economic cooperation emerged as an important aspect of the ROK's policy on North Korea. At that time, South Korean policy was in a paradigm shift, and inter-Korean economic cooperation was considered to be a key ingredient that would bring about overall change to this policy. The Kim Dae-jung administration, which took office in 1998, had a different view on the DPRK than its predecessors. This new perspective led the administration to attempt a transformation of South Korea's policy on North Korea under a new structure that was centered around inter-Korean economic cooperation.

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1. Since the late 1990s, there have been three different administrations in the ROK. Each were headed by Presidents Kim Dae-jung, Roh Moo-hyun and currently Lee Myung-bak. For convenience, this paper consolidates the Kim Dae-jung and Roh Moo-hyun administrations under a single era, although some differences between the two are recognized. In fact, this paper assumes that the two shared virtually identical policy directions and guiding principles in approaching the DPRK despite such differences.

Paradigm of Engagement Approach

From the Kim Dae-jung administration's standpoint, the existence of the DPRK was to be recognized as a reality. In other words, the anticipation for the regime's impending collapse due to its economic hardship and political isolation was no longer perceived as a reasonable viewpoint. Rather, the fact that the regime withstood the extreme economic crisis and famine in the mid-1990s and continued to maintain effective control over the entire region suggested that the ROK must reconsider its fatalistic expectations for the DPRK. As such, the Kim Dae-jung administration believed that it was necessary and appropriate for the ROK to engage the current DPRK regime. Up to that point, bilateral relations were not particularly on friendly terms, and the DPRK had been highly critical of the ROK's engagement policy. Nevertheless, the administration was positive about its engagement policy because there were sufficient reasons to believe that the DPRK could not and would not strongly deny this approach. For example, the ROK was capable of providing the DPRK with enough external economic assistance, which in turn was quite important in ensuring that the current DPRK regime survived. Therefore, if the ROK attempted to embark on an engagement policy based on a "well designed economic assistance package," it would be difficult for Pyongyang to stubbornly refuse the gesture, as it had been in the past.[2]

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2. The engagement approach, originally initiated by the Kim Dae-jung administration, dominated South Korea's policy on the DPRK during both the Kim Dae-jung and Roh Moo-hyun administrations. To the South Korean public, it is simply and widely known as the so-called "Sunshine Policy" in which deepen economic ties with the North will bring about peace, reconciliation and the eventual unification of the two Koreas. From the policy standpoint, however, it is a rather complex system composed of new policy objectives, measures, roles of relevant players as well as new perceptions and concepts on the DPRK and inter-Korean relations. Indeed, this resulted in a major overhaul of the ROK policy on North Korea between 1998 and 2007, which influenced all aspects of bilateral relations including political, military, social, cultural and economic ties. Note, however, that this paper does not discuss the engagement approach, per se. Rather, it only examines the relations between inter-Korean economic cooperation and the ROK policy on the DPRK under the

Such perceptions have drastically changed South Korea's policy on North Korea in the late 1990s. Above all, the policy objectives have changed. Once the current DPRK regime was recognized as a reality, unification as the immediate policy goal and work toward its realization have become less important than properly managing the "DPRK risk" by seeking peace and coexistence with Pyongyang. Of course, that did not necessarily mean unification was entirely excluded from South Korea's policy agenda. Instead, it was a shift in priorities toward a peaceful relationship with the DPRK through rapprochement and cooperation. And ultimately, the decrease in the socio-economic gap between the South and North by inducing gradual changes to the DPRK was considered more important and realistic. That is, if the imminent goal of the ROK policy on North Korea was to achieve peaceful coexistence between the two Koreas, then the ultimate, long-term goal was unification with a gradually changing DPRK, which will induce a peaceful coexistence.

Role of Inter-Korean Economic Cooperation

Engagement through inter-Korean economic cooperation was then considered a policy instrument utilized to achieve the underlying objectives of the ROK policy on North Korea. As mentioned earlier, the economic benefits from such cooperation were not something that the DPRK could easily refuse. Moreover, inter-Korean economic cooperation was perceived to be the most viable method to promote peaceful coexistence and induce change in the DPRK, alleviating the socio-economic gap between the South and the North and leading to unification. If the DPRK wished to gain economic benefits through inter-Korean cooperation, then it needed to adopt voluntary measures that can alleviate political and military tensions with the ROK and

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engagement approach. Hence, it focuses on the economic characteristics or economic interpretation of the engagement approach. For such characteristics or interpretations, see Lee (2010; 2007).

seek changes, given its contact with the market economy. If the DPRK succeeded in making progress, then the vast gap between the South and North would narrow as well. Based on these assumptions, South Korea's policy on North Korea in the late 1990s effectively turned into an inter-Korean economic cooperation policy.

Furthermore, inter-Korean economic cooperation proceeded in a manner that was centered around the following concepts. First, the idea that an improvement in economic relation between the two Koreas could induce positive externalities in South Korea was put forward as inter-Korean economic cooperation was expected to accomplish peace, gradual change in the DPRK as well as diminish the wealth gap between the two Koreas, which would ultimately contribute to unification. Second, inter-Korean economic cooperation was considered a semi-public good for the ROK because it would boost not only commercial profits but also the public welfare of the whole society. Third, as long as inter-Korean economic cooperation shared characteristics for the semi-public good, then equilibrium for cooperation, which is determined by the market, would always remain lower than the socially optimal level. Hence, the government should provide policy assistance so that inter-Korean economic cooperation can reach the socially desired optimum level. In other words, government support is necessary in order to guarantee the success of inter-Korean economic cooperation. Fourth, inter-Korean economic cooperation was to be recognized as separate from political inter-Korean relations. This was put forth in recognition of the fact that positive externalities would emerge only in the long-term, while political and military relations could quickly improve or deteriorate in the short-term under various factors. If inter-Korean economic cooperation is influenced by such aspects, then it will not be feasible to carry out the policy in North Korea based on this approach. Therefore, separating politics from economic affairs was considered to be the most effective remedy, which meant that economic cooperation would continue despite short-term fluctuations in the other aspects of inter-Korean

relations.

Due to this understanding, inter-Korean economic cooperation of the late 1990s continued to expand while political or military tensions intensified, including the North Korean nuclear problem that generated international concerns. Consequently, the idea that inter-Korean economic cooperation has many benefits gradually permeated South Korean politics.

Economic Outcomes of the Engagement Approach

The outcome of this policy was a dramatic increase in South Korea's economic activities relavent to the DPRK. As observed in Table 1, inter-Korean trade increased by more than six times between 1998 and 2007. As a result, the trade volume between the South and the North amounted to 1.8 billion US dollars in 2007, which was about one third of the entire DPRK trade volume. Moreover, the two Koreas developed various economic cooperation projects, including the Mt. Geumgang tourist complex and the Kaesong Industrial Complex (KIC), through both government and private channels. This rendered inter-Korean economic cooperation as the most complex and varied economic venture for the DPRK. Along with the growth in inter-Korean trade, the ROK also provided large-scale humanitarian assistance on a nearly regular basis. For instance, the ROK government provided 300,000-500,000 MT of food and fertilizer to the DPRK every year in the early and mid-2000s. In addition, the ROK government supported domestic non-governmental organizations (NGOs) by providing aid to match the funds of their humanitarian projects for the DPRK. Such government initiatives have encouraged people in South Korea to become more active in humanitarian aid projects for the DPRK.

Table 1. Inter-Korean Trade between 1998-2011

(1) ROK Exports to the DPRK

(Unit: USD, millions)

		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gen. Trade		21.9	21.7	32.0	10.5	4.4	46.2	21.2	20.9	22.2	20.2	33.0	10.9	6.3	–
Processing-on-commission Trade		29.6	45.9	57.2	52.3	68.4	73.4	68.2	78.5	93.6	125.0	151.0	155.7	95.1	–
Economic Cooperation	Mt Geumgang	37.6	40.6	14.6	5.8	11.9	16.1	41.7	87.0	56.6	98.7	52.2	7.4	1.3	0.8
	Gaeseong	–	–	–	–	–	–	41.6	156.9	222.9	338.6	518.3	522.6	737.6	788.7
	Light Industry	–	–	–	–	–	–	–	–	–	70.1	10.8	–	–	–
	Other Economic Cooperation	1.2	6.3	17.2	10.4	11.7	4.8	5.7	6.2	14.5	10.6	14.3	11.3	5.3	0.0
Non-commercial Transactions	LWR (light-water reactor project)	4.0	14.4	35.6	33.7	58.6	23.8	0.5	0.4	–	–	–	–	–	–
	Assistance	15.6	43.4	104.5	110.6	213.2	270.6	258.4	365.0	419.2	324.6	67.1	36.4	22.3	10.6
	KEDO HCO	19.8	39.5	11.7	3.5	2.0	–	–	–	–	36.9	40.2	–	–	–
	Social Cultural	–	–	–	–	–	–	1.7	0.6	1.3	0.9	1.2	0.6	0.5	0.1
Total		129.7	211.8	272.8	226.8	370.2	435.0	439.0	715.5	830.2	1,025.6	888.1	744.8	868.3	800.2

Source: Ministry of Unification (MOU).

(2) ROK Imports from the DPRK

(Unit: USD, millions)

		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gen. Trade		50.8	67.7	78.6	100.9	167.4	177.4	150.1	188.9	282.0	441.2	366.4	245.2	111.6	0.2
Processing-on-commission Trade		41.4	53.7	72.0	72.6	102.8	111.6	107.7	131.2	159.4	204.5	257.3	254.0	222.5	3.7
Economic Cooperation	Mt. Geumgang	0.1	0.1	1.6	2.2	0.0	–	0.1	0.1	0.1	15.8	11.5	1.3	1.4	0.0
	Gaeseong	–	–	–	–	–	–	0.1	19.8	75.9	101.2	290.1	417.9	705.3	908.9
	Light Industry	–	–	–	–	–	–	–	–	–	1.2	1.2	–	–	–
	Other Economic Cooperation	–	–	0.2	0.5	1.4	0.2	0.0	0.0	1.0	1.3	5.6	15.7	2.9	–
Non-commercial Transactions	LWR (light-water reactor project)	–	–	–	–	0.0	0.0	–	0.0	–	–	–	–	–	–
	Assistance	–	–	–	–	–	–	–	0.1	0.0	0.0	–	0.0	–	0.8
	KEDO HCO	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Social Cultural	–	–	–	–	–	–	–	0.2	1.1	0.0	0.1	0.0	0.2	0.0
Total		92.3	121.6	152.4	176.2	271.6	289.3	258.0	340.3	519.5	765.3	932.2	934.3	1,043.9	913.7

Source: MOU.

(3) Total Inter-Korean Trade

(Unit: USD, millions)

		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gen. Trade		72.7	89.4	110.5	111.4	171.8	223.7	171.3	209.8	304.1	461.4	399.4	256.1	117.9	0.2
Processing-on-commission Trade		71.0	99.6	129.2	124.9	171.2	185.0	176.0	209.7	253.0	329.5	408.3	409.7	317.6	3.7
Economic Cooperation	Mt Geumgang	37.7	40.7	16.2	8.0	11.9	16.1	41.8	87.1	56.7	114.5	63.7	8.7	2.7	0.8
	Gaeseong	–	–	–	–	–	–	41.7	176.7	298.8	439.8	808.4	940.6	1,442.8	1,697.6
	Light Industry	–	–	–	–	–	–	–	–	–	71.4	12.1	–	–	–
	Other Economic Cooperation	1.2	6.3	17.4	10.9	13.1	5.0	5.8	6.2	15.5	11.9	19.9	27.0	8.2	0.0
Non-commercial Transactions	LWR (light-water reactor project)	4.0	14.4	35.6	33.7	58.6	23.8	0.5	0.4	–	–	–	–	–	–
	Assistance	15.6	43.4	104.5	110.6	213.2	270.6	258.4	365.0	419.3	324.6	67.1	36.4	22.3	11.4
	KEDO HCO	19.8	39.5	11.7	3.5	2.0	–	–	–	–	36.9	40.2	–	–	–
	Social Cultural	–	–	–	–	–	1.7	0.8	2.4	0.9	1.2	0.6	0.7	0.1
Total		221.9	333.4	425.1	403.0	641.7	724.2	697.0	1,055.8	1,349.7	1,790.9	1,820.4	1,679.1	1,912.2	1,713.9

Source: MOU.

Table 2. DPRK Trade by Major Trading Partners

(Unit: USD, millions)

	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1. Export	1,745	959	718	822	1,008	1,066	1,278	1,338	1,467	1,683	2,062	1,997	2,557	3,702
China	125	64	37	167	271	395	586	499	468	582	754	793	1,188	2,464
ROK	12	223	152	176	272	289	258	340	520	765	932	934	1,044	914
Japan	301	340	257	226	234	174	163	131	78	0	0	0	0	0
2. Import	2,438	1,380	1,680	1,842	1,894	2,049	2,276	2,718	2,879	3,055	3,574	3,095	3,528	4,328
China	358	486	451	571	467	628	800	1,081	1,232	1,392	2,033	1,888	2,278	3,165
ROK	1	64	273	227	370	435	439	715	830	1,033	888	744	868	800
Japan	176	255	207	249	135	92	89	63	44	9	8	3	0	0
3. Total Trade	4,183	2,339	2,398	2,664	2,902	3,115	3,554	4,057	4,346	4,738	5,636	5,092	6,085	8,031
China	483	550	488	737	738	1,023	1,385	1,580	1,700	1,974	2,787	2,681	3,466	5,629
ROK	13	287	425	403	642	724	697	1,056	1,350	1,798	1,820	1,679	1,912	1,714
Japan	477	595	464	475	370	265	253	194	122	9	8	3	0	0

Note: DPRK's total trade volume was compiled by adding KOTRA figures on the DPRK and inter-Korean trade volume.
Source: Korea Trade and Investment Promotion Agency (KOTRA), "Foreign Trade of the DPRK," each Vol.; Korea International Trade Association (KITA) Statistics Database (http://stat.kita.net).

The significance of inter-Korean trade has become even clearer when seen from the perspective of the DPRK economy itself. According to Table 2, the DPRK's external trade since the 2000s has started to grow rapidly, mainly through trade with China and the ROK. For example, the proportion of trade with China and the ROK amounted to about 42% and 38% of the DPRK's total trade volume in 2007, respectively. Almost 80% of the DPRK's trade came from China and the ROK during that year. Considering that trade with the ROK consisted of less than 5% of the DPRK's total trade volume in the early 1990s, it is easy to see how quickly inter-Korean trade has expanded.

The rapid increase in inter-Korean trade since the late 1990s also played a critical role in expanding trade between the DPRK and

China.[3] During this period, the DPRK was virtually importing almost all necessary materials from China. As a consequence, its trade deficit with China also continued to expand. If the DPRK was financially unable to resolve this deficit, then DPRK-China trade would not have been able to grow so quickly. However, note that the DPRK financed the deficit by using inter-Korean trade. As seen in Table 3, the DPRK obtained large amounts of hard currency through inter-Korean trade during the mid-2000s. Not only did the DPRK enjoy a constant trade surplus from inter-Korean trade, but it also benefited from economic cooperation projects, such as Mt. Geumgang and the KIC, which constantly provided hard currency. In turn, such hard currency has enabled the DPRK to sustain its trade deficit with China. This can be shown by analyzing the correlation between the amount of hard currency earned through inter-Korean trade and the size of the DPRK-China trade over time. As seen in Table 4, the Granger Causality Tests on the two variables suggest that the DPRK trade surplus from inter-Korean trade influenced the size of the DPRK-China trade, not vice versa. This means that the DPRK used money earned from its trade with the ROK to resolve its trade deficit with China.

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3. DPRK foreign trade, especially its trade with China, has been one of the most important economic issue and has been heavily discussed. Up to this point, the dramatic increase in DPRK-China trade has puzzled many DPRK watchers despite the fact that the DPRK trade deficit with China has continuously increased to a level that it could not easily finance. A variety of hypotheses have been proposed to understand this situation, including those arguing that the DPRK has been involved in many illegal trading, such as arms export, and that China has perhaps provided significant economic assistance. For examples, see Graham (2007). Unfortunately, however, it is not entirely clear how the DPRK has managed to finance such deficits. Nevertheless, there is one thing for certain. As Lee (2009) pointed out, the DPRK earned a significant amount of hard currency through inter-Korean trade in the 2000s, and this currency has helped the DPRK finance its trade deficit with China. Based on such finding, this paper argues that inter-Korean trade played an important role in expanding the DPRK's trade with China and other countries until the mid and late 2000s. However, it does not necessarily mean that inter-Korean trade was the only means in which the DPRK could increase its trade with China and other countries.

Table 3. DPRK Trade Deficit to China and Hard Currency Inflow from Inter-Korean Trade

(Unit: USD, millions)

		2000	2001	2002	2003	2004	2005	2006	2007
Trade Deficit to China	Trade Deficit	414	406	197	232	214	582	765	811
Hard Currency Inflow from ROK	Trade Surplus	61	111	197	169	168	221	326	500
	Mt. Geumgang Entry Fee	0	37	22	13	15	14	12	20.3
	KIC Wages	0	0	0	0	0	3	7	13.9
	Total	60	147	218	180	180	233	341	534.2

Source: Suk Lee, *Change of Inter-Korean Trade and Economic Background of Worsening Inter-Korean Relation* (Seoul: Korea Development Institute, 2009).

Table 4. Granger Causality Tests, DPRK Surplus from Inter-Korean Trade vs. its Trade with China

Lag (Months)	DPRK-ROK Trade Surplus VS. Imports from China			DPRK-ROK Trade Surplus VS. DPRK-China Total Trade		
	F-statistics		Causal Relationship	F-statistics		Causal Relationship
	ROK-DPRK (A)	DPRK-China (B)		ROK-DPRK (A)	DPRK-China (B)	
1	0.41755 (0.5198)	5.19904 (0.0249)	$A \to B$	0.82342 (0.3666)	2.81161 (0.0970)	$A \to B$
2	0.43555 (0.6483)	4.13769 (0.0191)	$A \to B$	0.76568 (0.4681)	6.95842 (0.0016)	$A \Rightarrow B$
3	0.86297 (0.4636)	5.40623 (0.0019)	$A \Rightarrow B$	0.96303 (0.4140)	5.48750 (0.0017)	$A \Rightarrow B$
4	0.57144 (0.6841)	4.48671 (0.0025)	$A \Rightarrow B$	0.38082 (0.8218)	4.53846 (0.0023)	$A \Rightarrow B$
5	0.42772 (0.8281)	3.45542 (0.0070)	$A \Rightarrow B$	0.30779 (0.9069)	3.78739 (0.0040)	$A \Rightarrow B$
6	0.55750 (0.7627)	2.80793 (0.0159)	$A \to B$	0.39050 (0.8830)	3.35051 (0.0055)	$A \Rightarrow B$

Source: Suk Lee, *Change of Inter-Korean Trade and Economic Background of Worsening Inter-Korean Relation* (Seoul: KDI, 2009).

Emerging Controversies

Despite the ups and downs in inter-Korean relations, trade between the ROK and the DPRK has constantly expanded since the 1990s and reached a level, in which it consisted of more than one third of the entire DPRK trade volume by the early late 2000s. Hence, it may be possible to claim that South Korea's policy on North Korea in the late 1990s was a great success, given that it aimed to expand inter-Korean economic cooperation as quickly as possible. Ironically, however, the ROK has relentlessly faced internal conflicts over such an assessment. There are at least three reasons for this phenomenon.[4]

First, whether inter-Korean economic cooperation truly had positive externalities, such as improving peace on the Korean peninsula and changing the DPRK for the better, has been increasingly questioned. Indeed, the ROK has witnessed the DPRK's military provocations as well as its developing nuclear weapons and long range missiles capabilities, even though inter-Korean economic cooperation has provided significant economic assistance. As a result, controversies have emerged as to whether such positive externalities really do exist, and skepticism has quickly grown. Second, such skepticism has fueled another controversy over the level of government support for inter-Korean economic cooperation. If there were no such positive externalities, then it would be hardly justified to allow the government to spend taxpayers' money. In other words, it would be more reasonable to leave inter-Korean economic cooperation to the market mechanisms, as with any other economic activity. If the government intervenes, then it would set the level of inter-Korean economic cooperation at a level that is higher than the socially optimal level,

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4. The controversies over the engagement policy were mainly initiated by politicians, rather than economists in academic societies. Hence, they were largely carried out in public media with political words and phrases, not with conceptual words in academic papers. Perhaps "Per-Ju-Gi" (giving too much) can symbolize these words and phrases. Given the characteristics, this paper focuses on the logical structure of the controversies as much as possible. For this logical structure, refer to Lee (2010).

which is determined by the market. Such an unnecessary intervention will create inefficiencies and revert the process into an entirely government-led project. Third, the idea of separating politics and the economy with regards to inter-Korean economic cooperation became increasingly controversial. During this period, the DPRK did not end its military provocation, but the ROK continued to increase economic assistance to the North. Naturally, it raised questions over whether a separation of economic assistance would be wise and even sustainable. Likewise, people have argued that increasing pressure on the DPRK by decreasing or even cutting off economic support would be a more realistic approach.

In light of these controversies, the assessment on the rapid expansion of inter-Korean economic cooperation since the late 1990s have become polarized. There are naturally positive assessments, which suggest that inter-Korean relations have indeed improved as economic cooperation paved the road toward peace and rapprochement. On the other hand, however, there are negative assessments as well. They argue that excessive government intervention in inter-Korean economic cooperation failed to address the "truthful inter-Korean relationship" while burdening South Korean society. Such polarized perspectives are prevalent in all aspects of the ROK policy on the North, including the government's food aid program. For example, one side has argued that the annual shipment of food from the South has not only helped the starving people in the DPRK, but it has also led to positive outcomes, such as regular family reunions and high-level government dialogues between the two Koreas. Concurrently, however, the other side has emphasized that the government solely focused on providing aid as demanded by the DPRK and neglected to monitor the distribution process. Subsequently, it has been argued that humanitarian assistance did not properly reach those in need and instead, was spent on strengthening the DPRK regime's ability to maintain its socialist system.

Conservative Approach and Inter-Korean Economic Cooperation between 2008 and the Present

Such controversies over inter-Korean economic cooperation have strongly affected South Korea's policy on North Korea under the Lee Myung-bak administration. Indeed, the administration was critical of the former policy and took a different approach toward inter-Korean economic cooperation. As a result, inter-Korean economic cooperation since the late 2000s has unfolded in an entirely different manner in comparison to the past.

Conservative Approach: Paradigm Shift

Strictly speaking, it is difficult to ascertain exactly how the Lee Myung-bak administration's policy on the DPRK was from previous policies. This is partially attributed to the fact that the administration did not clearly reveal its views on the DPRK, its policy objectives and its policy instruments, such as the inter-Korean economic cooperation. Moreover, the Lee Myung-bak administration borrowed most of its terminology and paradigm from the previous policies on North Korea. For instance, the administration's stated policy objective on North Korea was to promote peace and coexistence between the two Koreas in addition to its long-term goal for unification in a gradual and peaceful manner. Of course, there was a tendency to emphasize that the "ROK is prepared" for an impending unification as well as a contingency plan in a potential crisis. However, these aspects were rather a complementary addition to the previous policies instead of an outright paradigm shift. In fact, it is still unclear whether the Lee Myung-bak administration perceived a different paradigm for its policy on North Korea.

However, as far as inter-Korean economic cooperation is concerned, the Lee Myung-bak administration has had quite a different attitude from that of the previous two administrations. This attitude has been often called a "Principled North Korea Policy" in which "(flexible)

reciprocity" and "normality" is given a stronger emphasis. To elaborate, the Lee Myung-bak administration did not consider the strict separation of politics and economy to be realistic or wise. As the ROK is a democratic country in which public opinion matters, it would be difficult to continue providing economic assistance when the DPRK continued its military provocations. Nor would it be strategically wise to give the impression that "the ROK will provide the necessary economic assistance no matter the circumstances, even when faced with military provocations." Hence, the Lee Myung-bak administration saw that inter-Korean economic cooperation would not be completely independent from the short-term ups and downs in bilateral relations. If necessary, the ROK would be prepared to use inter-Korean economic relation as leverage that conforms to the status-quo in order to promote significant changes in inter-Korean relations.

In addition, the Lee Myung-bak administration stressed the importance of normality with respect to inter-Korean economic cooperation. This meant that each program was to be achieved in accordance to its original purpose. For instance, food aid from the ROK's perspective is essentially a humanitarian assistance program. Therefore, if the aid is to be meaningful, then food should be directed to those who are in dire need, which can only be induced by a certain level of monitoring. If such monitoring is not possible, then providing food to the DPRK will not be appropriate under humanitarian purposes. However, previous food aid to the DPRK served other purposes, such as eliciting inter-Korean ministerial dialogues, family reunions and greater flexibility in managing inter-Korean relations, when they were provided. That resulted in neglecting the importance of a sufficient monitoring regime. From the Lee Myung-bak administration's standpoint, such negligent policy is not ideal for humanitarian purposes.

Changes to the Inter-Korean Economic Cooperation and its Results

The Lee Myung-bak administration's attitude changed the pattern of inter-Korean economic cooperation in the late 2000s. For example,

immediately after the administration came to power, it attempted to change the way in which food aid was provided to the DPRK. Thus far, within the customary process, the ROK will first publicly express its intention to provide aid, which would then be accepted by the DPRK. In addition, while the ROK was inclined to consider food aid as a humanitarian effort, the DPRK had a tendency to perceive it as a token of appreciation in resolving issues, such as holding inter-Korean dialogues or family reunions. The food aid was generally provided as loans rather than grants, and the monitoring issue was not discussed as seriously as other international humanitarian food aid programs. However, the Lee Myung-bak administration started to define food aid as a purely humanitarian effort. As a consequence, it argued that the DPRK should make requests first and explain its needs to the ROK in order to receive assistance, which follows international practice. The administration also seemed to believe that this was the proper way to renew the monitoring issue. However, the DPRK ignored such arguments and consequently, the ROK food assistance program came to a grinding halt.

The suspension of the food aid programs obviously compelled North Korea to refuse all official inter-Korean dialogues, since food aid was considered a token of appreciation for such activities from the DPRK standpoint. The suspension not only affected government level interactions, but also brought about negative repercussions on a private level. The overall level of government support the ROK government bestowed upon the DPRK under the inter-Korean economic cooperation project shrank altogether. To make matters worse, a South Korean tourist was shot and killed at the Mt. Geumgang tourist complex in 2008, forcing the Lee Myung-bak administration to shut down the tourism program. This quickly threatened the overall inter-Korean economic cooperation, which in turn further worsened the situation.

It is clear that the receding inter-Korean economic cooperation has negatively affected the DPRK economy. As previously mentioned, the DPRK has imported goods from China with the hard currency earned from the ROK since the mid-2000s. However, Figure 1 suggests

that the amount of the hard currency from the South has rapidly decreased since the Lee Myung-bak administration took office in 2008. This not only demonstrates a contraction in the inter-Korean economic cooperation, but also indicates that there is a liquidity problem in the DPRK's economy and overall external economic relation.

Confronted by such difficulties, North Korea adopted a strategy to push inter-Korean relations into crisis. The regime made public threats to suspend all inter-Korean economic cooperation projects, including the KIC, since 2009 and eventually conducted military provocations, such as the sinking of the *Cheonan* corvette and the bombardment of the Yeonpyeong Island in 2010. By stressing the importance of reciprocity in inter-Korean economic cooperation, the Lee Myung-bak administration was forced to adopt corresponding actions which resulted in the May 24 measures, which suspended all inter-Korean economic cooperation activities with the exception of the KIC.

To summarize, inter-Korean economic cooperation during the Lee Myung-bak administration developed in the following chain of events:

Figure 1. DPRK Commercial Trade Surplus in Inter-Korean Trade

(Unit: USD, millions)
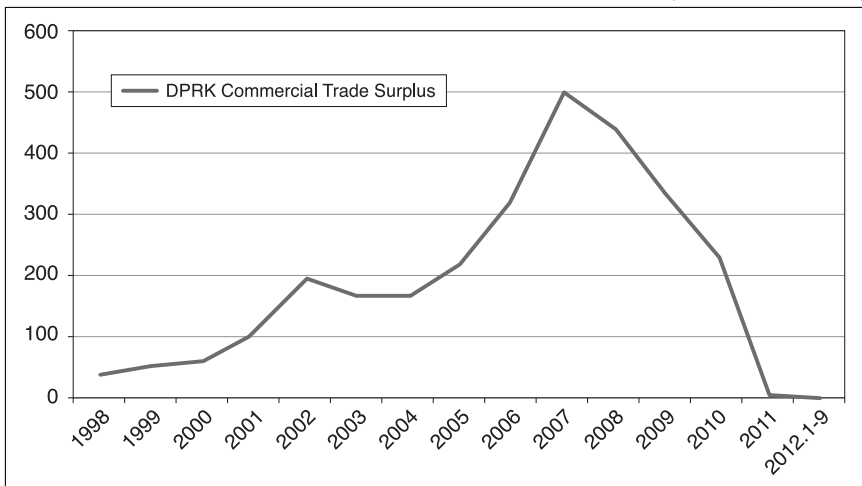
Note: DPRK Commercial Trade Surplus = Trade Surplus from General Trade + Processing-on-commission Trade.
Source: MOU.

a) the changes caused by the administration's effort to restore normality in inter-Korean economic relations, including the food aid program, b) refusal and shutdown of government communication channels by the DPRK, c) shutdown of the inter-Korean economic cooperation at the government level, d) contraction of private-level inter-Korean economic cooperation in light of increased risks, such as the shooting of the Mt. Geumgang tourist, e) decrease of the hard currency inflow into the DPRK and internal political and military repercussions, f) imposition of ROK economic sanctions onto the DPRK following the *Cheonan* and Yeonpyeong incidents and g) suspension of all inter-Korean economic cooperation with the exception of the KIC. As the consequence, all inter-Korean economic cooperation activities, excluding the KIC, have been effectively suspended since 2011.

New Controversies

The once rapidly expanding inter-Korean economic cooperation, which consisted of about 40% of the entire DPRK trade volume, has been facing an outright suspension for 3-4 years since the Lee Myung-bak administration came to office. It is unclear whether this phenomenon was intended or was simply a coincidental outcome by an unexpected turn of events in inter-Korean relations. Even so, the fact that inter-Korean economic cooperation disappeared from the larger context of inter-Korean relations will continue to remain a grave concern for some time.[5]

Most of all, such concerns point out that the ROK is losing its opportunity to engage the DPRK, as inter-Korean economic coopera-

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5. The inter-Korean economic cooperation under the Lee Myung-bak administration has generated concerns from both conservative and progressive economists with respect to its implications on the future North-South Korean relations. Recently, both groups convened and seriously discussed the present and future economic cooperation, which can be reviewed in Jo (2012). To understand the current controversies surrounding the inter-Korean economic cooperation under the Lee Myung-bak administration, it would be effective to look at the results of such discussions.

tion deteriorates, which leaves the ROK with little means to address with DPRK issues. In the past, the ROK prevented crisis situations by maintaining multiple communication channels through inter-Korean economic cooperation. Now that such communication channels have been lost, any conflict between the two Koreas can easily develop into a crisis.

This will also become a burden for both the ROK and the DPRK in the future, as numerous South Korean companies that have been involved in the inter-Korean economic cooperation will lose business while the North Koreans will suffer from the loss of such support. In addition, the distance between the two Koreas continues to grow wider, while China's increasing influence over the DPRK may negatively affect the possibility of unification.

The question is whether such problems have developed from the Lee Myung-bak administration's misguided understanding and responses toward inter-Korean economic cooperation. Many South Koreans have argued that it is in fact the administration's fault. They tend to believe that a vicious cycle between losing inter-Korean economic cooperation and the deterioration of inter-Korean relations ironically validates the positive externalities from inter-Korean economic cooperation. In other words, the current reality shows the importance of inter-Korean economic cooperation as the quickest path toward peace between the two Koreas. They have argued that inter-Korean relations have deteriorated because the Lee Myung-bak administration overlooked such aspects of inter-Korean economic cooperation and treated it in the same manner as any other economic activity. From this standpoint, the remedy for the status quo is quite clear — restore inter-Korean economic cooperation and reengage the DPRK economically.

However, other South Koreans still believe that the Lee Myung-bak administration's perception toward inter-Korean economic cooperation was not wrong. They have argued that the same controversies would only reemerge if there is an attempt to restore the previous policy on North Korea and its practices of the late 1990s and mid-2000s. Therefore, as the Lee Myung-bak administration claims, South Korea's policy on its Northern counterpart should be maintained in

spite of current difficulties, and such difficulties should be recognized as a symbol of the transitional phase to establish a more normal and advanced inter-Korean relations.

Prospect of Inter-Korean Economic Cooperation: Structure and Patterns

Since the late 1990s to the present, the ROK has attempted two different approaches toward inter-Korean economic cooperation. During the earlier period, the rapid expansion of inter-Korean economic cooperation was sought to increase the possibility of engaging the DPRK, even at the cost of excessive government intervention. In contrast, the later period attempted to change the practices of inter-Korean economic cooperation into a more principled process so that controversies regarding South Korea's policy on the DPRK would be negated. However, the outcomes were not entirely satisfactory in both eras. The first failed to induce any changes in the DPRK, while inter-Korean relations continued to remain unstable despite the rapid expansion of inter-Korean economic cooperation. The latter was fraught with the DPRK's resistance and refusal to cooperate with the ROK that wished to establish a more normal inter-Korean economic cooperation, which led to the suspension of previous economic activities and further deteriorated inter-Korean relations. Then, what is the future of inter-Korean economic cooperation?

Resuming Inter-Korean Economic Cooperation

One thing for certain is that the currently suspended economic cooperation is not sustainable. Both the ROK and the DPRK are burdened by this intermission, and the demands for resuming inter-Korean economic cooperation from both sides will grow as time goes by. Indeed, the ROK is troubled by the fact that it has lost most of its communication channels with the DPRK as a result of the suspension. Regardless of the causes, an extended period of silence between

the two Koreas would become a significant burden for the ROK, as it would prefer to have an improved relationship with the North and manage the DPRK issues in a stable manner. For the DPRK, the loss of inter-Korean economic cooperation is also heavily burden on the regime's ability to maintain its economy, in which it would inevitably face a growing dependence on China. To counter the effect of losing inter-Korean economic cooperation, the DPRK is currently seeking greater trade relations with China. However, that will only exacerbate its economic dependence on China, which is not a politically and economically sustainable development.

From this perspective, it appears plausible that inter-Korean economic cooperation will resume if inter-Korean relations improve. Then, what will the future cooperation look like? The first possibility is a return to the practices of the late 1990s. Under the assumption that inter-Korean economic cooperation will induce positive externalities, such as peaceful and improved inter-Korean relations, the government will once again take the lead and actively promote economic cooperation. However, this will likely revive the controversies in the ROK, since past records indicate the difficulty in observing positive externalities in economic cooperation, and not to mention the consuming debates over government inefficiencies in leading the economic cooperation. Also, it must not be forgotten that the current inter-Korean economic cooperation has been suspended as a response to the continued political and military provocation by the DPRK. Asserting that the ROK government needs to resume inter-Korean economic cooperation despite the lack of responsive measures against DPRK provocations will only kindle the so-called "South-South conflict" based on ideological infighting. Then, how can we effectively resume and develop inter-Korean economic cooperation without such unnecessary controversies?

From Government-led Economic Cooperation to Private-led Commercial Cooperation

One way to improve future inter-Korean economic cooperation is to emphasize its original economic characteristics. As pointed out,

economic cooperation during the past 15 years placed unnecessary emphasis on externalities. Most of the debates revolved around whether or not economic cooperation could promote peace on the Korean peninsula, induce positive changes in the DPRK and alleviate the socio-economic gap between the South and North. Regardless of such considerations, inter-Korean economic cooperation is essentially a commercial activity that operates through profit motivations. In a market economy, such commercial activities are natural and most fundamentally required. As long as the ROK maintains the market economy, inter-Korean economic cooperation should also be respected and protected as a "normal and daily" economic activity. Having that said, stressing the fundamental economic characteristics of inter-Korean cooperation may help prevent unnecessary controversies in the future. In other words, as a market-oriented economy, the ROK should actively nurture and protect the natural desire to seek commercial profits through the inter-Korean economic cooperation, regardless of the changing political and military climate between the two Koreas.

Once the emphasis returns to commercial characteristics of the inter-Korean economic cooperation, the participants should act as the private sector while the government acts as the referee to regulate activities. An inter-Korean economic cooperation led by the private sector has two strong advantages over the previous government initiatives. First, it can prevent unnecessary quarrels, such as whether spending taxpayers' money for inter-Korean economic cooperation is justifiable, given that it is the government that claims "positive externalities" do exist. Hence, if future inter-Korean economic cooperation can essentially develop under commercial motivations, the underlying controversy over the role of the government will naturally subside. Another advantage to an inter-Korean economic cooperation initiated by the private sector is that it is the only practical measure to resolve problems, including the current suspension. From the government's perspective, it will be extremely difficult to resume inter-Korean economic cooperation, since the political and military provocations from the North caused the suspension. Without resolving DPRK provocation issues through either an apology or retaliatory measure, the govern-

ment-led reinstitution of the economic cooperation will risk the possibility of instigating another South-South conflict. In such situations, the only feasible solution is if the private sector demands the resumption of inter-Korean economic cooperation under commercial motives and the ROK government accepts such demands in the interest of protecting their economic profits.

Role of the Government under a New Private Sector-led Cooperation

A private sector-led inter-Korean economic cooperation does not necessarily mean that the role of the government will be entirely disregarded. In fact, the ROK government will have to conduct two fundamental tasks for inter-Korean economic cooperation that are distinctive from the role of the private sector. First, the ROK government needs to be active in providing humanitarian assistance and projects that require non-economic motives. Since the ROK constitution recognizes the North Koreans as its own citizens, the government is mandated by law to improve their well-being, which can be addressed by inter-Korean economic cooperation with non-economic motives. Second, the ROK government needs to play an active role in economic cooperation that is necessary in resolving current inter-Korean issues. For instance, if economic assistance is necessary in order to maintain family reunions, resolve kidnapped individuals or prisoners of war issues, prevent the northern Han River from floodings and such, the only actor that can carry out such activities is the government.

In that sense, future inter-Korean economic cooperation should be implemented under a division of labor between the government and the private sector. While economic cooperation will mainly develop around commercial motives led by the private sector, the government should be involved in projects that require non-economic motives throughout current inter-Korean issues, including the welfare of the North Korean people. If these separate roles are effectively carried out, then this approach may become an important solution to the longstanding debate on the "separation of politics and economy."

Toward Practical Reciprocity between Politics and Economy

Over the past 15 years, debates on how to control the shape and the speed of inter-Korean economic cooperation in accordance to changing inter-Korean relations have persisted in the ROK. While some will argue for the "separation of politics and economy," others will demand certain linkages between economic cooperation and inter-Korean relations on the basis of "(flexible) reciprocity between politics and economy." In reality, policies were implemented by choosing between these two opposing views as well as compromising from time to time, depending on the situation. This, however, resulted in the constant controversy over the degree of the linkage between inter-Korean relations and inter-Korean economic cooperation.

If the inter-Korean economic cooperation is better differentiated as suggested above and if the role of the government and the private sector is better defined under such differentiation, then the issue about separating politics from the economy can be resolved more efficiently. Above all, the government will have its own role to play in certain inter-Korean economic cooperation projects that can be fine-tuned in accordance to the changes in inter-Korean relations. If that aspect can be effectively differentiated from other private sector-led inter-Korean economic cooperation projects that are implemented regardless of the tumultuous inter-Korean relations, then the principles of the "separation of politics and economy" and "reciprocity" can be simultaneously satisfied to a certain extent. Suppose that the current ROK government is providing food aid to the DPRK under the following manner. On one hand, there is X amount of food provided to the DPRK as a grant through a public-private partnership to serve a purely humanitarian purpose. On the other hand, there is also Y amount of food allocated as a grant from the government to facilitate family reunions and Z amount of food in the form of a loan to induce inter-Korean ministerial talks as a means to effectively manage inter-Korean relations. Under this structure, what can we do when the DPRK initiates political or military provocations that compel the ROK government with the need to respond? Perhaps the government

can reduce the flow of the Z amount of food, while maintaining a steady provision of X and Y since they were allocated as means to serve humanitarian purposes, including the South Korean citizens' demand for family reunion, and not to be swayed by changing inter-Korean relations. If the ROK government adopts this system, then it will be an effective way to serve both purposes toward the continued economic cooperation and use it as a means to respond against DPRK provocations.

In short, future inter-Korean economic cooperation will not only deviate from the past 15 years, but it will also change in one way or another. Most importantly, the current suspension needs to be removed in a smart manner. However, a newly resumed economic cooperation will be better if it moves away from a government-led process because inter-Korean economic cooperation fundamentally ought to be founded on a profit-based economic activity. The ROK government should focus its efforts to nurture an environment in which inter-Korean economic cooperation can be effectively led by the private sector. However, in regard to projects that include non-economic purposes, the government should play a leading role in delivering certain public goods to the North Koreans, even while strictly restricting itself from other areas. If the role of the government and the private sector can be effectively differentiated, then it will be possible to continuously promote inter-Korean economic cooperation through the private sector, while certain projects with non-economic functions can be controlled by the government in accordance to the status of the inter-Korean relations.

Conclusion

This paper analyzes the development of South Korea's policy on North Korea over the past 15 years, examining how inter-Korean economic cooperation changed over different periods of time up to the Lee Myung-bak administration. It also provides a brief assessment on its current status and discussed the most appropriate forms of inter-Korean economic cooperation for the future. The main findings and

arguments of this paper can be summarized as follows.

First, South Korea experienced a paradigm shift with respect to its North Korea policy in the late 1990s, resulting in a staggering development of inter-Korean economic cooperation. The new paradigm of the policy on North Korea, often called the "Sunshine Policy," a) called for a different way to recognize the existing DPRK, b) set priority goals to achieve peace and coexistence between the two Koreas and c) suggested inter-Korean economic cooperation as a practical means to fulfill such goals.

Second, this new paradigm for the ROK policy promoted the rapid growth of inter-Korean economic cooperation up to the mid-2000s. By then, the absolute volume of inter-Korean trade grew by more than four times in comparison to that of the late 1990s, consisting almost 40% of the entire DPRK trade volume. Economic cooperation also diversified into various activities, including Mt. Geumgang and the KIC, while the DPRK's hard currency earned through inter-Korean economic cooperation supported its trade with China as well as with other countries.

Third, the South Korean public had to suffer through the continued controversies over the expanding inter-Korean economic cooperation. Such controversies included doubts over the positive external effects that economic cooperation was supposed to bring about, discussions on whether the government should be using the taxpayers' money to support economic cooperation and questions regarding the feasibility of continuing such activities in light of DPRK provocations.

Fourth, it must be recognized that the Lee Myung-bak administration's policy toward North Korea originated from such controversies. As a result, the administration implemented the so-called "Principled North Korea Policy" in an attempt to distinguish itself from the previous administrations. The policy focused on "(flexible) reciprocity" and "normality" of the inter-Korean economic cooperation. Through "reciprocity" the administration sought to link economic cooperation projects with inter-Korean relations, so that they can be used as a leverage against the DPRK when necessary. Through "normality," the administration emphasized the fact that inter-Korean economic coop-

eration should be conducted in a manner that adheres to its goals as an economic activity. In that sense, humanitarian assistance ought to be provided only under the circumstance in which it can serve its original purpose and be accompanied by a proper level of monitoring.

Fifth, the DPRK, however, refused the Lee Myung-bak administration's policy on North Korea and inter-Korean relations severely worsened. As such, inter-Korean economic cooperation since the late 2000s saw a) a decrease in government-sanctioned economic cooperation, b) a decrease in economic cooperation in the private sector and c) suspension of inter-Korean economic cooperation with the exception of the KIC, in the aftermath of the *Cheonan* and Yeonpyeong Island incidents.

Sixth, inter-Korean economic cooperation over the past 15 was not always a success. If one can learn from past experiences, then an appropriate form of inter-Korean economic cooperation should come about under the following considerations. a) The currently suspended economic cooperation is not sustainable and therefore needs to be resumed, as the atmosphere for improved relations becomes more prevalent. b) However, the newly resumed economic cooperation should divert from a government-led process and adopt a more commercial form led by the private sector. c) The role of the government in inter-Korean economic cooperation will be focused on facilitating the activities conducted by the private sector, while it may take a leading role in projects that involve non-economic purposes. d) Under this construct in which the roles between the government and the private sector are properly differentiated, economic cooperation based on commercial economic activities led by the private sector will be able to continuously develop, meanwhile the government can effectively respond to the changing inter-Korean relations through non-commercial activities.

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Policy Environment and Directions for North Korean Human Rights*

Soo-Am Kim

The subject of North Korean human rights is not simply a domestic issue in North Korea, but also a policy issue to which the global community must proactively and enthusiastically seek answers. Since the late 1990s, the process of publicizing the issue has changed in the policy environment. Although the conflicting fundamental opinions within South Korea have not been resolved, they have been addressed to some extent. In addition, the issue offers an agenda that has a unique characteristic, since it is intricately interconnected at the domestic, inter-Korean and international levels. The human rights activists' characteristics reflect such complex links. This study provides strategies for the North Korean human rights issue commencing in the year 2013 based on the analysis of the policy environment. Considering the policy environment, future policies on North Korean human rights must be promoted in three manners. First, the policies should be endorsed in such a way that South Korea's domestic conflicts over the issue are minimized. Second, a policy infrastructure must establish so that domestic, inter-Korean and international capabilities are rallied against North Korean human rights. Third, we must manage with the challenges and policy environments efficiently in order to implement specific and practical strategies to improve the human rights conditions in North Korea.

Key Words: North Korea, human rights, rights-based approach, openness, technical cooperation

Introduction

The North Korean human rights issue is not simply an internal matter, but also an important policy challenge that we must deliberate over

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and actively resolve. Although South Korea has strived to improve the human rights conditions in North Korea through various efforts, it has exposed signs of internal conflict due to its role, particularly in intervention methods as well as improved strategic methods in addressing the issue. Despite the fact that fundamental differences still remain, a general consensus has increased while the conflicts based on a variety of controversies have deteriorated. Thus, a policy environment that addresses North Korean human rights has also demonstrated changes.

It is imperative to consider a policy environment where the North Korean human rights issue has been in the process of experiencing public changes. Since the late 1990s, it has become a serious topic in the international community. Thus, the North Korean human rights issue has become internationalized beyond the South and North Korean borders. Regardless of the South Korean government's intervention at the earlier stages, the international community has continuously strived to improve human rights conditions in North Korea through the United Nations, which has overall resulted visible changes.

The South Korean domestic policy environment has also demonstrated some changes toward the issue under two of its governments that hold divergent ideological inclinations — the Roh Moo-hyun and Lee Myung-bak administrations. In this aspect, the North Korean human rights issue has become a powerful topic at the international level. In regard to the internal situation in North Korea, it is highly probable that there will be changes in its policy environment, since Kim Jong-un has officially succeeded Kim Jong-il following his death. After the South Korean presidential elections in December, inter-Korean relations will enter a new phase under which the leadership in both South and North Korea will have changed.

In this process, we must deliberate over the policy environment regarding North Korean human rights at the domestic, inter-Korean and international levels. This study strives to review the relevant policy environments based on the domestic situation in South and North Korea as well as the international situation. This study particularly focuses on the changing environmental factors, such as the continuity

of domestic conflicts and the consensus that forms in arguments under the former progressive as well as the conservative Korean administrations. Based on the analysis of these policy environments, this study strives to provide countermeasures, which can be utilized commencing in the year 2013. However, this study's countermeasures are restricted to the topic of North Korean human rights.

The Policy Environment in regard to North Korean Human Rights

The Domestic Policy Environment

The "North Korean human rights issue" has played as a crucial role in inciting internal conflicts in South Korea. While the progressives have placed an emphasis on human rights, the conservatives have generally prioritized security and order. However, the stances of the progressive and the conservative on the issue have reversed, as the division of the Korean peninsula and North Korean human rights have become interconnected. The progressives have focused on peace and the improvement of inter-Korean relations, while the conservatives have ironically placed a greater emphasis on human rights.[1] Although the divergent views still persist throughout the course of the debates, changes in the "black-or-white" confrontational stances have proven that there are moderate efforts to resolve the disagreement between the two Parties.

The violation of North Korean human rights has been commonly acknowledged with the exception of few cases, and there is a significant consensus on a national level on the need to improve the human rights conditions in North Korea. The perspectives concerning an improve-

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1. Park Myung Lim, "An Approach to the North Korean Human Rights Issue in South Korea: Retrospect and Suggestions," in Yoon Young-kwan and Kim Soo-Am (eds), *Improving the North Korean Human Rights: Strategy to a Peaceful Intervention and International Cases [Bukhaninkwongeseon Aeottukhaehalgeosinga: Pyonghwajeokgaeipjeolyakgwa Gukjesarye]* (Seoul: Hanul Publishing Company, 2010).

ment in the strategies to resolve the issue, however, remain divided between the fundamental stance of the strategies that have been implemented under the Roh and Lee administrations respectively.

First, there is a confrontation between individuality and universality. The Roh Moo-hyun government recognized the need and urgency to improve the human rights conditions in North Korea, but it took a stand that strived for the improvement of inter-Korean relations, peace on the Korean peninsula and North Korean human rights through a comprehensive and strategic approach. This strategy is well reflected in the National Security Council standing committee's decision, which was introduced on November 3, 2005. A former administration has once claimed, "Every country can strategically choose its own approach toward the issue by any effective means" in regard to its core stance on North Korean human rights. Thus, the Roh administration declared that it would maintain a policy of promoting a substantial improvement in North Korea's human rights conditions, while also pursuing a policy of reducing tensions and increasing reconciliation and cooperation between the two Koreas. It essentially meant to implement strategies to alleviate the problem in consideration of the unique circumstances surrounding the division of the Korean peninsula. In contrast, the Lee Myung-bak administration has approached the issue based on the emphasis of universality over the unique qualities of the division of the Korean peninsula. It has stated, "Human rights is a universal value that should be dealt as such and distinguished from other issues in humanity." The Lee administration has continued to pursue its strategies, distinguishing the inter-Korean situation and the North Korean human rights issue.[2]

Second, the controversies regarding strategies for substantial improvements have developed. The Roh administration placed an emphasis on a "quiet" approach for improvement in order to secure the right to survival for North Koreans through humanitarian aid as well as exchanges and cooperation. The Roh administration also

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2. Ministry of Unification, *White Paper on Unification 2007*, p. 154; Ministry of Unification, *White Paper on Unification 2009*, p. 162.

reacted passively to any movements in the United Nations that strived to improve the human rights condition in North Korea. In contrast, the Lee administration has directly expressed the need to improve the human rights conditions as a sovereign nation and placed a greater emphasis on an open approach that is centered on advocacy.

Third, there are disagreements among the strategies that aim to improve specific rights based on the protection of fundamental freedoms and cultural rights. In terms of human rights, the Roh administration maintained its stance on the improvement of the right to survival, including the right to food, instead of the right to fundamental freedoms, which would have incited resistance from the North. In particular regard to the right to fundamental freedoms, the Roh administration adopted a strategy to gradually and substantially improve human rights conditions through inter-Korean exchanges and cooperation. This had been accomplished through the cultivation of an awareness of human rights and the formation of a civic society among North Koreans.[3] Although the Lee administration has not denied the importance of the right to survival, it has maintained a strategic position on concurrently improving the right to fundamental freedoms. Thus, the two administrations' divergent stances on the right to survival (social rights) and the right to fundamental freedoms contradict each other, and thus far, the three aforementioned confrontational perspectives have persisted without a resolution to the fundamental issues.

The three aforementioned confrontational perspectives have concisely indicated the implementation of the North Korean Human Rights Act. The Grand National Party or the *Hannara-dang*, the ruling party, has openly and actively implemented the Act based on a legal framework rather than by the unique characteristics of the Korean division. The North Korean Human Rights Act, which had been implemented by the *Hannara-dang*, is mainly composed of protecting the North Koreans' right to fundamental freedoms and has approached the topics of transparency in distribution and the close monitoring of

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3. Ministry of Unification, *White Paper on Unification 2007*, pp. 153-155.

assistance as well as its wider effects in the North. This stance has been wholly reflected in the Act drafted by the New Frontier Party or the *Saenuri-dang* at the 19th National Assembly. Although the former Democratic Party proposed the "North Korean People's Livelihood and Human Rights Act" in June 2011, the Party's change in stance can be perceived as a sign of a limited acceptance toward the *Hannara-dang's* North Korean Human Rights Act. In contrast, the North Korean People's Livelihood and Human Rights Act mainly prioritizes social rights, and a major characteristic is the provision that endorses active assistance to the North.[4] The Democratic United Party did not propose an act relevant to North Korean human rights at the 19th National Assembly, but it has taken a stance on succeeding the North Korean People's Livelihood and Human Rights Act. Thus, there are some changes to the implementation of the North Korean Human Rights Act, but the divergent perspectives between the two Parties continue to persist and the detailed provision in the Act has further exacerbated the divide.

The International Policy Environment

The international policy environment can be observed through the actions in the United Nations. The UN has developed its strategy to improve North Korean human rights through resolutions. The UN Human Rights Council has consecutively adopted a resolution on North Korean human rights from 2008 to 2012 (from 2003 to 2005 in the former UN Human Rights Commission) as well as in the General Assembly from 2005 to 2011. However, there are some conspicuous characteristics in the process of adopting resolutions in the UN. First, there was an increase in the number of countries that advocated on behalf of the resolution on North Korean human rights at the General Assembly. Concurrently, the number of objections and abstentions has

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4. Kim Soo-Am, "Enacting the North Korean Human Rights Act Should be Approached as a Perspective of Human Rights," Korean Council for Reconciliation and Cooperation, *National Reconciliation [Minjokhwahe]*, Vol. 51, 2011.

decreased.[5] The changing trend in the voting results clearly indicates that there is an increase in the number of countries that have fully recognized the deteriorating human rights condition in North Korea, and they have sympathized with the cause to improve the situation through the United Nations.

Second, one of the most prominent aspects of the Resolution on North Korean Human Rights is that it was the first time a resolution had been adopted without a vote in the UN Human Rights Council. For years, the resolution had been adopted through voting procedures in the UN Human Rights Council. However, the resolution was ultimately passed without a vote on March 22, 2012. A proposition from one of the Council's member states determines whether a resolution should require votes. In 2012, a consensus had been agreed upon to forgo the voting procedure since Cuba, a country that had requested it every year, did not advocate for the voting process this year. This is due to the fact that there is an overwhelming increase in the number of countries that vote for the resolution every year. Amid this situation, it appears that some opposing countries that used to vote against the resolution considered the voting procedures to be unnecessary.[6]

Given this trend on the voting process for the Resolution on North Korean Human Rights, the resolution is expected to continuously pass in the UN in the following years. There will be a proliferation of interest toward the North Korean human rights among the individual countries. Thus, the issue will be constantly scrutinized under the spotlight and attract widespread attention as the leading human rights issue in the international community.

Furthermore, the role of the non-governmental organizations

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5. Kim Soo-Am, "The Current Status of North Korean Human Rights and the Evaluation of the International Community," *New Asia [Sinasea]*, Vol. 19, No. 1 (Spring 2012), p. 30. The voting results on the resolution of North Korean Human Rights by the UN Human Rights Council are as follows: 30 approvals, 3 objections (China, Russia, Cuba), 11 abstentions.

6. Lee Keum-Soon, Han Dong Ho, "Trend of the Current Discussions on North Korean Human Rights in the International Community," *An Analysis on Unification [Tongiljeongsebunseok]* 2012-05 (Seoul: KINU, 2012), pp. 2-3.

(NGOs) that focus on North Korean human rights has expanded. NGOs have developed a variety of organizational means to publicize the issue and strengthen its activities through campaigns, testimonies from North Korean defectors, international conference and protests. There are several specific features related to the NGOs' activities. First, domestic NGOs have strengthened their solidarity to improve North Korean human rights situations. For instance, about 50 conservative groups, including the National Alliance of New Right, established an inquiry commission for crimes against humanity on July 24, 2009. In September 2011, the groups also formed the International Coalition to Stop Crimes against Humanity in North Korea (ICNK) in Tokyo, which comprises of over 40 human rights organizations and activists worldwide, including Amnesty International and Human Rights Watch. Second, with the support of international solidarity among the organizations, the topic of repercussions against those, who dictate the violation of human rights in North Korea, has been raised. In regard to this issue, there has been a discussion on implementing a resolution against the North, which had been proposed under the Inquiry Commission at the UN Human Rights Council.[7] Third, there have been some efforts to strengthen and utilize the Human Rights Council's special procedures, such as delegating the issue to a UN Special Rapporteur. As active participants in the improvement of North Korean human rights, NGOs are expected to expand their role in the future as well.

The Domestic Policy Environment in North Korea

As previously anticipated, the domestic environment in North Korea does not indicate any fundamental changes under the Kim Jong-un regime. First, at the international level, the North Korean authorities have firmly maintained that the UN resolution is a political conspiracy and has even denied the existence of the UN special rapporteur. North Korea's stance is expected to persist in 2013.

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7. Lee Keum-Soon, Han Dong Ho, *ibid.*, pp. 15-24.

Second, the human rights situation under Kim Jong-un has deteriorated due to a temporary increase in control at the domestic level. For example, the fourth meeting of the Party Delegate' Conference on April 11, 2012 revealed that affiliates from the public security were at the forefront. In the National Defense Commission, members from the military and public security formed two pillars.[8] A closer observation of the elites, who support the new leader, suggest that in the short-term, heightened social control is to be anticipated through the use of the public security agencies as a means to stabilize the new regime. Therefore, it appears that there will not be any improvement in the North Koreans' overall civil and political rights, while the people's non-socialist activities in the black market for survival remain ubiquitous and the authorities' control further strengthens. Despite such controls, the law enforcement's corrupt actions by utilizing its right to crackdown has become a routine means of accumulating wealth, and the number of North Koreans who offer bribes in order to avoid punishment has also increased.

While finalizing the power succession in April, Kim Jong-un has also highlighted policies for his people. At the April 15th military parade, he asserted, "The country will not let people tighten their belts." The young Kim's efforts can be perceived as an encouragement of change, since Kim Jong-un appears to understand the limits of strengthening his power through authoritarianism and has placed an emphasis on improving the people's lives. Despite the shift in focus, however, such policies are unlikely to improve the fundamental social rights as long as the budget is limited and the Military-first Policy continues to be employed. Furthermore, disparate access to food and healthcare amongst the working class and the underprivileged will not improve while the discriminatory rationing policy remains in effect.[9]

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8. Park Hyeong Jung, "Outline of the Kim Jong-un's Ruling Coalition advanced in this April," *KINU Online Series 2012-18*, April 23, 2012.
9. Kim Soo-Am, Lee Kyu-Chang, "North Korean Human Rights: Major Characteristics and Changes," *KINU Online Series 2012-22*, May 7, 2012.

Third, North Koreans do not even possess an awareness of human rights, let alone the knowledge that their rights are being violated. It appears highly unlikely that such low standards of self-awareness among North Koreans will cultivate in the short-term under the Kim Jong-un regime.[10]

South Korea's Policy Directions on North Korean Human Rights

Given the abovementioned policy environments, a policy directed toward North Korean human rights must be implemented at the following three levels. First, a policy must be implemented to minimize internal conflicts in South Korea. Second, a policy infrastructure must be established in order to concentrate the domestic, inter-Korean and international capabilities to improve North Korean human rights. Third, concrete strategies to effectively cope with the challenges in the policy environments and to bring about substantial changes in North Korea's human rights conditions must be implemented.

The Policy Directions on North Korean Human Rights

Basic Directions

Despite the fact that the divergent perspectives on human rights between the Roh Moo-hyun and Lee Myung-bak administrations have persisted, both are in the process of resolving their differences

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10. Lee Keum-Soon, Chon Hyun-Joon, *A Study on North Koreans' Awareness on Human Rights [Bukhanjumin Inkwoneuisik Siltaeyeongu]* (Seoul: KINU, 2012); Jiyoung Song, *Human Rights Discourse in North Korea: Post-Colonial, Marxist and Confucian Perspectives* (London: Routledge, 2011), concerning North Korea's official discussion on human rights; Kim Soo-Am, *Democracy and North Korean Awareness and Countermeasures against Human Rights [Minjujueuiwa Inkwonedaehan Bukhaneui Insikgwa Daeeung]* (Seoul: KINU, 2007); Kim Seok Hyang, "Analysis on Official and Private Discussions on Human Rights in North Korea," *Journal of Social Science Studies [Sahoekwahakyeongunonchong]*, Vol. 27 (Seoul: Ewha Womans University, June 2012).

to some extent. Thus, this changing policy environment must be acknowledged when addressing North Korean human rights.

First, the succeeding government must establish distinct connections between the topic of North Korean human rights as a universal value and unique inter-Korean relations. In addressing the issue, a strategically passive stance based on the unique Korean division must be eliminated. Moreover, persistent efforts to overcome the division through the improvement of the human rights conditions must be required. The succeeding government must address the issue in terms of the universal values as well as the vision for Korean unification. Obviously, a human rights policy toward the North should primarily aim to alleviate the peoples' suffering and rectify their horrendous predicament. In addition to these primary goals, the secondary goals, which contribute to the betterment of inter-Korean relations and the realization of an integrated future through the implementation of a human rights policy in North Korea, must be established while also promoting the development of a North Korean society. When North Korea is more open, inter-Korean relations will likely consolidate in the long-term. When this stance is firmly established in Korea, the different perspectives on this matter that has resulted from the unique division of the peninsula are expected to dissipate to a certain extent.[11]

Second, a national consensus on the South Korean government's role in North Korea's human rights conditions must be clearly established. The level of South Korea's intervention as well as its role toward the issue must be detailed in a concrete manner. Thus, it will be important to form a firm national consensus on peaceful intervention in addressing the human rights issues. Ultimately, it is the North Korean authorities and particularly the North Koreans, who should play the most important role in this issue. Unfortunately, a domestic policy environment in the North is not prepared to accept the situation,

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11. Lee Keum-Soon, Kim Soo-Am, "North Korean Human Rights: Opening and Improvement in the Quality of Life," *The Vision and Future Directions for the Lee Myung-bak Government's Policy toward North Korea [Leemyungbakjeongbueui Daebukjeongchek Bijeonmitchujinbanghyang]* (Seoul: KINU, 2008), pp. 153-154.

and it is highly unlikely that the young Kim's regime will change as a main catalyst for the improvement within the foreseeable future. As previously mentioned, North Koreans do not even possess a form of self-awareness on human rights, and therefore, it will be difficult to anticipate any changes from the bottom of the social hierarchy. Under this circumstance, it is necessary for South Korea to take an active role in improving North Korea's human rights conditions through peaceful intervention.[12] However, it is also important to establish the effects and limits of South Korea's role in peaceful intervention and to understand the reality that South Korea's jurisdiction does not apply in the North. It is obvious that certain limits should be anticipated in this process, even through peaceful intervention. It is crucial to avoid a misguided belief that South Korea can improve its Northern counterpart's human rights conditions as the leading authority. A clearer vision in which South Korea plays a significant role in the process of intervention should be pursued. In regard to inter-Korean integration, the South Korean society must play a far more active role beyond simply being a member of the international community.[13]

Third, an alternative method to minimize internal conflicts in South Korea must be considered by closely analyzing the strengths and weaknesses of the former administrations. Along the same vein, it is crucial to draw implications from West Germany, which played a significant role and provided strategies in improving the human rights conditions in East Germany. West Germany recognized the importance of alleviating the human rights situation in East Germany, so it coped with the issue in a silent but consistent manner in order to achieve tangible results.[14] The succeeding South Korean government

12. Kim Soo-Am, "A Domestic and International Trend on North Korean Human Rights and the North Korean Human Rights Act," *Current Issues and Policies [Jeongsewajeongchaek]* (Seoul: The Sejong Institute, July 2012), 2012.

13. In Yoon Young-kwan and Kim Soo-Am (eds.), *Improving the North Korean Human Rights: Strategy to a Peaceful Intervention and International Cases [Bukhaninkwongaeseon Aeottukhaehalgeosinga: Pyonghwajeokgaeipjeolyakgwa Gukjesarye]* (Seoul: Hanul Publishing Company, 2010), pp. 227-229.

14. Kim Hak Sung, "West Germany's Human Rights Policy to East Germany," in

must closely review the advantages and disadvantages of the previous administrations' perspectives and explore alternatives, instead of simply and unilaterally excluding or renewing their stances. In regard to individuality versus universality, the rights to survival versus fundamental freedoms and humanitarian assistance toward the North, a national consensus on a human rights policy on North Korea should be explored and expanded in a new manner through the close analyses of change in policy environments as well as reviews based on the strength and weakness of the previous administrations and their changing policy environments.

Fourth, the succeeding government must establish a human rights policy, which can practically consider the existence of North Korea. It is important to urge the North Korean authorities that the agenda on human rights is not simply a threat to the regime survival but rather a window of opportunity to deviate from its current isolation from the international community and to promote economic cooperation for development. By conducting technical cooperation through dialogues on the human rights, North Korea should also be able to create its own internal policy environment that can absorb any external shock during the process of adopting the international standards. In terms of gaining recognition from North Korea, it is likely that any form of unilateral intervention strategy to induce changes from the North will fail. It will be necessary to continue making efforts in order to create a favorable external environment for the North that parallels recommendations for internal changes through the elimination of its perceived threats. Therefore, a perspective of co-evolution, which will lay the foundations for inducing internal changes and creating a favorable external policy environment for North Korea, must be established. In order to dispel North Korea's concerns for its own regime survival, the succeeding South Korean administration must

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Yoon Young-kwan and Kim Soo-Am (eds.), *Improving the North Korean Human Rights: Strategy to a Peaceful Intervention and International Cases [Bukhaninkwongaeseon Aeottukhaehalgeosinga: Pyonghwajeokgaeipjeolyakgwa Gukjesarye]* (Seoul: Hanul Publishing Company, 2010).

organize a multifaceted cooperative network on human rights with the North Korean authorities should such action be deemed necessary.[15]

Fifth, South Korea must explore strategies to justify the legitimacy of its role in improving the human rights conditions in the North by embracing the domestic, inter-Korean and international policy environments. South Korea's role in addressing the "human rights" situation at regional and international levels must be clearly defined. While South Korea has primarily focused on the improvement of North Korea's human rights conditions thus far, it has yet to establish a distinct policy direction for the general human rights diplomacy. Therefore, the succeeding administration must devise a strategy to definite human rights diplomacy, which can contribute to the international community's efforts and consolidate its own human rights diplomacy. In particular, as a developed country with human rights laws in the Asia and Pacific region, South Korea should play a leading role in achieving human rights as a universal value. It is likely that a human rights policy toward the North will be expected to improve under the basis of human rights diplomacy along with the domestic and international support that deviate from the senseless ideological disputes. Therefore, the North Korean human rights issue should be approached under the framework of human rights diplomacy.[16]

Establishing a Policy Infrastructure for a Comprehensive Approach

North Korean human rights has experienced changes, as a cascade of interconnected issues under the three domestic, inter-Korean and international environments has been publicized. The issue has also experienced changes in terms of its role as an actor in intervention to one in the improvement of the human rights situations. The North

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15. *North Korea 2032: The Strategy to Co-evolution for the Advancement [Bukhan 2032: Sunjinhwaroganeun Gongjinjeolyak]*, co-authored by Ha Young-Sun and Jo Dongho (Seoul: EAI, 2010) for the concept of co-evolution.

16. Lee Keum-Soon, Kim Soo-Am, "North Korean Human Rights: Opening and Improvement in the Quality of Life," pp. 150-151.

Korean human rights issue has become a regular agenda in the United Nations, and it has become one of the most important issues under the Resolution on North Korean Human Rights. In this procedure, there is the increasing number of countries that participate in activities to improve North Korea's human rights situation at their national level. Above all, international as well as domestic NGOs' consolidated efforts and activities as the main actors have largely strengthened their capabilities. One of the most exemplary cases is the International Coalition to Stop Crimes against Humanity in North Korea, which was established in September 2011.[17]

As previously mentioned, the North Korean human rights issue has complex characteristics in that it has combined domestic, inter-Korean as well as international policy environments, in addition to its changes as an actor. The succeeding South Korean administration must address the issue as a serious policy in the domestic, inter-Korean as well as international spheres. More importantly, a human rights policy on North Korea must be developed in ways to connect inter-Korean, public-private cooperation and international cooperation with one another. Resolving the issue is a vital obligation for South Korea considering its division from the North and for the international community as a perceived universal value. Thus, the South Korean government, domestic NGOs, international organizations, individual nations and international NGOs must closely cooperate and coordinate with one another in order to successfully improve the North Korean human rights conditions. Given the complex nature of the actors in this issue, a complex as well as multifaceted cooperative network must be established.

If a human rights policy on North Korea is to be effective in the planning and implementation, a policy infrastructure must first be established. In particular, a system for policy cooperation, which

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17. Son Gi-Woong, Kim Soo-Am, Lee Keum-Soon, Cho Jung-hyun, Han Dong Ho, *North Korean Human Rights: A Trend in the International Community and North Korea's Countermeasures [Bukhaninkwon: Gukjesahoe Donghyanggwa Bukhaneui Daeeung]*, Vol. 7, Vol. 1, 2012 (Seoul: KINU, 2012), pp. 13-14.

manages the planning and coordination of human rights policies in a comprehensive manner, must be established amongst the domestic, inter-Korean, international and other participants. As part of the measures, this paper recommends to organization of "The Council for North Korean Human Rights Policy" (tentatively) under the Prime Minister's Office and strengthen the overall coordination system on the government's human rights policy. Role sharing between the public and private sectors and a cooperative system to implement an effective policy on North Korean human rights must be established. To this end, the organization of the so-called "Public-Private Council for North Korean Human Rights Policy Cooperation" to discuss the improvement of North Korean human rights among the South Korean government ministries and consultant groups, such as NGOs, must also be required.[18]

Specific Policy Directions

Implementing a Complex and Comprehensive Strategy

A complex and comprehensive manner to improve strategies for North Korean human rights must be established with consideration on the complicated nature of North Korean human rights issues and the overall policy environment inside North Korea.[19]

Given the closed nature of the North Korean regime, a variety of comprehensive and mutual complementary approaches are required. In particular, we must utilize pressure through direct intervention and strategic engagement in order to effectively improve the North Korean human rights situation. As seen when considering the internal characteristics of the Kim Jong-un regime, pressured strategies must

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18. The National Unification Advisory Council, *A Policy Proposal to Implement the Policy to North Korea [Daebukjeongchaek Chujinegwanhan Jeongchaekgeoneui]* (second volume, 2009).

19. Seo Bo-Hyeok, *North Korean Human Rights: Theories and Acutal Policies [Bukhaninkwon: Yiron, Silje, Jeongchaek]* (Seoul: Hanul, 2007), chapter 7.

be used to resolve the impending short-term issues through public advocacy. We must induce changes in the North Korean authorities' policies on pending short-term issues through the UN's official procedures, U.S.-Korea cooperation and other bilateral relations, public-private partnerships and international networks. We must maintain engagement strategies to create an internal environment that parallels the induced changes in the North Korean authorities' policies on its impending short-term issues. In order to change their perception and improve human rights, we must move forward with various engagement strategies, such as bilateral human rights dialogue, human rights dialogue as well as technical cooperation with the UN High Commissioner for Human Rights and cooperation with the UN special procedures.[20]

A chronologically comprehensive and multifaceted strategy must be sought.[21] As far as the North Korean regime is maintained, there is a need to continue endorsing a strategy that will induce the changes in the North Korean authorities' policies, particularly in regard to violations of human rights issues that are less relevant to system properties in the short-term. For example, violations of human rights in North Korea through inhumane and illegal treatment caused by the violation of their own domestic laws such as the North Korean Criminal Law and Criminal Procedure Code should be improved immediately regardless of North Korean regime change. In particular, the human rights situation in detention facilities, which include the detention house, relocation center, labor camp and labor correctional facility, can be significantly improved if socialist rule of law, which is

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20. Lee Keum-Soon, Kim Soo-Am, "North Korean Human Rights: Opening and Improvement in the Quality of Life," p. 152.
21. Specific time series on concrete roadmap, refer to Long-term Policies and Roadmaps for the Improvement of Human Rights in North Korea, National Human Rights Commission of Korea, 2010; Seo Bo-Hyeok, *Domestic and International Trends on the Assessment of North Korean Human Rights and the Roadmap to the Improvement in Human Rights [Guknaewoe Bukhaninkwon Donghyangpyonggawa Inkwongaeseon Roadmap]* (Seoul: Korea Institute for National Unification, 2006).

compliant with North Korean domestic laws, is strengthened. In addition, we request changes to public executions that comply with the Judgment Decision Execution Law so that executions will at least respect human dignity in any way. Thus, regardless of whether the independent socialist transition, if only the socialist rule of law is strengthened, the human rights situation in North Korea can still achieve some degree of improvement. There is a need to move forward with the strategy to strengthen the socialist rule of law, including advocacy and public pressure as well as in the field of human rights through technical cooperation.

Above all, we must establish medium to long-term conditions that foster reform and opening in North Korea as a member of the international community in order to encourage substantial improvement in the North Korean human rights situation. Similarly, South Korea's North Korean human rights policy must pursue the need "to promote positive changes in North Korea." In this process, strategies to substantially improve human rights must be implemented through the human rights norm-friendly openness. In addition, we must develop strategies to create an awareness of basic human rights in North Korean society.[22]

Integration of Inter-Korean Exchanges and Improvement of North Korean Human Rights

Commencing in the year 2013, an integrated perspective to concretely link inter-Korean exchanges and the improvement of human rights in North Korea must be established in the process of establishing new inter-Korean relations. In the process of improving inter-Korean relations, specific strategies must be developed that can substantially improve human rights for the North Korean people, which include strengthening humanitarian principles, improvement and integration

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22. Kim Soo-Am, "The South Korean Government's Strategies and Policies to Improve North Korean Human Rights," a paper presented at an international conference on North Korean Human Rights hosted by Network for North Korean Democracy and Human Rights, September 25, 2009.

of human rights and support for the rule of law, among others. First, the approach through economic exchanges and process of cooperation must reflect the human rights perspective as a means to improve the human rights conditions in North Korea. In the case of the divided Germany, East Germany was required to fulfill the following conditions: support for the expansion of human as well as communication exchanges, relaxation of procedural stops at the border between the two countries, environment and resumption of cultural agreement talks, among others. The succeeding administration must require systematic improvement in measures for large-scale economic aid, so it can directly and indirectly contribute to the improvement of human rights in North Korea. The commitment to promoting human rights through business activities has been recently acknowledged, so there must be factors for the process of establishing a more favorable environment for business. As seen in the reports, *A Guide for Integrating Human Rights into Business Management*,[23] the United Nations is developing specific programs within the business activities in order to improve human rights. Therefore, a reflection of the concept of human rights must be integrated with our corporate management during the process of developing economic cooperation with the North, so that it can contribute to the improvement of North Korean human rights, as discussed in the global community. Transparency and democratic procedures in our business activities toward the North must reflect the elements of human rights. In particular, it is necessary to promote human rights through the training of workers as well as a welfare system by South Korean businesses in North Korea.

Second, the issue must be approached from the perspective of integrated development and human rights. Commencing in the year 2013, the succeeding South Korean administration will be in the process of redefining inter-Korean relations, while the issue of resuming aid

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23. Business Leaders Initiative on Human Rights, UN Global Compact and HUOHCHR, *A Guide for Integrating Human Rights into Business Management*; The Korean Peninsula Forums, Inter-Korean Relations 3.0: Process of Peace and Cooperation on the Korean Peninsula, Report on Korean Peninsula Forum 2013: Grand Strategy for Peace and Unification, 2012, pp. 82-83.

will emerge as an important challenge. In revitalizing our support to North Korea, we must formulate a new framework instead of applying previous international standards. Humanitarian principles should be strengthened through emergency relief to North Korea as well as aid for vulnerable social groups. In particular, a monitoring system must be developed based on the needs assessment for North Korean aid plans and enforcement. With the capacity to develop humanitarian assistance to North Korea, development cooperation will be earnestly discussed. In this process, future development cooperation should reflect specific measures for the improvement of the human rights situation, such as expanding the participation of the North Korean people and rectifying gender discrimination. The international community has actively discussed a rights-based approach and has tried to apply it to development cooperation.[24] So we will try the ways of application that is suitable to North Korea's situation. Although North Korean development agencies do not explicitly utilize human rights terms, they should implement policies that strengthen the peoples' empowerment from marginalization in the hierarchy. Endeavors to realize human dignity must be upheld. Furthermore, measures to support the development of specific issues, such as the environment, women and children's rights and the healthcare system, must be required in order to improve the overall human rights situation in North Korea.

Support for the Establishment of the Rule of Law in North Korea

In the course of reestablishing relations between North and South Korea, we must to organize specific strategies that will enable us to

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24. Office of the UN High Commissioner for Human Rights, "Frequently Asked Questions on a Human Rights-based Approach to Development Cooperation," 2006; Peter Uvin, *Human Rights and Development* (Bloomfield, CT: Kumarian Press, 2004, pp. 122-166; Park Hyeong Jung, Lim Eul Chool, Kim Soo-Am, Kang Dongwan, the 3rd chapter in *Theories and Comprehensive Strategies in Development Assistance toward North Korea [Bukhangaebaljiwoneui Yirongwa Pogwaljeok Jeolyak]* (Seoul: KINU, 2009).

expand aid and establish the rule of law in the North. This support should be implemented at two levels. First, we must urge North Korea to consistently enact and amend domestic laws that conform to the standards of the International Covenants Civil and Political Rights. Second, we must urge North Korea to abide by the domestic laws that they have enacted themselves. In other words, we must establish cooperative measures for inter-Korean relations that support the rule of law as the central agenda in regard to technical cooperation in the field of human rights. As observed in the example of China, an increasing number of social activities will be conducted under contracts in North Korea. As inter-Korean exchanges deepen, there will be a growing need to redesign the legislative system in non-political fields, such as the diffusion of the contract systems. Therefore, we need to first develop a program that will maintain the rule of law in non-political spheres. We must also support human rights education programs, so that authority figures will be better informed of the essential principles of human rights and enforce them. We must offer financial support for the establishment of a legal system and provide education to authority figures. In addition, we must develop a legal cooperative system with the global community, including as the United Nations High Commissioner for Human Rights. Such a system will allow us to promote the rule of law in North Korea.

The Establishment of the North Korean Human Rights Act

The North Korean Human Rights Act is not likely to be passed, as it coincides with the 2012 South Korean presidential election. However, the enactment of North Korean Human Rights Act is expected to be one of the biggest issues nationwide. If the Act is not implemented, then disputes regarding its ratification will be an inevitable outcome regardless of the succeeding government's ideological inclinations. Should the ruling conservatives, who are attempting to establish the bill, retain power, they will stand head to head against an opposition party that will try to stifle them. If the progressives establish the succeeding administration, conflicts will ensue between the opposition

party and conservative groups that call for the implementation of the Act and the passive ruling party. As we have seen above, a consensus in regard to the need for legislation has developed, although the fundamental differences in opinion in regard to the bill do not appear to be resolved. The Democratic United Party is expected to approach the law concerning human rights in North Korea within the framework of "North Korean People's Livelihood and Human Rights Act," which was proposed at the 18th National Assembly. We cannot exclude the possibility of negotiations under the condition that the Saenuri Party express negotiability in regard to the details of the proposed bill.

The ruling and the opposition parties should put aside their differences in order to negotiate the implementation of the North Korean Human Rights Act, and these discussions must proceed in the following directions. First, the Act must be adopted under the mutual consent of the two Parties in order to minimize North Korea's resistance and make the intervention efficient. We can convey our consentaneous will to the North and minimize its resistance only when the Act has been implemented under mutual agreement.[25] The mutual agreement will allow us to accomplish practical goals in the medium to long-term, which has been to induce a change in North Korea's attitude. In this regard, the ruling party and the opposition party must put aside their antagonism to seriously consider the ratification of the Act. Second, we must resolve the conflicting views over the effectiveness of the North Korean Human Rights Act. In terms of efficiency, the Saenuri Party's approach to the bill is highly focused on the right to freedom, while that of the Democratic United Party is distinctly oriented toward social rights. The international community has approached human rights from integrative perspectives, which encompass the terms of interdependence and integration. Therefore, the North Korean Human

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25. The Democratic Chosun Lawyers Association spokesman speaks on behalf of the backlash in North Korea against the enactment of the North Korean Human Rights Act, "South Korean Conservative factions will be solely responsible for the severe repercussions of manipulating the North Korean Human Rights Act," *Korean Central News Agency*, June 18, 2012.

Rights Act should accommodate the balance between the right to fundamental freedoms and social rights from an integrative standpoint.[26] Third, we must also resolve the conflicting views concerning financial support for the groups dedicated to the improvement of human rights in North Korea. If we insist on supporting the "North Korean Human Rights Foundation," which solely focuses on the improvement of human rights, then it will be a daunting challenge to ensure the ratification of the bill. If a foundation must be established, then we should approach the issue from within the larger framework of human rights diplomacy. As a leading nation in human rights, we must first develop strategies for human rights diplomacy, which can contribute to the improvement of human rights in the Asia-Pacific region. Then, a comprehensive regional foundation must be established in order to support the strategies. Financial support for the groups focused on the improvement of human rights in North Korea should actively participate in such a comprehensive human rights foundation.

Cooperation with the United Nations to Improve North Korean Human Rights

It is highly likely that the UN Human Rights Council will continuously propose the Resolution on North Korean Human Rights. As previously mentioned, the North Korean human rights issue has been discussed as the main agenda in the Resolution on North Korean Human Rights. Therefore, the succeeding government must take the initiative and proactively participate in the discussion of North Korean human rights at the United Nations. North Korea has taken the resolute position that Resolution on North Korean Human Rights is a political conspiracy to overthrow their regime. Apart from the public pressure through

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26. Kim Soo-Am, "Domestic and International Trends on North Korean Human Rights and the North Korean Human Rights Act"; Lee Kyu-Chang, "The Needs and Consideration to Implement the North Korean Human Rights Act," *KINU Online Series 2012-24*, June 21, 2012.

the resolution, our government must play a leading role in achieving cooperation between the UN High Commissioner for Human Rights (UNHCHR) and the North Korean authorities. The North has expressed its intention to accept cooperation with the UNHCHR. However, it has consistently refused technical cooperation with the UNHCHR, since technical cooperation with the UNHCHR is part of the Resolution on North Korean Human Rights, which North Korea does not recognize.[27]

The UN General Assembly's Resolution on North Korean Human Rights explicitly states that the UNHCHR must establish technical cooperation in human rights with North Korea.[28] The Resolution on North Korean Human Rights, which had been adopted by the UN Human Rights Council from 2003 to 2005, also specifies that the technical cooperation of the UNHCHR with the North Korean government. However, such content has been omitted in the Resolution on North Korean Human Rights adopted by the UN Human Rights Council in 2008 and onwards. Thus, we must take the lead in excluding the technical cooperation aspect from process of drafting the content of the Resolution on North Korean Human Rights at the UN General Assembly. With such changes to the Resolution on North Korean Human Rights and the help of the global community, we must strongly urge the North Korean government to technically cooperate with the UNHCHR. We must also play a leading role so that the cooperative ties between North Korea and the UN Special Rapporteurs are strengthened. In particular, we must utilize our diplomatic competency to successfully arrange the Special Rapporteurs' visits to North Korea.

Conclusion

Although the fundamental differences within the South on North Korean human rights remain, they are to some extent resolved as the

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27. United Nations document, A/66/343; A/HRC/13/G/7/Rev.1
28. The Resolution on North Korean Human Rights adopted at the United Nations General Assembly in 2011, A/REC/66/174.

issue has become publicized. The issue offers a unique characteristic of the agendas since they are intricately linked at the domestic, inter-Korean and international levels. The human rights activists' nature reflects such complex relations. The issue is routinely discussed at the United Nations while individual nations that sympathize with the cause are on the rise. In particular, the roles of the NGOs that focus on human rights and their solidarity have expanded and strengthened.

Considering the policy environment, future policies on North Korean human rights must be promoted in three manners. First, the policies should be endorsed in such a way that South Korea's domestic conflicts over the issue are minimized. Second, a policy infrastructure must establish so that domestic, inter-Korean and international capabilities are rallied against North Korean human rights. Third, we must manage with the challenges and policy environments efficiently in order to implement specific and practical strategies to improve the human rights conditions in North Korea. Such strategies should be endorsed as follows.

First, the strategies must be endorsed in a detailed and comprehensive manner to reflect North Korea's domestic policy environment and the complexities of the process publicizing the issue.

Second, we must organize a unified perspective to link inter-Korean exchanges and improvement of North Korean human rights in a concrete manner. As we reestablish inter-Korean relations, we must implement specific strategies, which can extend our support for the rule of law in North Korea.

Third, the North Korean Human Rights Act must be adopted by the mutual agreement of the ruling and opposition parties in order to efficiently intervene in the matter with the minimal resistance from the North. We must also resolve our different opinions on the effectiveness of the Act.

Fourth, the succeeding South Korean government must actively and enthusiastically participate in discussions regarding North Korean human rights at the United Nations.

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Korean Human Rights in the International Community." *An Analysis on Unification [Tongiljungsebunseok]* 2012-05. Seoul: KINU. 2012.

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The Impact of Domestic Politics on North Korea's Foreign Policy*

Dongsoo Kim & Yongseok Choy

One of the most promising theoretical perspectives in the study of foreign policy is that it is heavily influenced by domestic politics. In this study, we will examine North Korea's foreign policy with respect to its domestic political situation. In particular, we will attempt to uncover the influence that domestic politics has in North Korea's foreign policy behavior, specifically in regard to weapons of mass destruction. Whether or not and to what extent domestic politics influence the nuclear issues are the primary questions that we will attempt to address in this paper. In answering these questions, we will analyze three of the most recent nuclear crises: the first nuclear crisis of 1993-1994, the missile crisis of 1998 and the second nuclear crisis of 2002-2003. The diversionary theory will be utilized as the primary theoretical framework to analyze the cases. Based on suggestions from the diversionary theory, we will test the hypothesis that North Korea conducts its foreign policy in a risky manner as a means to divert the people's attention outward when the regime is (or perceives that it is) facing difficulties in domestic politics. For that purpose, we will examine the domestic political situation in North Korea during these periods and analyze the perceptions of the Pyongyang regime in such circumstances.

Key Words: North Korea, foreign policy, domestic politics, diversionary theory, weapons of mass destruction

Introduction

While there are many different explanations to foreign policy, one of the most promising theoretical perspectives is in relation to its domestic politics. In this study, we will examine North Korea's foreign policy

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agenda with respect to its domestic political situation. In particular, we will attempt to uncover the influence that the domestic social and economic situation has on its foreign policy behavior with regard to its weapons of mass destruction and the diversionary theory. Whether or not and to what extent the domestic situation influences North Korea's foreign policy behavior are the primary questions that we will attempt to address in this paper.

North Korea's recent foreign policy behavior concerning weapons of mass destruction (WMD) has been typically characterized by brinkmanship. In 1993, North Korea stunned the world by threatening to withdraw from the Non-Proliferation Treaty (NPT) for the first time since the beginning of the Kim Jong-il regime. In 1998, North Korea shocked the world once more by test-firing a *Taepodong I* missile, which flew over Japan, and further threatened to launch *Taepodong II*, a missile that is believed to have the capacity to reach the West Coast of the U.S. When the Bush administration decided to stop supplying heavy oil, Pyongyang responded by expelling IAEA inspectors from the *Yongbyon* nuclear complex in December 2002 and completely withdrew from the NPT in January 2003, restarting the 5MW reactor and the reprocessing of spent fuel rods. Afterwards, the crisis intensified following two additional North Korean nuclear tests. Furthermore, the Six-Party Talks, in which the U.S., China, Russia, Japan and the two Koreas participate, have yet to produce any significant results.

In this study, we will examine a series of North Korea's aforementioned foreign policy behavior and use its domestic political situation as reference. The diversionary theory will be utilized as the primary theoretical framework to analyze the cases. Based on suggestions from this theory, we will test the hypotheses that if the Pyongyang regime is (or perceives that it is) facing difficulties domestically, then it will use aggressive force in foreign policy as a means to divert the people's attention outward. For that purpose, we will investigate the domestic political situation in North Korea during these periods and analyze the perceptions of the Pyongyang regime in these circumstances.

The rest of the paper will be organized as follows. In the next section, previous studies on North Korea's foreign policy will be examined

in detail. Then, a new theoretical framework that utilizes the diversionary theory of war will be presented, which will be followed by a discussion of methodology and actual analyses. Finally, we will summarize the key findings and discuss their implications. Our analyses will suggest that the domestic situation has little influence in shaping and implementing brinkmanship in North Korea's foreign policy.

Literature Review

By and large, two distinct lines of research have been conducted to link the domestic political situation with the foreign policy behavior of North Korea. One line of research mainly focuses on the North Korean government's decision-making process and its influence on foreign policy. The other line of studies investigates the impact of its political culture, which is represented by the *Juche* ideology, on foreign policy.

When it comes to the unique decision-making process, the monolithic model assumes that the North Korean foreign policy is implemented in a systematic top-down method due to its tightly controlled ideological structure.[1] This "peculiar domestic structure that governs its foreign policy making" can be characterized as "one-man dictatorship, concentration of decision-making power and lack of a dynamic process of policymaking."[2] In this model, public opinions and diverse bureaucratic organizations are not likely to have significant influence on the foreign policy formation because the top elites maintain tight control. On an interesting note, a counter model is also considered in the same context. A few scholars, such as Mansourov[3] and Harrison,[4]

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1. Kongdan Oh and Ralph C. Hassig, *North Korea through the Looking Glass* (Washington, DC: The Brookings Institution, 2000).

2. Chung-in Moon, "North Korean Foreign Policy in Comparative and Theoretical Perspective," in Byung Chul Koh (ed.), *North Korea and the World: Explaining Pyongyang's Foreign Policy* (Seoul: Kyungnam University Press, 2000), p. 330.

3. Alexandre Y. Mansourov, "North Korean Decision-Making Processes Regarding the Nuclear Issues," in Young Whan Khil and Peter Hayes (eds.), *Peace and*

present a "conflict" model of the North Korean decision-making process. This model assumes that there are policy conflicts among organizations and policymakers. Mansourov[5] argues that the DPRK has a "highly compartmentalized institutional structure" and "its bureaucracy has a clear chain of command and a concentrated leadership structure," but "decisions do not come quickly and easily or in the most efficient form because of lack of consultations across the bureaucratic lines." Indeed there are many cases that would indicate conflict between organizations in North Korea. For example, *Rodong Sinmun*, the North Korean government's official newspaper, carried a number of articles in 1995 that opposed seeking foreign aid, even though North Korean delegations requested help from the United Nations and its related agencies.

Another explanation of the North Korean decision-making process is the "competition" model, which claims that differences among North Korean policymaking groups are nothing but "a loyalty competition for winning recognition from its top leader."[6] This model is similar to the monolithic model in that the two acknowledge the notion that North Korea is a monolithic society and reject the notion of fragmentation between hard-liners and soft-liners. This model is based on the argument that even Kim Jong-il, the North Korea's former leader, could not control all details in the decision-making process. For example, this model suggests that the military authorities waged a combat against the South Korean Navy in June 1999 that resulted in dozens of death, while officials from the United Front Department of (North) Korean Workers' Party and even Kim Jong-il sought for reconciliation with its Southern counterpart.

Another line of theory in explaining North Korean foreign policy

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Security in East Asia (New York: The M.E. Sharpe, 1997).

4. Selig S. Harrison, *Korea End Game: A Strategy for Reunification and U.S. Disengagement* (Princeton, NJ: Princeton University Press, 2002).

5. Mansourov, "North Korean Decision-Making Processes," p. 223.

6. Yinhay Ahn, *North Korea's Monolithic System and Policy Competition* (Seoul: Research Institute for National Unification, 1996), p. 96.

with reference to its domestic politics is the cultural perspective. In other words, this perspective attributes the North Korean foreign policy to the unique characteristics of its culture represented by the "*Juche*" (self-determination) ideology.[7] According to this perspective, the ideology is so pervasive in society that it must have implications even in its foreign policy behavior. Saccone[8] argues that North Korean cultural underpinnings, including the *Juche* ideology, shape North Korea's negotiating strategies. Scalapino and Lee claim, the "(*Juche*) ideology inhibits any rapid change adjustment to changing realities."[9] Since culture and ideologies are developed over long period of history, those who adopt a cultural approach, such as Oh and Hassig, also pay attention to its historical idiosyncrasy. They argue, "North Korea's foreign policy is crafted against the backdrop of Korean history, especially the memory of recurring invasions from neighboring powers and years of political subjugation."[10] Given this history, it is unreasonable to characterize North Korean attitudes toward the international community as "paranoid." The cultural approaches appear to have some advantages in understanding North Korean idiosyncrasy of brinkmanship diplomacy, since it examines how North Koreans perceive themselves and the political environment surrounding the Korean peninsula and the national interests.[11]

While the previous studies provide useful frameworks to understand North Korean foreign policy, they do not link the current social and political situations with foreign policy behavior. In other words, there has been little effort to explain North Korean foreign policy in the

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7. Scott Snyder, "North Korea's Challenge of Regime Survival: Internal Problems and Implications for the Future," *Pacific Affairs*, Vol. 73, No. 4, pp. 517-533; Richard Saccone, *To the Brink and Back: Negotiating with North Korea* (Elizabeth, NJ: Hollym International Press, 2003).

8. Saccone, *ibid*.

9. Robert A. Scalapion and Chong-Sik Lee, *Communism in Korea, Part II: The Society* (Berkeley, CA: University of California Press, 1992), p. 869.

10. Oh and Hassig, *North Korea through the Looking Glass*, p. 148.

11. Han S. Park, *North Korea: The Politics of Unconventional Wisdom* (Boulder, CO: Lynne Rienner Publishers, 2002).

political, economic, and social domain. Indeed, some perspectives exist, claiming that domestic factors, such as public opinion and economic hardship, are influential in the formation of foreign policy. In the following, we will attempt to fill this hole by examining the impact of political, social, and economic situations on the North Korean foreign policy formation.

Theoretical Framework

The diversionary theory is one of the most representative theories that link domestic conditions with foreign policy behavior. The core argument is that leaders are likely to employ aggressive foreign policy when faced with domestic political and economic problems as a means to divert the public's attention. Leaders anticipate that the public will rally around the flag in opposition to an external threat, which is believed to weaken the prevailing domestic political, economic and social discontent. In this manner, the leader, who lost domestic support, will restore his/her leadership position.

The so-called "rally-around-the-flag" effect (hereafter, the rally effect) refers to the phenomenon in which the public tend to rally in support of the national leaders when the state is involved in international conflict or faces an external threat. While initial interest in the rally effect originated from the early studies that link international crisis with the president's popularity,[12] it has now expanded to refer to a general pattern that in times of international crisis, such as war, the public will offer its full support to the current government in order to overcome the external crisis by setting aside disagreements on the incumbent president's policies or performances. Indeed, many historical incidents support the rally effect. During the Cuban Missile

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12. Richard Neustadt, *Presidential Power: The Politics of Leadership* (New York: Wiley, 1996); Kenneth N. Waltz, "Electoral Punishment and Foreign Policy Analysis," in J.N. Rosenau (ed.), *Domestic Sources of Foreign Policy* (New York: The Free Press, 1967); Nelson Polsby, *Congress and the Presidency* (Eaglewood Cliffs, NJ: Prentice-Hall, 1964).

Crisis, John F. Kennedy's approval ratings approximately increased up to 75% in 1963. The approval rating for George H. W. Bush increased from nearly 60% to 90% during the First Gulf War in 1991. Following 9/11 terrorist attacks, George W. Bush's approval rating skyrocketed up to 90% from a low 50%.[13] Similar effects were also observed outside of the U.S. In the United Kingdom, Prime Minister Thatcher's popularity significantly increased in the early 1980s during the Falkland War, which helped her win the 1983 election. Furthermore, military actions often heighten during the elections in Israel, which uphold the expectation of the rally effect. Ariel Sharon, a virtually unthinkable candidate for the Israeli prime minister's office prior to the onset of Intifada II and suicide bombings, easily defeated the less bellicose candidate, Ehud Barak. Although these are small samples, research suggests that the rally effect has been a well-known and often-used political maneuver.[14]

The rally effect is based on the in-group/out-group hypothesis, which suggests that conflict with an out-group enhances the cohesion and centralization of the in-group.[15] According to this hypothesis, war with the outside is sometimes the last chance for a state to overcome internal conflict. Beginning with the simple in-group/out-group hypothesis, a few characteristics of the rally effect have been elaborated on. One explanation of the rally effect is that it is purely driven by patriotism and a widespread desire to support the national leader; this is known as the patriotism explanation.[16] According to this perspective, when important interests of the nation are at stake, the public tends

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13. Marc J. Hetherington and Michael Nelson, "Anatomy of a Rally Effect: George W. Bush and the War on Terrorism," *Political Science and Politics*, Vol. 36, No. 1 (2003), pp. 37-42.

14. Manus I. Midlarsky, "The Impact of External Threat on States and Domestic Societies," *International Studies Review*, Vol. 5, No. 4 (2003), pp. 13-18.

15. Geog Simmel, *Conflict and the Web of Group-Affiliations* (New York: The Free Press, 1955); Lewis Coser, *The Functions of Social Conflict* (New York: The Free Press, 1956).

16. John E. Mueller, "Presidential Popularity from Truman to Johnson," *American Political Science Review*, Vol. 64, No. 1 (1970), pp. 18-34.

to unite uncritically behind the national leadership to show patriotic support. The public response is also influenced by fear that apparent opposition may endanger the nation's chance of success. Therefore, this interpretation of the public response in the face of national crisis is a reflection of the general in-group/out-group hypothesis. Another explanation is that during a crisis, external political opposition mutes internal public critiques of the administration; this is often called the opinion leadership explanation.[17] According to this perspective, as the leadership's arguments and stated positions grow unopposed, society's favorable opinions become more strongly tilted toward the leadership. This explanation presumes that in times of crisis, the public is unable to access appropriate sources of information, which are typically available in normal periods to make political judgment. Under this circumstance, the public is more likely to trust their leaders such as the president, who are reasonably believed to enjoy access to strategic, political and military information that the public is denied. Furthermore, for similar reasons, the media also acts in favor of national leadership rather than presenting criticisms.

Based on the rally effect, diversionary theory of war suggests that leaders who are in trouble in domestic affairs, such as economic downturn or declining popularity, may turn to international armed conflict in order to increase their domestic support. Its theoretical mechanisms can be summarized in four ways: 1) successful military actions abroad may be effective in gaining support domestically; 2) the conflict abroad and the support it creates at home can overshadow domestic political discontent; 3) international conflict may divert the public's attention away from the issues that cause discontent; and 4) conflict with another state may rally support to the regime through an in-group/out-group effect.[18]

Unsurprisingly, diversionary theory has attracted a great deal of

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17. Richard Brody, *Assessing the President* (Stanford, CA: Stanford University Press, 1991).
18. David Sobek, "Rallying around the Podesta: Testing Diversionary Theory across Time," *Journal of Peace Research*, Vol. 44, No.1 (2007), pp. 29-45.

interest from international relations scholars. However, despite its apparent theoretical robustness, empirical studies on whether diversionary use of force is real or not have thus far generated inconclusive findings. While some studies find the uses of force abroad are positively associated with domestic economic decline,[19] others find no support for this proposition.[20] Lack of consensus on this issue among empirical investigations may be partly due to the diversity of theoretical and methodological approaches that each study adopts.

Furthermore, there is controversy whether autocratic regimes are more or less likely to use force abroad. Popular perspective is that diversion plays a more significant role in democratic regimes because public perception in democratic regimes makes leaders more sensitive to declining approval ratings. Gelpi demonstrates that democracies are more likely to pursue diversionary foreign policies when faced with domestic discontent because they are less likely to resort to violence to repress the public.[21] In a similar vein, Andreski claims that autocratic regimes are less likely to use force abroad in response to domestic trouble because their military forces are more prepared to deal with internal control.[22] There is also an opposing view that diversion is more likely in autocratic regimes, although it is a less common perspective.

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19. Charles W. Ostrom Jr. and Brian L. Job, "The President and the Use of Force," *American Political Science Review*, Vol. 80, No. 2 (1986), pp. 541-566; Christopher Gelpi, "Democratic Diversions: Governmental Structure and the Externalization of Domestic Conflict," *Journal of Conflict Resolution*, Vol. 41, No. 2 (1997), pp. 255-282; James Patrick and John R. Oneal, "The Influence of Domestic and International Politics on the President's Use of Force," *Journal of Conflict Resolution*, Vol. 35, No. 2 (1991), pp. 307-322.

20. Brett A. Leeds and David Davis, "Domestic Political Vulnerability and International Disputes," *Journal of Conflict Resolution*, Vol. 41, No. 6 (1997), pp. 814-834; Ross Miller, "Domestic Structures and the Diversionary Use of Force," *American Journal of Political Science*, Vol. 39, No. 3 (1995), pp. 760-785; Clifton T. Morgan and Christopher Anderson, "Domestic Support and Diversionary External Conflict in Great Britain, 1950-1992," *Journal of Politics*, Vol. 61, No. 3 (1999), pp. 799-814.

21. Gelpi, *ibid*.

22. Stanislav Andreski, "On the Peaceful Dispositions of Military Dictatorships," *Journal of Strategic Issues*, Vol. 3, No. 3 (1980), pp. 3-10.

Miller argues that autocratic regimes are more likely to use military force abroad to divert attention when faced with domestic trouble than democratic regimes because they do not possess enough policy resources to address domestic problems.[23]

This study is expected to contribute to the resolution of the theoretical controversy of whether or not and to what extent leaders employ the use of force abroad for diversionary purposes. Furthermore, by examining North Korea's foreign policy, this study is also expected to shed light on the controversy of whether autocratic regimes are more or less likely to resort to military forces. North Korea's foreign policy regarding weapons of mass destruction is highly threatening to neighboring countries even if it does not accompany direct use of military force against them.

Methodology

Three cases related to Pyongyang's nuclear and missile diplomacy with the United States from 1992 to 2002 are selected for analysis. The first case is about North Korea's decision to withdraw from the Non-Proliferation Treaty, the so-called first nuclear crisis of North Korea, when it faced Washington's demand to accept "special inspections" over suspected nuclear facilities in *Yongbyon*, North Korea. The second case is related to the test-fire of a long-range missile in 1998 despite Washington's and other states' objections. The third and final case is related to Pyongyang's decision in early 2003 to walk out of the NPT when faced with the Bush administration to address concerns regarding its nuclear and missile program while stepping up political and military pressure, the so-called second nuclear crisis of North Korea.

This study will examine the domestic situation of North Korea during this period and analyze whether or not and to what extent the domestic situation influenced North Korea's foreign policy. In particular, this study will focus on the political stability of the

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23. Ross, "Domestic Structures and the Diversionary Use of Force," pp. 760-785.

Pyongyang regime regarding political elite's disturbance, power struggle and political culture. Pyongyang's control over North Korean society will be examined with respect to internal migration, the number of defectors, political commotion and outside information. Economic indexes such as gross national product, growth rate, the food situation and the number of deaths related to famine will also be examined.

Along with the examination of objective conditions, this study will also investigate the perception of the North Korean regime through content analysis.[24] Particularly, word count technology will be utilized in which the frequency of keywords is counted. *Rodong Sinmun*, the official newspaper of the North Korean regime will be the subject for analysis. The word "self-help" (*jaryeokgaengsaeng*) is selected as an indicator of the Pyongyang regime's perception of domestic security settings. All mass media in North Korea, including *Rodong Sinmun*, do not carry negative words such as "political conflict" and "famine" with respect to its domestic situation. Metaphoric words such as "temporal obstacle," "ordeal" and "economic hardship" could be used, but these words are more often mentioned after the end of difficulties than during adverse circumstances.[25] Therefore, it is believed that "self-help" might reflect the Pyongyang regime's perception of its domestic setting more accurately than any other words. "Self-help" can be used at any time, good or bad, because North Korean official ideology, "*Juche Sasang*," emphasizes the importance of self-help or self-reliance in every aspect of life. Even when the state has nothing to do for its people facing a severe famine, Pyongyang might take advantage of the word "self-help" in order to encourage people and avoid responsibility of the famine. This study hypothesizes the regime would use the word more often in an adversarial domestic

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24. For detailed information about content analysis, refer to Kaus Krippendorff, *Content Analysis: An Introduction to its Methodology* (Thousand Oaks, CA: Sage Publications, 2004).

25. For example, looking back on economic hardship in the late 1990s, the North Korean newspaper used the word "ordeal (*siryeon*)" more often in 2000 when economic crisis was almost over than in 1998 when hundreds of thousand of North Korean citizens were dead of famine.

situation than in a beneficial one. The word "*jaryeokgaengsaeng*" is counted among all the articles in *Rodong Sinmun* during the periods of each case. The count will be made on a monthly basis.

The First Nuclear Crisis of 1993-1994

During this period, North Korean domestic politics was stable. In order to understand the stability of the Pyongyang regime, it is necessary to look into North Korean political culture. "The tightly controlled system that Kim Il Sung founded has lasted longer than any other twentieth-century dictatorship because he carried over tradition of centralized authority inherited from the Confucian-influenced Korean dynasties of the past."[26] Kim Il Sung succeeded in manipulating North Korean people to unquestionably obey him.[27] He was deified as the "Great Leader." Even after his death, Kim Il Sung is still regarded as the eternal leader for North Koreans. He maintained almost perfect control over the Korean Workers' Party (KWP) and in turn, exercised complete control over the military.

Domestic stability can also be proved by the fact that Kim Il Sung's son succeeded his father as chairman of the key National Defense Commission, the highest DPRK organ for military guidance, despite his lack of military experience. The armed forces of North Korea were dominated by a clique of Kim Il Sung's old cronies from the Manchuria guerrilla days, who paid absolute loyalty to their leader. Therefore, as long as the Great Leader Kim Il Sung was alive, political instability such as elites' disturbance in the KWP or power conflict was out of the question.

It is clear that the North Korean economic circumstances were deteriorating in the early 1990s. For example, the country's GNI shrank by 3.7% in 1990, 5.2% in 1991 and 7.6% in 1992. In early December 1993,

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26. Harrison, *Korea End Game*, p. 21.
27. Oh and Hassig, *North Korea through the Looking Glass*, p. 145.

the Workers' Party Central Committee made a surprising admission that the major goals of its seven-year economic plan had not been achieved and North Korea was in a grave situation.[28] Instead of adopting a new seven-year plan with the usual emphasis on heavy industry, Kim Il Sung set a three-year plan of adjustment, with the top priority given to agriculture, light industry and foreign trade. Kim Il Sung even conceded in his New Year message that "we came up against considerable difficulty and obstacles in the economic construction, owing to the unexpected international events and the acute situation created in the country."[29] However, it does not appear that the economic situation in North Korea deteriorated up to the degree in which the Pyongyang regime felt its domestic security threatened. The number of North Korean defectors remained meager during the early 1990s, and there were few people who starved to death. The so-called Public Distribution System (PDS) through which food rations were distributed still functioned as a powerful tool for social control, although the rate of rations began to fall as the decline in food production persisted. Therefore, there was little suspicion that the Pyongyang regime's political stability was firmly maintained in spite of the deteriorating economic situation of the early 1990s.

The Pyongyang regime has developed formidable tools to control society, ranging from security organizations to ideological control. The two principal domestic security organizations are the Ministry of People's Security (MPS) and the State Security Department (SSD). Permission from the MPS was required to change one's residence or job and to travel within the country. Furthermore, the MPS controlled the distribution system, which remained the primary source of food for the population until the famine years of the mid-1990s. In other words, North Korea was characterized by a complete absence of any sign of political deviance, at least until the mid-1990s famine. The North Korean government maintained an almost perfect control over

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28. Oh and Hassig, *ibid*., p. 53.
29. *Rodong Sinmun*, January 1, 1994.

the population. As Park indicates, the ordinary people in North Korea voluntarily submit themselves to the elite because of "a consistent and carefully engineered process of lifelong political socialization."[30]

As suggested earlier, a content analysis, particularly a word-count method, is utilized as a way to examine the North Korean government's perception of domestic security. Figure 1 shows the number of times the word "self-help (*jaryeokgaengsaeng*)" was used in *Rodong Sinmun* from 1992 through 1994. The solid line (average) remained low in 1992 and increased slightly in 1993, in comparison to the previous year. The solid line indicates that the Pyongyang regime perceived its domestic conditions to be stable in at least the first half of 1993. The slight rise of the solid line lasted only four months from December 1992 to February 1993, before Pyongyang declared the withdrawal from the NPT in March 1993. This declaration can be interpreted as an influence from other factors rather than the short-term domestic insecurity.

Figure 1. Domestic Security 1992-1994
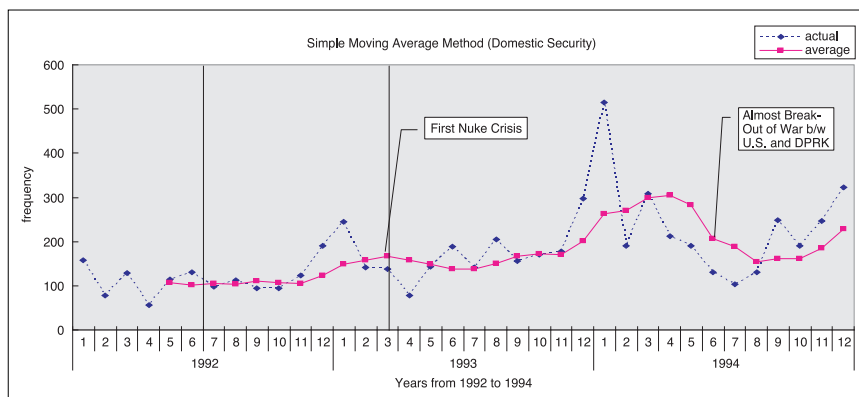
30. Park, *North Korea: The Politics of Unconventional Wisdom*, pp. 177-178.

The Missile Crisis of 1998

From 1995 to 1998, the North Korean economy was on the brink of collapse due to repeated natural disasters as well as the inefficiency of the socialist command over the economy. With respect to the North Korean economic situation, the most frequently cited economic statistic is the shrinking GDP, which is estimated to have declined by 55% from an already low $23.1 billion in 1990.

The most significant indicator of North Korea's poverty is the hunger and starvation that have swept throughout the country since 1995. Estimates of the number of premature deaths range from as low as 220,000 (by the North Korean government) to as many as 3.5 million at the higher end.[31] The great famine was of severe concern for the Pyongyang regime because the famine not only killed ordinary people but also members of the elites. Against this backdrop and following

Table 1. North Korea's GNI (Gross National Income)

Year	Nominal GNI ($billions)	GNI per capita ($)	Growth Rate (%)
1990	23.1	1,064	-3.7
1991	22.9	1,038	-5.2
1992	21.1	943	-7.6
1993	20.5	904	-4.3
1994	21.2	923	-1.8
1995	22.3	957	-3.7
1996	21.4	910	-3.7
1997	17.7	741	-6.8
1998	12.6	573	-1.1
1999	15.8	714	6.2
2000	16.8	757	1.3

Source: Institute for Unification Education *[Tongilkyoyookwon]*, Ministry of Unification, p. 139, 2004.

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31. Stephan Haggard and Marcus Noland, *Famine in North Korea: Markets, Aid, and Reform* (New York: Columbia University Press, 2007), p. 11.

the death of its Great Leader, North Korea was forced to divert its attention and energy on sheer survival and little else, which resulted in asking for assistance from the outside world. A variety of other nations and charitable organizations contributed food or funds to purchase food. Despite the considerable amount of aid, the devastating circumstances persisted. This was compounded by a severe drought in the summer of 1997, which was followed by tidal waves along the western coast that destroyed up to 70 percent of the summer corn harvest.[32]

The deteriorating economy has led to a weakened social control by the government. At the beginning of 1996, there was an official announcement that "the public distribution system would cease provision of food ration until May and those stealing food and animals would be immediately executed."[33] Furthermore, "the breakdown of the official food procurement and distribution system resulting from the famine left the government with no alternative but to acquiesce both in private markets and in widespread illegal private cultivation."[34] After the great famine of 1995, "a growing number of food refugees traveled domestically without official permission and even fled into China, raising great security concerns" for the North Korean government.[35] In other words, the economic hardship began to create cracks in the previously tightly controlled North Korean society.

Kim Jong-il, the former North Korean leader, revealed his deepening fear of a potential economic collapse from time to time, and many North Korea experts believed that the North would collapse due to the increasing economic problems.[36] According to a poll conducted by a South Korean newspaper on 50 North Korea experts, almost half

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32. David H. Satterwhite, "North Korea in 1997: New Opportunities in a Time of Crisis," *Asian Survey*, Vo. 38, No. 1, 1998, p. 16.

33. Suk Lee, *The DPRK Famine of 1994: Existence and Impact* (Seoul: Korea Institute for National Unification, 2005), p. 10.

34. Harrison, *Korea End Game*, p. 40.

35. Lee, *ibid*., p. 11.

36. Harrison, *ibid*., pp. 3-7.

predicted that the North would collapse within 10 years.[37] Alarmed by the surprising information on North Korea's economic situation, the South Korean government began to form a contingency plan to cope with a possible implosion. However, these predictions were completely wrong. Despite the economic hardships and weakening social control, there was little sign that they were the cause of the political instability in North Korea during this period, mainly due to its unique political culture. Park states, "to challenge Kim Jong-il amounts to discrediting and challenging Kim Il Sung himself, which is unthinkable in the context of North Korean political culture."[38]

Figure 2 illustrates the number of times the word "self-help" is used during the period from the second half of 1995, when the great famine started in North Korea, to June 1998, when North Korea began to rely on the brinkmanship strategy by causing nuclear issues. The frequency of the word "self-help" is examined to demonstrate Pyongyang's perception of domestic security. The solid line in figure 2 soars sharply from October 1997 to June 1998, when North Korea began to prepare for a long-range missile test. The dotted line peaks

Figure 2. Domestic Security 1995-1998

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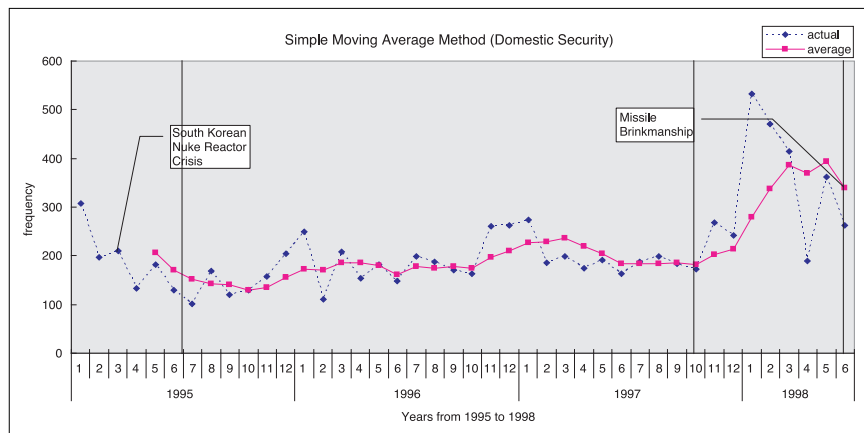
37. *JoongAng Ilbo*, September 22, 1996.
38. Park, *ibid.*, p. 164.

in January 1998. This is mainly because North Korea held nationwide campaigns for self-help (*jaryeokgaengsaeng*) from January to March 1998 in order to overcome the dire economic situation instead of seeking foreign assistance. Therefore, figure 2 can be interpreted as such that the Pyongyang regime perceived its domestic security to be threatened from October 1997 to June 1998.

The Second Nuclear Crisis of 2002-2003

North Korea has generally been stable in managing its political system since 1999. The Supreme People's Assembly (SPA) was held annually since 1998. This has political significance in that North Korea failed to hold the SPA meetings for three years in a row when it was in dire economic straits. In addition, "the shift to military rule in the late 1990s" under the Songun (Military-first) Policy allowed Kim Jong-il to further consolidate his power and suppress any dissent against the regime. There is little doubt that Kim Jong-il was in control and North Korea enjoyed political stability. The party, the government and the military were loyal to Kim Jong-il and his policy lines.

In economic terms, North Korea experienced an uninterrupted modest economic growth for four consecutive years from 1999 to 2002. Its economic performance improved and the famine of the late 1990s was abated by the billions of dollars worth of foreign aid. North Korea declared the end of the "Arduous March" and the "Forced March" in October 2000.[39] Although moderate, the economic success led North Korea to adopt "the July 1 economic management improvement measures" in 2002 under which the state-managed distribution system was abolished, foreign exchange rate was adjusted to realistic levels, and the currency exchange was alleviated to strengthen the peoples' consumption capacity.

North Korea appears to have recovered self-confidence in domestic issues. The 2002 New Year's Joint Editorial declared that 2001 was a

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39. *Korean Central News Agency (KCNA)*, October 10, 2000.

historic year when "breakthrough was made in the building of a socialist powerful nation in the 21st century."[40] It was also reported that "Kim Jong-il has successfully overcome the difficult situation of the country with a strong will to defend socialism and accomplish the revolutionary cause of *Juche* with arms and to turn Korea into a powerful socialist country."[41] North Korea did not hesitate to call it "a miracle of the 20th century" that they tided over the economic difficulties.

Following the North-South Summit in 2000, the increased exchange in people and merchandise between the two Koreas and the economic assistance from the outside world, including South Korea, has the danger of spreading information on the outside world. This may be one of the reasons for the increase in the number of North Korean defectors. However, the Pyongyang regime has been vigilant about this trend and appears to have managed to cope with the outside influences by increasing ideological control and oppressive rule through domestic security organizations. The Pyongyang regime appears to have been stable enough to "initiate and accelerate vital economic

Figure 3. Domestic Security 2000-2002

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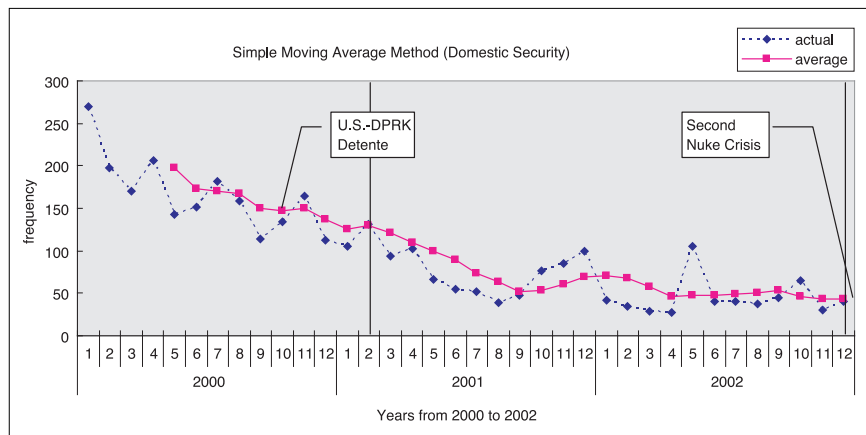
40. *Rodong Sinmun*, January 1, 2002.
41. *KCNA*, March 25, 2003.

reforms while skillfully preserving social peace and stability."[42] It is obvious that from the Pyongyang regime's perspective, "the economy seems to be improving, Kim Jong-il's grip on power appears rock-solid and the regime's future looks unchallenged."

Figure 3 illustrates the number of times the word "self-help" (jaryeolgaengsaeng) was used from February 2001, when George W. Bush administration was inaugurated, to January 2001, when North Korea withdrew from the NPT. The frequency of the word "self-help" is examined to determine Pyongyang's perception of its domestic security situation. The solid line (moving average) has been on a steady decline since May 2000 and remains low until the end of 2002. The dotted line portrays a similar trend. Figure 3 indicates that Pyongyang perceived its domestic security to be improving.

Conclusion

This paper studies the relations between domestic politics and the foreign policy behavior of North Korea. In particular, this paper attempts to explain North Korea's foreign policy behavior in regard to its weapons of mass destruction and its domestic economic, social and political situations. For that purpose, this paper analyzes the domestic conditions of North Korea during the first nuclear crisis of 1993-1994, the missile crisis of 1997-1998 and the second nuclear crisis of 2002-2003. This study also examines *Rodong Sinmun*, the official newspaper of the North Korean regime, by using content analysis method to investigate the North Korean government's perception of its own domestic situations. As a theoretical framework to link the dependent and independent variables, this study relies on the diversionary theory of international conflict.

By and large, this study reveals that there is no or little indication that North Korea's foreign policy of brinkmanship was driven by

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42. Alexandre Y. Mansourov, "North Korea Stressed: Life on the Hamster Wheel," *International Journal of Korean Unification Studies*, Vol. 14, No. 2, 2005, pp. 85-114.

domestic factors, such as economic hardship, loss of social control and political instability. During the first nuclear crisis of 1993-1994, North Korean politics was quite stable and its society was under tight control despite the deteriorating economy. The investigation into the North Korean government's perception of itself during this period also indicated that the government felt little threat to its domestic security. This study does not have sufficient evidence to suggest that these domestic situations caused the nuclear crisis. During the missile crisis of 1997-1998, North Korea experienced an unprecedented economic hardship and its weakening social control was visible. However, similar to the period of the first nuclear crisis, there was little sign that the economic difficulties and apparently weakened social control led to political instability in North Korea. During the second nuclear crisis, North Korea seemed to have recovered its confidence in the economy and social control. The analysis on the government's perception of itself also supported this observation. In other words, during this period there was little indication that the North Korean government's foreign policy engaged in brinkmanship due to the need to divert its people's attention from domestic difficulties.

The findings in this study provide significant implications to both theoretical refinement and foreign policies. In terms of theoretical implications, this study contributes to resolving the debates on the diversionary theory of international conflict. As discussed earlier, there are conflicting perspectives and contrasting empirical evidence to the validity of diversionary theory of international conflict. The findings of this study suggest that the theory is not empirically supported, at least for non-democratic countries like North Korea. Even with severe economic hardships, this study reveals that North Korea did not demonstrate any sign of political instability and therefore, did not necessitate diversion. Instead, the findings of this study provide evidence to support the perspective that in non-democratic countries, the government can control politics closely enough to prevent any instability caused by social and economic disturbances. Then what caused brinkmanship in North Korea's foreign policy? While the direct answers to that question are beyond the scope this paper, this

study implies that the answers may be found in its external relations, such as inter-Korean relations or its relations with the U.S., rather than from its internal conditions. On a related note, this study also offers significant policy implications on how to deal with the North Korean nuclear issue. Given the findings that domestic factors had little impact on North Korea's foreign policy behavior of brinkmanship, this study suggests that any measure that attempts to influence its domestic situation, such as economic sanctions, will fail to change its foreign policy behavior. Rather, policies intended to change its perception on external relations are more likely to succeed in achieving that purpose.

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Cyber War and Policy Suggestions for South Korean Planners

Hyeong-Wook Boo & Kang-Kyu Lee

This paper aims to answer fundamental questions on cyber warfare. Conflicting perspectives regarding cyber war are introduced, and the critical issues of cyber deterrence and cyber security strategy are discussed. Then, they are followed by an assessment of North Korea's cyber warfare capabilities, which are main security concerns in South Korea. Finally, the authors will suggest the future direction of cyber war preparations for the South Korean Armed Forces. The authors argue that currently, the most viable agenda is focusing on defensive measures and using non-military assets, initiating cooperation with other domestic instruments or enhancing cooperation with other nations. This is attributed to the fact that kinetic countermeasures against North Korea's cyber attacks will not be effective from the perspective of the military's cost-effective analysis. Moreover, it may trigger an all-out war. Indeed, the use of armed forces against cyber attacks is still a controversial issue in the international community.

Key Words: cyber war, kinetic countermeasures, cyber security strategy, cyber deterrence, cyber threat

Introduction

Following the development of information and communication technology (ICT), cyber attacks against societal infrastructures can cause catastrophic effects on the people's everyday lives. It is especially true for a society that is heavily dependent on ICT. Many countries define cyberspace as the fifth domain of war in an effort to address the increasingly elaborate infiltration techniques used against various platforms and networks. In the case of the U.S., many people are becoming concerned about a potential "electronic Pearl Harbor attack."

The South Korean government is also apprehensive about North Korea's cyber threats and has adopted several policy measures against them.

In the meantime, recent developments in cyber security debates have raised critical questions. Is the cyber war approach appropriate in addressing cyberspace issues when non-military concepts can be used to manage cyber security?[1] Which theoretical approach is appropriate in addressing cyberspace and cyber war issues at this point? If South Korea adopts the cyber war approach, then has it carefully considered strategic issues, such as cyber deterrence? Does South Korea have the capability to face North Korean cyber threats?

This paper aims to seek answers to these fundamental questions. Then, they will be followed by an assessment of North Korea's cyber war capabilities, which are the main cyber security concerns in South Korea. Finally, policy suggestions regarding the future direction of the South Korean Armed Forces' cyber war preparations will follow.

Perspectives on Cyberspace and Cyber War

IR Theories and Cyberspace

Before diving into a full-blown discussion on cyber war, there is a need to think about what cyberspace is. However, defining cyberspace is not an easy task because of its characteristics; it is a newly emerging, intangible and evolving space.[2] An interesting aspect is that there are several different approaches to cyberspace even though people still

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1. In general, cyber security against cyber threat has three pillars: cyber crime, cyber terrorism and cyber war. In this article, we will concentrate on discussing cyber war.

2. Sheldon (2011) suggests that the main characteristics of cyberspace are a reliance on the electromagnetic spectrum, the need to allow man-made objects to exit, the ability to be constantly replicated, relatively cheap entry costs and so on. John B. Sheldon, "Deciphering Cyberpower: Strategic Purpose in Peace and War," *Strategic Studies Quarterly* (Summer 2011), pp. 95-112.

struggle to define it.[3] Cho (2012) categorizes two different approaches to cyberspace: the liberal approach vs. the realist approach.[4] Based on this categorization, Deibert (2010),[5] Nye (2011),[6] Singer & Schactman (2011)[7] represent the liberal approach while Clarke & Knake (2010)[8] and many planners in the Pentagon are realists.

The classification is mainly based on the traditional theories of international relations and extends their arguments into cyberspace. In addition, the approaches to cyberspace from the two schools of thought are based on assumptions of the real world.[9] To liberals,

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3. Tabansky (2011) argues that cyberspace consists of the physical layer, software layer and data layer. Given those three layers, he defines cyberspace as "interconnected networks of information technology infrastructures, including the internet, telecommunication networks, mission-specific networks, computers and computer-embedded systems." Lior Tabansky, "Basic Concepts in Cyber Warfare," *Military and Strategic Affairs*, Vol. 3, No. 1 (May 2011), pp. 75-92.

4. Hyun-Suk Cho, "Cyber Security in the Era of Big Data," unpublished material, Seoul National University of Technology (January 2012).

5. Ronald Deibert, "Militarizing Cyberspace," *Technological Review* (MIT, 2010), http://www.technologyreview.com/notebook/419458/militarizing-cyberspace, accessed on May 4, 2012.

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7. Peter W. Singer and Noah Schactman, "The Wrong War: The Insistence on Applying Cold War Metaphors to Cyber Security Is Misplaced and Counterproductive," Brookings Institute (August 2011), http://www.brookings.edu/research/articles/2011/08/15-cybersecurity-singer-shachtman, accessed on May 4, 2012.

8. Richard A. Clarke and Robert K. Knake, *Cyber War: The Next Threat to National Security and What to Do about It* (New York: HarperCollins, 2010).

9. As common knowledge, the realists, including neo-realists, generally assume that: 1) the state is the primary and unitary rational actor, 2) the state is always expanding its national interest, 3) the core values of the state are power and security, and security means national security and 4) the international system is essentially anarchy and the states act to secure their survival. On the other hand, liberals, including neo-liberals, endorse the core propositions in which: 1) the state is an important actor, but it is not the only actor and there are many non-state actors, including international organizations and individuals and 2)

cyberspace is more akin to an open sea, while realists perceive it as a territory of sovereign states. Liberals consider the virtual world and the real world as irrelevant, whereas realists regard it as an extraterritorial site of real world power. As a result, Manjikian (2010) compared the liberal view on cyberspace to a global village and the realist view to a virtual battle space.[10] From the realist perspective, cyberspace is an "avenue for insurgents and national enemies to penetrate 'real' defenses."

Thus, it is reasonable that scholars have different perceptions of cyber war. Liberals argue that realists have a tendency to make attempts at nationalizing or militarizing cyberspace issues. In this context, liberals like Deibert (2010) bitterly criticize the realist approach, and it is somewhat provocative. The following is highlight of his argument:

> … many of the heralds of cyber war have a commercial stake in the cyber security market. Some may have more ulterior motives for ramping up fears, such as a desire to fan the flames of Sino-American rivalry or to diminish privacy on the Internet.[11]

The arguments from the two sides appear to be irreconcilable.[12] Moreover, neither side can establish a satisfying explanation of cyberspace and cyber war even though both emphasize cyberspace and cyber

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they agree that the world system is anarchy, but they also believe that cooperation among actors can be achieved, even in the anarchy.

10. Mary McEvoy Manjikian, "From Global Village to Virtual Battlespace: The Colonizing of the Internet and the Extension of Realpolitik," *International Studies Quarterly*, Vol. 54, Issue 2 (June 2010), pp. 381-401.

11. Ronald Deibert, "Militarizing Cyberspace."

12. Singer & Schactman (2011) of Brookings wrote that "...there is a massive amount of threat inflation going on in Washington's discussion of online dangers, most frequently by those with political or profit motives in hyping the threats. It's a new version of the old 'missile gap' hysteria." Peter W. Singer and Noah Schactman, "The Wrong War: The Insistence on Applying Cold War Metaphors to Cyber Security Is Misplaced and Counterproductive." Nye (2011) wrote "… narrower definition of cyber actions that have effects outside cyberspace that amplify or are equivalent to kinetic violence," Joseph S. Nye, Jr., "Power and National Security in Cyberspace."

war as a new challenge or threat to security.

Infinite Problems to Cyber War and a Pragmatic Approach

As discussed above, there are at least two conflicting views on cyber security strategy: the liberal perspective and the realist perspective. Although cyber security strategy must be grounded on specific technology and environmental differences, the realist approach to cyber security strategy is similar to that of nuclear deterrence. Many liberal scholars have warned that it can potentially be risky to apply Cold War metaphors to cyber security. Solomon (2011) insists that a probable strategy is cyber deterrence, but it should not simply adopt methods for nuclear deterrence.[13]

With regard to the differences between cyber deterrence and nuclear deterrence, Libicki's (2009) argument is quite convincing.[14] He claims that there are intrinsic problems in waging cyber war. First, an issue of recrimination; tracing cyber terrorists in a wired society is a very difficult task. One can launch a cyber attack anywhere in the world without leaving physical evidence. However, recrimination is not an issue in the case of nuclear war. Second, the prospect of damages cannot be guaranteed in cyber war; that is, it is not certain if real cyber attacks can bring about similar damages to those caused by *in vivo* tests. However, the prospects of damage are quite clear in the case of nuclear war. Third, the possibility of a repeated cyber attack; in the case of cyber attacks, there is no guarantee that a repeated attack can be as powerful as the first since the defending side's ability

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13. Jonathan Solomon, "Cyber Deterrence between Nation-States: Plausible Strategy or a Pipe Dream?" *Strategic Studies Quarterly* (Spring 2011), pp. 1-25. On the other hand, James C. Mulvenon and Gregory J. Rattray (2012) claim that the ineffectiveness of cyber deterrence is due to the instability of cyberspace. James C. Mulvenon and Gregory J. Rattray (eds.), *Addressing Cyber Instability* (Executive Summary), Cyber Conflict Studies Association, 2012, http://www.cyberconflict.org/storage/CCSA%20-%20Addressing%20Cyber%20Instability.pdf, accessed on November 23, 2012.

14. Martin C. Libicki, *Cyber Deterrence and Cyber War* (RAND, 2009), http://www.rand.org/pubs/monographs/MG877.html.

to respond can make the difference. Fourth, there is the possibility of countering attacks through retaliation; however, cyber attacks are so cheap that one can launch attack anywhere with negligible costs. Thus, one cannot guarantee that retaliation will disarm the attackers, while nuclear retaliation guarantees that the attackers will be disarmed. Fifth, there is a third party issue; with the issue of recrimination, there are several potential opportunities to engage a third party in cyberspace. Since a third party often provides cyber infrastructure, this does not become an issue in nuclear war. Sixth, there is a risk of escalation; actions in cyberspace may spill over to real world conflicts. Seventh, there is the issue of thresholds; unlike a nuclear attack, it is very difficult to set a clear benchmark for cyber attack under which a state can find justifiable reasons to retaliate. Lastly, this is a liability issue; there are so many privately owned cyber infrastructures that publicly manifested and state-initiated retaliations may send the wrong messages to private companies. As a consequence, cyber attacks may result in lower liability due to the lack of investments in security.

Considering all these differences, waging cyber warfare may result in complicated problems. One example is that the ambiguous nature of recrimination causes a state suffering from cyber attacks to hesitate from launching a physical counterattack as retaliation. Then, what if a state launches a cyber attack with a traditionally armed attack? Many strategists argue that the cyber attacks also constitute as an act of war. What about incidents in which cyber attacks can cause physical damages to a state, including human casualties or extensive social turmoil? Many strategists argue that this can also be regarded as an act of war. However, the perception that cyber war is warfare in the fifth domain can be problematic. Cyber warfare should be held in a different regard than other warfare in the land, sea, air or space. That is, these four domains have emerged in the battlefield with the development of technology and instruments, so the domains have already been in existence. However, cyber warfare is conducted in cyberspace where everything has been newly created by the technological advancement. In this regard, people argue that cyber warfare is qualitatively different from the warfare in other domains. Thus, a

qualitatively different approach may be necessary in addressing cyber war. However, that has yet to be fully established in the field of strategic studies as well as the practice of waging cyber war.

Meanwhile, it is important to remember that there have been several unsettled arguments and competing approaches to cyber war and cyberspace. Indeed, analysts have been encountered theoretical conundrums, since every perspective has its own rationale. Also, such theoretical discussions have fallen behind reality. Analysts believe that this should be regarded seriously because cyberspace is still evolving and they have yet to develop an all-encompassing theory. Eriksson and Giacomello (2006) argue that there is a need to narrow the gap between the theory and practices of cyberspace issues.[15] They suggest adopting a "pragmatic approach." Since analysts believe that a pragmatic approach enables countries to adopt substantive measures for its national interests, they must first narrow the gap between theory and practice. The pursuit of theoretical adaptations, such as applying existing IR theories to cyberspace, will be the next step. Finally, they can exert our efforts in synthesizing theories and practices. Thus, an examination of cyber attacks will be an ideal starting point for a pragmatic approach. In the next section, we will review some cases of cyber attacks.

Recent Developments in Cyber Security

Cases of Cyber Attacks

Notable examples regarding cyber attacks include: (1) the cyber attack against the Iranian nuclear program in June 2009, (2) the Russian virus used to infiltrate into classified U.S. military networks in November 2008, (3) a brief cyber war between Georgia and Russia in

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15. Johan Eriksson and Giampiero Giacomello, "The Information Revolution, Security and International Relations: (IR)relevant Theory?" *International Political Science Review*, Vol. 27, No. 3 (July 2006), pp. 221-244.

Table 1. Major Cyber Attack Cases

Cases	Estonia (2007)	Georgia (2008)	Iran (2009)
Actors	Individuals, organized crime, state support	Individuals, organized crime, state support/ involvement	State
Vectors	Botnet, simple technologies (inexpensive)	Botnet, simple technologies (inexpensive), military operations	Stuxnet, advanced technologies, significant financial support
Objectives	Government, media, banks, industrial websites	Government, media, banks, industrial websites	Nuclear facility, CII (critical information infrastructure)
Impacts	Increasing ethnic conflicts, strengthening NATO cyber security cooperation	Short-term operational effect, long-term strategic impact	Strategic impact, growing concerns about cyber security

2008, and (4) the cyber attack on Estonian banking and government websites in May 2007.[16] There are also other noteworthy examples, including the China Telecom case in April 2010, Operation Aurora in December 2009, the Pentagon network breach in 2008 and the DDoS attack in Myanmar in 2010. Among others, the Iranian case is the first instance in which Stuxnet was used on a specific target in a cyber attack. Cho (2012) examined some of these cases and he chose the following three cases and compared them with four aspects of cyber attacks.[17]

While many analyses can be conducted, there are at least two things that must be mentioned; very sophisticated technologies were

16. Several computers began to simultaneously attack target servers. As a result, government communication networks were limited to radio for some period of time.

17. Hyun-Suk Cho, "Cyber Security in the Era of Big Data."

used in Iran. The Georgian case was prominent because a real military attack accompanied the cyber attack. With regard to the impact of these cases, Cho (2012) asserts that they triggered growing cyber security concerns and established the trend of nationalizing and/or militarizing cyber security.[18] Indeed, one can agree with Cho's argument by analyzing the recent development in the cyber security policy of major countries.

Other Nations' Responses against Cyber Threat

Many nations have shown a growing interest in cyber security. Some nations already developed cyber security strategies and established relevant organizations. The U.S. Army Cyber Command (ARCYBER) was created in 2009 and launched several cyber security policy initiatives. Last year, the U.S. government published two reports on cyberspace and cyber security, which are "International Strategy for Cyberspace: Prosperity, Security and Openness in a Networked World" and "Department of Defense Strategy for Operating in Cyberspace." These documents imply that the U.S. intends to take the initiative on developing international norms as legitimate countermeasures against cyber attacks.

Although Japan has not released its official cyber security strategy, the country boosted its efforts after the defense contractor, Mitsubishi Heavy Industries, was hacked and the employees at other arm firms received e-mails with viruses. As a result, Japan plans to establish a cyber defense unit by 2013. The United Kingdom has also instituted a national cyber security program and authorized the Office of Cyber Security and Information Assurance (OCSIA). Germany developed a comprehensive civilian approach to cyber security, which is considered a priority, and it is supplemented with "measures taken by the *Bundeswehr* (Armed Force) to protect its capabilities and measures based on mandates to make cyber security a part of Germany's preventive security strategy." China has also admitted the existence of cyber

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18. Hyun-Suk Cho, *ibid*.

warriors, or the so-called "online blue army," in the People's Liberation Army.

By analyzing these countries' responses, one might raise fundamental questions about the appropriateness of initiating countermeasures for potential cyber attacks, since many countries do not have the opportunities to study cyber security strategy. One might argue that the U.S. and Germany have demonstrated countermeasures in practical manner. In particular, the U.S. has revealed its intent to use physical weapons against cyber attacks by invoking the right of self-defense, and they have been attempting to deter cyber deterrence with the use of real military power. However, following excerpt from Clarke's *Cyber War* is quite thought provoking, since he criticizes the approaches that many countries have already adopted.

> In the first decade of the twenty-first century, the U.S. developed and systematically deployed a new type of weapon, based on our new technologies, and we did so without a thoughtful strategy. We created a new military command to conduct a new kind of high-tech war, without public debate, media discussion, serious congressional oversight, academic analysis or international dialogue. Perhaps, then, we are at a time with some striking similarities to the 1950s. (referring nuclear war strategy) Perhaps, then, we need to stimulate learned discussion and rigorous analysis about that new kind of weapon, that new kind of war.

Korean Case

South Korea's Cyber Security Concerns

Among the cyber security issues in South Korea's infrastructures, North Korean cyber threats are regarded as the highest priority. Its efforts to harm South Korean cyber assets have increased. As previously mentioned, nations with well-developed ICT infrastructure are considerably exposed to the risks from cyber attacks. South Korea is no exception. Considering the South Koreans' impatience and love for ICT devices, they are more likely to quickly panic when a large-scale

cyber attack occurs. Therefore, it is safe to assume that South Korea is one of the most vulnerable countries against cyber threats.

After witnessing the Nonghyup (NH) Bank's computer system freeze on April 12, 2011, many South Koreans were surprised by North Korea's cyber warfare capabilities. South Koreans have taken the incident very seriously because the attack was qualitatively different from previous DDoS attacks in that DDoS attacks simply cause a flood of information traffic to target websites, which often lead to the shutdown of the websites. A DDoS attack is unwelcomed; however, the impact of the attack appears to be manageable in comparison to the case of internet banking system freeze. Following the April 12 cyber attack, many experts questioned whether North Korea has the capability of developing Stuxnet variants. If North Korea has such capacity, then it would be a "clear and present" security threat to South Korea.

Stuxnet development requires advanced technology and considerable costs. A substantial number of programmers and in-depth knowledge of target industrial or network processes are required. For these reasons, only Israel, the U.S. and other Western countries have attempted to develop Stuxnet and use it in real world operations. If North Korea has developed Stuxnet variants, as demonstrated in the case of April 12 attack, then South Korea must assume that the North is now capable of harming not only cyberspace assets, including government websites, but also operation of the real world infrastructure.

Meanwhile, the GPS (Global Positioning System) jamming in May 2012 also drew serious concern from South Koreans. Even though the point of origin was not clear, the Korea Communications Commission, which is responsible for broadcasting and ICT policy, claimed to have confirmed that the jamming signals affecting civilian flights came from the North. Many South Koreans took this incident seriously because it could endanger the lives of passengers.

North Korea's Cyber Warfare Capabilities

As many experts have argued, North Korea may have capability to freeze South Korea's financial networks, presumably through the use of malware similar to Stuxnet.[19] Since the mid-1980s, North Korea has enhanced its cyber attack capacity by training professional hackers. Many news sources report that Kim Jong-il himself stressed the ability to wage cyber war. For example, he said, "the wars of the 20th century were those of oil and bullets, but the wars of the 21st century are information wars." Experts believe that North Korea's notion of information war includes cyber warfare, since the Korean People's Army has tried to enhance its cyber warfare capability under the concept of "electronic intelligence warfare" which encompasses the disruption of networks, destruction of infrastructure and freeze of the enemy's military command and control systems.

Recent news sources have found that North Korea established Mirim College in 1986 for the purpose of improving cyber attack capabilities. This school is closely related to the People's Armed Forces and allegedly educates about 100 professional hackers every year. They are considered to be top-class hackers and are appointed to hacking units as military officials after graduation. The hacking units,

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19. Some experts even estimate that North Korea's cyber warfare abilities are almost equal to that of the CIA. Here is an excerpt from a newspaper, *The Korea Times*, May 18, 2011, http://www.koreatimes.co.kr/www/news/nation/2011/05/113_87191.html, accessed on December 4, 2012. According to the report, "South Korea's intelligence agencies now believe that North Korea has the capability to 'paralyze the U.S. Pacific Command and cause extensive damage to defense networks inside the United States,' Fox News reported Tuesday. Among the most frequent visitors to U.S. military websites, according to the U.S. Defense Department, are computers traced to North Korea, the report said. According to estimates from Washington and Seoul, their abilities rival those of the CIA, it said."; Even though it may sound like a worst-case scenario, Lim Jong-In, a professor at Korea University, has argued that major infrastructures in South Korea will be compromised in only five minutes if North Korea launched a full-blown cyber attack by applying time-bombs with Stuxnet. *The Dong-A Ilbo*, May 7, 2012, http://news.donga.com/3/all/20120506/46047415/1, accessed on December 4, 2012.

similar to the 121 office, are under the General Bureau of Reconnaissance of the People's Armed Forces. South Korea's Prosecution Service determined that it was a major suspect in the April 12 attack of the Nonghyup banking system. As mentioned earlier, this kind of attacks require highly developed technology and it appears that North Korea has reached a very advanced level to even develop Stuxnet-variants malwares. Many people perceive this situation to be very urgent.

North Korea's Intent: Why Did North Korea Diligently Pursue Advanced Cyber Warfare Capabilities?

It has to do with North Korea's asymmetric warfare strategy. Chemical weapons and biological weapons are often called the poor man's nuclear weapon because they require low development costs and create catastrophic results. North Korea perceives cyber warfare capabilities as means of waging asymmetric warfare. In fact, cyber threats have become synonymous to asymmetric threats. It enables poor countries with the chance to harm the wealthy nation's ICT assets at low costs. If a nation is highly wired with advanced ICT networks, then the attacks against targeted infrastructures can create pandemonium. For this reason, North Korea has desperately invested in the enhancement of cyber attack capabilities. In only several clicks, North Korean hackers can initiate a cyber attack.

Another reason for North Korea's interest in enhancing cyber warfare capability is that it can be useful to its anti-South Korean espionage department. In other words, cyber warfare resources can be used in peace time as well as wartime operations. From the perspective of the North Korean espionage team, cyberspace is ideal for their activities. There is no need for any physical weapons to eliminate anti-government thought or foster pro-North Korea sentiments in South Korea, especially among the young generation. This might be an everyday task of well-trained cyber warriors, who are stationed in Chinese border cities. They may also try to acquire valuable information, including classified documents, through online means. Needless to say, the data can be used to plan the next blow against South Korea.

Meanwhile, it is challenging as well as costly to ensure resilience from an attack for the defending side. Considering these facts and contexts, we cannot deny the burgeoning fact that North Korea's cyber war capabilities are no less than that of China or the U.S., and we must admit that North Korea's cyber warfare capabilities are advanced enough to pose a serious threat to South Korea's security.

Future Direction

Current South Korean Response against Cyber Threat

South Korea's perception regarding cyber security is dire and most discussions are framed as national security issues due to North Korea's threats. Although there are conflicting perspectives, as in the case of the liberal approach toward cyberspace issues, many people simply cannot promote such approaches, considering the security environment in the two Koreas. Thus, one can argue that there is a tendency to nationalize or militarize cyber security in South Korea.

In reflection, the ROK government released the National Cyber Security Master Plan last year, and it can be viewed as the foundation to guide the nation's cyber security strategy. The master plan holds five action plans; "establishing a joint response system among private, public and military sectors, strengthening the security of critical infrastructure and enhancing protection, detection and blockage of cyber attacks at the national level, establishing deterrence through international cooperation and building cyber security infrastructure."[20] In addition, the ROK Armed Forces instituted the Cyber Command, attempting to recruit competent cyber warriors. However, it seems that there are many things that must be accomplished before South Korea is fully prepared for North Korean cyber threats.

For example, the assignment of roles among the government

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20. "National Cyber Security Master Plan," http://service1.nis.go.kr/eng/120802 _masterplan_eng.pdf, accessed on August 20, 2011.

agencies is not distinct. According to the Cyber Security Master Plan, the nexus over cyber security is mainly National Intelligence Service. Although it is appropriate for the intelligence agency to tackle cyber security problems in the peacetime, it does not reflect the concept of cyber war as an independent act of war.

South Korea's responses against cyber threats have not been based on extensive discussions and strategic thought. Even though South Korea has over 1,000 military personnel in Cyber Command within MND,[21] nothing has been clearly manifested by the government or military in regard to the many fundamental issues of cyber countermeasures: 1) recrimination issues, 2) prospects of damage, 3) possibility of repeated application of cyber attacks, 4) possibility of disarming attackers through retaliation, 5) third party issues, 6) risks of escalation, 7) threshold issues and 8) liability issues.

Then What? Raising Fundamental Questions Again

If we have to define the current situation of cyber war preparation, one might use the metaphor of installing outdated or inappropriate software for high-end machinery. In many countries, instruments relevant to cyber war have been instituted without prudent consideration of their effective use. South Korea's situation is more dramatic, since North Korea is attempting to take advantage by waging cyber war. As we have learned from history, late comers often outperform predecessors by adopting and adapting strategies; it was an American military strategist who discovered that an airplane could sink a ship, but it was the Japanese military that dramatically launched the plan in combat situations. The same can apply in cyberspace. North Korea, a country with outdated technology and poor infrastructure, is now boldly preparing cyber warfare.

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21. The Cyber Command was established in 2010, and reorganized in 2011. The main roles involve planning cyber war, conducting cyber war, educating cyber warriors, training for the cyber war and cooperating with the relevant departments.

What can be done to respond to North Korea's cyber war threat? We have to raise fundamental questions with a pragmatic approach: 1) Can we retaliate North Korea's cyber attack with kinetic means? 2) Is it appropriate? 3) Are there any reliable means to retaliate North Korea's cyber attack in cyberspace? 4) And some analysts argue that South Korea must "prepare a preemptive strike" against North Korea's WMD assets. Are these applicable to North Korea's cyber threat? All of these questions bring us back to the enduring problems in cyber war that we discussed previously. For now, tentative answer for those questions is "yes" in mind but "no" in reality. Suppose South Korea receives serious cyber attacks from North Korea and the intelligence analysts uncover the origin, thus addressing recrimination issues. It is not effective to launch cyber attacks against the Hermit Kingdom because North Korea does not have a well-established cyber infrastructure. Compared to South Korean damages sustained from cyber attacks, North Korea will suffer considerably less than its southern counterparts.

Against this backdrop, it is rational to wage physical attacks, such as missiles, in order to destroy North Korean facilities. However, this kind of countermeasure can lead to all-out war. The use of armed forces against cyber attacks is still a controversial issue in the international community.

We have to focus on what the rational choice is for ROK Armed Forces. Cornish (2010) tried to tackle the strategic problem of cyber warfare in three respects: ends, methods and means. In short, South Korea must invest and prepare of defensive measures rather than offensive options. Furthermore, South Korea must delve into non-military options first because there are inherent limitations of countering cyber attacks by employing military assets. Thus, enhancing multi-national cooperation and establishing solid inter-organizational cooperation in the domestic level should be considered since others may fall in the realm of technology.

The Chinese famous strategist Sun Tzu wrote in his book, *The Art of War*, "the supreme art of war is to subdue the enemy without fighting." This maxim is more suited to North Korea than South

Korea because South Korea cannot internalize its fatal vulnerability on an advanced network. Thus, a focus on defensive measures and the use of non-military assets, initiating inter-agency cooperation in a nation or enhancing cooperation with other nations are viable measures.

Establishing Solid Inter-Organizational Cooperation

South Korea instituted the aforementioned Cyber Security Master Plan last year. However, many people argue that the plan should be elaborated. Cyber strategy must be integrated into the national strategy, since countermeasures for cyber threats involve entire governmental agencies. In fact, responding cyber threats calls for a comprehensive response, ranging from government to private sectors.

With respect to the Cyber Command of the Ministry of National Defense, it should have a clear role and specific mandates. These are closely related to the Cyber Command's position in cyber war. More concretely, it has to be a nexus for the Army, the Air Force, the Navy and the Marines. Cyber threat is characterized by its broadness, and in a wired society, it can cover almost every aspect of civilian life. It is very likely that many government agencies have overlapping jurisdiction regarding the preparation and response to cyber threats. Given the importance of prompt responses to cyber attacks, policymakers should impose specific mandates for the Cyber Command and establish effective cooperation among governmental institutions and non-governmental organizations.

Policy planners must note that governments should not try to take on responsibilities beyond their scope. Hyping cyber threats is not helpful as well. If a state pursues an overly proactive role in cyber security, then the public may take it for granted. In other words, civilians may spare little effort in cyber security and instead, expect state action. Thus, state-level actions should be designed to reflect many important aspects in respects to the arrangement and/or facilitation of inter-organizational cooperation.

Enhancing Multi-National Cooperation

Responding to cyber threats requires a comprehensive response. On the international level, multi-national cooperation may be considered. Cyberspace goes beyond national borders, and thus, security encourages nations to cooperate with one another. Currently, the South Korean government's main concern is North Korean threats, but it cannot ignore threats posed by other sources, including China, Russia and international hacking groups.

In addressing the threat from those countries, efforts have been made to establish cyber security cooperation amongst South Korea, the United States and Japan. For example, the South Korean Defense Minister and the U.S. Secretary of Defense agreed to strengthen bilateral cyber security cooperation in the 43rd SCM. However, South Korea must expand such efforts into a trilateral agreement. Governments and militaries of these three nations must closely cooperate with both the private sectors and other nations.

In the case of establishing multi-national cooperation system, unified efforts must be pursued. Coordination of multi-organizational and multi-national efforts must be carefully considered. Working with international non-profit organizations, such as the International Multilateral Partnership against Cyber Threats (IMPACT), is highly recommended.

In the meantime, costs for establishing countermeasures to cyber threats may be considerable. In this respect, a multi-national cyber defense initiative may save costs and enhance multi-national cooperation for information exchange, cooperation in research and pool procurement. In addition, it is extremely important to prepare for a joint seed funding.

In order to realize the Multi-National Cyber Defense Initiative, commitment from each nation is required. For example, in May 2011, President Obama and Prime Minister Cameron demonstrated their commitment to bilateral cyber security cooperation. They articulated six key areas of bilateral cooperation: 1) a shared vision for the future of cyberspace, 2) building consensus on responsible behavior, 3) pro-

tecting citizens and building the rule of law, 4) partnering with industry, 5) expanding the reach of networked technologies and 6) sharing responsibility for cyber security.

In the pursuit of multi-national cooperation, "how can South Korea position herself between the U.S. and China?" This is highly debated topic because some commentators perceive conflicts between the U.S. and China to be a diplomatic dilemma for South Korea. This conflict should be carefully considered in future studies.

Building Up Resilience of Cyberspace

The core of cyber defense is to make networks resilient to attacks. In the real world, it takes time to restore damaged equipment and facilities destroyed by armed attacks. Sufficient stock of weapons and resources are critical in conducting war. In contrast, cyberspace is intangible and can possess resilience against attacks. Networks can be partly destroyed or disrupted, but cyberspace as a whole does not disappear because it is not a substantial material. This resistance can act as deterrence itself because enemies will realize that cyber attacks are ineffective.

In this sense, resilience is completely defensive, but it also has strong deterrence. It can be achieved through three pillars: software, hardware and human resources. Software and hardware can be viewed as supplies, and it is essential to secure a sufficient supply of goods and their updates. More importantly, a workforce management is necessary to sustain high resilience.

Conclusion

In this article, we explored IR theoretical perspective on cyberspace and cyber war, typical examples of cyber attacks, major countries' response to cyber threats and the South Korean approach to cyber security. Cyberspace is continuously evolving. Initially, few agencies and organizations took notice of cyberspace as a possible threat to security, but it has evolved into a strategic arena.

Strategy for cyber war must be taken in two directions. The first is to secure cyberspace with cyber deterrence based on the current networks environment. At this stage, we argue that defensive measures must be adopted. The second is to astutely predict the transformation of cyberspace and cyber war and the need to initiate proactive measures.

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A Prospect for Inter-Korean Economic Development Cooperation:
Utilizing ODA to Promote Multilateral Forestation Projects

Sang Hwa Chung

> *"The best way to destroy an enemy is to make him a friend"*
> – Abraham Lincoln

A joint-forestation project is an effective and feasible means to promote amicable relations between South and North Korea as well as to confer practical benefits onto both parties. During last two decades, the North Korean economy has experienced difficulties, while its forests have rapidly and extensively disappeared and weakened. This paper proposes a joint Korean forestation (JKF) project between the two Koreas to help the desolated North Korean mountains. The UN, the World Bank and other international organizations are eager to confront climate change and help developing countries implement reforestation programs. The UN REDD+ and the World Bank's FCPF are good financial and technical resources, and the Kyoto Protocol's CDM provides attractive monetary incentives. South Korea's growing ODA fund and responsibility also have valuable external effects. Protecting and caring for North Korean forests will essentially be an advance payment in post-unification afforestation as well. A JKF project appears to be the most plausible and cost-effective method in satisfying both Koreas' political and economic interests.

Key Words: forestation, climate change, UN Reducing Emissions from Deforestation and Forest Degradation (REDD), Forest Carbon Partnership Facility (FCPF), Kyoto Protocol

Introduction

Inter-Korean relations have been strained in recent years. In contrast to the two former so-called "progressive"[1] administrations, the conservative Lee Myung-bak government has displayed little favor for its northern neighbor that conducted nuclear tests and dared to engage in military ventures. Since the inauguration of the Lee government in 2008, relations between the two Koreas have deteriorated, and the catastrophic March 2010 sinking of the ROK corvette *Cheonan* in the Yellow Sea resulted in the May 24 Measures.[2] Upon North Korea's continual transgressions, South Korea suspended its cooperative projects, except the Kaesong Industrial Complex, and imposed international sanctions. These actions may be justifiable responses from a realist perspective, but they have exerted a negative influence on the security and stability of the Korean peninsula.

North Korea casts two mutually contradictory implications on South Korea. The hostile *de facto* country is heavily armed with WMDs (weapons of mass destruction) and has the obstinate will to extend its Communist revolution down to the southernmost corners of the Korean peninsula. North Korea is, however, an integral part of the Korean unification that may come at any time in the future. The number of South Koreans who feel apprehensive from the extended impasse of inter-Korean relationship has also increased lately.

Now is a critical time to mend the fence between the two Koreas and explore ways to promote each other's common goods. The means to improve inter-Korean cooperation must be politically viable and economically efficient. Considering the present situation in which South Korea is trying to expand its official development assistance (hereafter ODA) and North Korea is suffering from food deficiency and environmental degradation, a forestation project could be the

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1. In South Korea, "progressive" means the attitude that advocates reconciliation and cooperation vis-à-vis North Korea.
2. The May 24 Measures banned all inter-Korean economic exchanges and cooperation upon the *Cheonan* sinking, which was most likely to be caused by a North Korean torpedo.

ideal breakthrough in resuming inter-Korean dialogue and exchanges.

North Korean forests have been terribly devastated since the 1990s.[3] The barrenness in North Korean mountains is a man-made calamity. Poverty, among others, has caused significant damages in the forests, threatening the livelihood of inhabitants. The hungry North Koreans are devoid of heating fuel from the damaged forests, but the government authorities continue to cut trees in the deep mountains as a means to build up the national budget.

Lack of access to healthy forests is a serious threat to the residents' lives. North Korea is in a vicious cycle of deforestation. Even a modest drought or flood easily hits the country hard and its soil is prone to erosion by rainfall, making the farmland infertile. As a consequence, farming has increasingly fallen into bad shape, and destitution further hurts and exploits forests.

Forests are of great economical values. Trees not only supply timber, wood pulp, firewood and the like, but also function to purify water and cool the heat. Concerned international institutions offer financial incentives because forest degradation is responsible for greenhouse gas (henceforth GHG) emissions.[4] Furthermore, healthy forests culturally and economically conserve meaningful biodiversity and maintain vital balances in the ecosystem.

This study is to design and discuss a joint Korean forestation (hereafter JKF) project as a way to reconcile the two hostile Koreas. The next chapter briefly surveys recent inter-Korean relations and the North Korea's forests condition. In the following chapter, representative international forestation programs are to be introduced and evaluated. The last chapter proposes a JKF project under multilateral ODA procedures.

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3. Deforestation and forest degradation are serious issues in many Asian countries. China is undertaking large-scale planting projects, and Indonesia has reduced its rate of forest loss at a considerable rate. India and Vietnam also rigorously exert their efforts for afforestation and reforestation.

4. GHG is an umbrella concept that comprises of CO_2, CH_4, N_2O, SF_6, PFCs and HFCs. The damage caused by GHG is second to that of the energy sector, and greater than that of the whole transportation sector. Thus, forestation is essential in constraining global warming.

Recent Inter-Korean Relations and North Korean Forestation

Since North Korea's nuclear experiments, many South Koreans have come to doubt the effectiveness of economic assistance and cooperation in achieving inter-Korean reconciliation and ultimately, Korean unification. If South Korean goodwill only results in economically benefitting the North Korean authorities with little effect on North Korean people's suffering, then we should consider other alternatives. Albeit a few economic reform trials, North Korea does not appear to have any intention on abandoning its system. The regime ruled by three generations of the Kim family has faced a security dilemma, where economic reform and openness threaten regime security, while maintaining the present system brings forth nothing but economic ruin.

The current situation in the Korean peninsula requires an inter-Korean exchange and cooperation that is politically feasible as well as economically beneficial. The North Korean ecosystem has been devastated by the impoverished residents who look for firewood or foodstuffs during two decades or so of economic plight. The forests have been hit hard with not only the cutting of tree but also the swarming of moths, which has caused several negatively interlinked effects on the economy and residential lives. Restoring forests in North Korea is necessary not only for helping suffering inhabitants but also for opening a dialogue between the two Koreas.

Political Economy of Inter-Korean Relations

Since the year 2000, South and North Korea arranged two summit meetings and North Korea conducted two nuclear tests. The southern half has inducted three presidents, while its northern equivalent has witnessed the leadership descend from father to son. As of 2012, the inter-Korean relations are near non-existent.

The most serious obstacle to the improvement of inter-Korean relations is the North Korean nuclear issue. The North's nuclear development program was first spotted in 1982 by a U.S. satellite.

Although North Korea participated in the nuclear non-proliferation treaty (NPT) in 1985, its nuclear development has persisted. Together with the Al Qaeda attack on New York City in 2001 that turned the Bush administration firmly against external threats, North Korea's nuclear problem became a complicated regional security risk. Ignoring a series of extended international negotiations, North Korea conducted the first nuclear test in October 2006. Despite the February 13 Agreement at the Six-Party Talks in 2007 and the second inter-Korean summit in October 2007, North Korea refused to abandon its nuclear ambitions and the Lee Myung-bak administration was inaugurated in South Korea in February 2008.[5]

The new conservative government in the South maintained a strong stance against North Korea. The North began to denounce the South, and inter-Korean relations had deteriorated accordingly. Then, Kim Jong-il conducted the second nuclear test in May 2009. The UN Security Council also vowed sanctions against the maverick North Korea.

The North Korean economic plight has structural causes, which cannot be overcome by stopgap policy measures. Chronic shortages of energy, food, raw materials, technology and capital are system-bound problems. The foreign exchange shortage has driven the country into a state of bankruptcy, and the severe inflation caused by an under-supply of goods has disabled normal macroeconomic operation.

It is unlikely that Kim Jong-un will abandon the socialist system and adopt economic liberalization and opening because the "socialist mode of production" and "self-reliant national economy" are integral to the North Korean system.[6] A compromise between regime security and economic crisis once influenced reform measures in the early 2000s, but it failed to revive the ailing North Korea economy.[7] North

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5. For the details of events, refer to Sang Hwa Chung, *Political Economy of Inter-Korean Relations and Education for Unification* (Seoul: Byuphyun, 2009), pp. 22-25.

6. See the Article 19 in the North Korean Constitution revised in 2009.

7. It is known that the incumbent leader Kim Jong-un is launching his version of economic reform, the June 28 Measures, since last August.

Korea reemphasized the socialist systems in late 2000s claiming that "capitalist evils" had been threatening its ruling system.

North Korea is now facing a dilemma. The year 2012 marks Kim Il Sung's centennial birth year and his deceased son, Kim Jong-il, vowed to develop his country into one that is strong and prosperous by his father's birthday, April 15. This venture failed or at best, partially succeeded, because of the shortage in materials and capital. This impoverished country needed to import capital and technology from outside but failed to do so due to the imposition of economic sanction and the lack of industrial competitiveness. The only card to receive external assistance was the agreement to abandon nuclear development, but it failed because it already lost its credibility. The second nuclear test conducted in May 2009 was the fatal blow.

North Korea hopes to finalize a peace treaty with the U.S. and secure economic assistance from the global community. However, South Korea and the U.S. are not interested playing into the North Koreans' hands. Inter-Korean relations have come to an impasse, and it will continue unless the present cat and mouse game ends. North Korea will not abandon its nuclear program, unless its regime security is guaranteed. In return South Korea will not resume its economic cooperation without its northern aggressor's denuclearization.

One way to resolve this dilemma is to establish a detour strategy. What needs to be done is to find a way of economic cooperation that satisfies both sides and at the same time does not affect their security sensitivities.

Address of North Korean Forest

North Korean forests,[8] 84% of which is comprised of natural forests and 16% by plantations,[9] are gradually desolated and disappearing.

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8. North Korea has about 1,100 species of plants of which 150 or so are trees, while there are some 700 species of medicinal plants and 200 species of edible herbs. See www.thewoodexplorer.com/countrydata/Korea-North/resource2.html (July 6, 2010).

9. www.fao.org/forestry/49410/en/prk/ (July 10, 2010). Most North Korea

Table 1. Forest Area Statistics in North Korea

(Unit: 1,000 hectares)

FRA 2005 Categories	1990 (%)	2000 (%)	2005 (%)	2010 (%)
Forest	8,201 (68.0)	6,821 (56.6)	6,187 (51.3)	5,666 (47.0)
Other Land	3,840 (31.9)	5,220 (43.3)	5,854 (48.6)	6,375 (52.9)
Total Land	12,041 (99.9)	12,041 (99.9)	12,041 (99.9)	12,041 (99.9)
Inland Water Bodies	13 (0.1)	13 (0.1)	13 (0.1)	13 (0.1)
Total Area of Country	12,054 (100.0)	12,054 (100.0)	12,054 (100.0)	12,054 (100.0)

Sources: Modified from FAO. Global Forest Resources Assessment 2005, www.fao.org/
forestry/country/32183/en/prk (July 5, 2010); Global Forest Resources Assessment
2010, www.fao.org/forestry/fra/fra2010/en (August 21, 2012).

As Table 1 shows, the forest area had shrunken during the 1990s — a
16.8% reduction from 8, 201ha in 1990 to 6,821ha in 2000. The damage
to the forests had persisted in the 2000s. During the five years from
2000 to 2005, it had diminished by 9.3% from 6,821ha to 6,187ha,
equivalent to a decrease from 68.0% to 51.3% of the total area in the
country. In 2005, South Korea surpassed North Korea in term of the
size of forest area. South Korean forest area was 6,265ha.[10]

The economic predicament has been, among others, the leading
cause for the recent deforestation in North Korea. The coal supply for
heating houses and farms has become insufficient and it has been
replaced by firewood.[11] Arable land cultivation has also contributed

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statistics are from "State of the Environment 2003 - DPR Korea" published by
UNEP and prepared by UNEP, UNDP and North Korea. This report is the
first and only survey of the North Korean natural ecosystem. See Forestry
Department, FAO, "Global Forest Resources Assessment 2010: Country
Report - The Democratic People's Republic of Korea" (2010).

10. The total land size of North Korea is 12,053ha, while that of South Korea is
9,926ha. South Korean statistics are from www.fao.org/forestry/country/
32185/en/kor (July 10, 2010).

11. The output of coal production had decreased by 57% from 1989 to 1998, and
the import of oil had dropped from 2,520 thousand ton in 190 to 320 thousand
ton in 1999. From Jang Min Choo et al., "Inter-Korean Environmental Forum
2007," KEI 2007 Policy Document, pp. 56 & 59. Not only the decrease in coal
production but the malfunctioning transportation system was also responsible.

to forest clearing. In 1976, North Korean leader Kim Il Sung ordered the creation of terrace fields in order to expand farmland.[12] As a result, many forests with low tilts had turned into farms making the lands vulnerable to natural disasters and hurting the ecological health. It was a man-made mistake.

A second wave of deforestation took place in the 1990s. The food ration system did not properly function because the government did not have the adequate budget to operate it. But, many rural residents were able to overcome this serious economic hardship thanks to the patch farms they created in low mountains around their houses. Since 2007, North Korean authorities imposed a strict control on patch farming because of the severe damage to forests, but allowed it to continue in 2010 because the food shortage was too severe. Slash-and-burn farming began afterwards.

The quality of forests has deteriorated as well. The growing stocks of wood[13] had downsized by 21.6% from 504 million cubic meters in 1990 to 395 in 2005.[14] Growing stocks plays the role of a surrogate indicator to measure the amount of carbon contained. As North Korean growing stocks of forests have decreased, the country's record of capturing carbon has regressed.

Many woods are not in good shape either. Most North Korean forests are coniferous, and pine trees in the lowlands near Pyongyang and many historically famous mountains, such as Mt. Geumgang, Mt. Guwol and the like, have been exposed to severe pine moth attacks in recent years.[15] Insect control is ineffective due to the shortage of

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The use of firewood for heating and cooking began in the mid-1980s by rural residents and expanded to the urban dwellers near forests in the 1990s.

12. It was at the National Agricultural Ardors Meeting. Party History Research Institute, Chosun Workers' Party, *Kim Il Sung Literary Works 31 [Kimilsungjeojakjip 31]* (Pyongyang: Chosunrodongdangchoolpansa, 1987), p. 336.

13. Growing stock is defined to be the volume of all living trees in a given area of forest that have more than a certain diameter at breast height. It is usually measured in cubic meters (m³).

14. www.fao.org/forestry/country/32183/en/prk/ (August 21, 2012).

15. See www.fao.org/forestry/49410/en/prk/ (July 10, 2010).

equipment and budget.

Deforestation and degradation of forests are threatening the people's livelihood in North Korea. Whereas North Korea is notorious for its forest losses and degradation, South Korea is internationally acclaimed as a model case in reforestation. Forest rehabilitation is a vital project in North Korea, and the South Korean government should consider approaching the North for mutual cooperation on a viable reforestation project.

Contemporary Multilateral Forestation Projects

The 2009 Copenhagen Accord addressed the target of limiting temperature rise to just 2-degree Celsius above pre-industrial levels.[16] A post-Kyoto regime may require substantial incentives for meeting this objective. Without appropriate monetary incentives, developing countries may neglect to keep their forests standing sound.

There have been international campaigns for the protection and care of forests during last two decades or so. To fulfill the conditions on the Korean peninsula, an appropriate framework of incentives must be provided. Three programs — the UN Reducing Emissions from Deforestation and Forest Degradation (REDD) program, the World Bank's Forest Carbon Partnership Facility (FCPF) and the Kyoto Protocol's Clean Development Mechanism (CDM) — are credible candidates to launch a forestation project in North Korea.

The United Nations REDD (Plus) Program

The UN-REDD is a collaboration of three UN agencies: the Food and Agriculture Organization (FAO), UN Development Program (UNDP) and UN Environment Program (UNEP). The REDD Program is a trial that introduces monetary incentives on behalf of the developing countries' efforts to store carbon in forests. It supports forestation and

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16. The Copenhagen Accord is limited in that it does not entail binding responsibility.

other services that help land use in developing countries. Whereas the primary function of REDD is to reduce GHG emission from forests, REDD+ further pursues the efficient management of forests. The three UN organizations provide expert technical assistance as well as funds to the individual countries that have implemented the REDD+ Program.

The concept of REDD evolved from an esoteric idea to a model program as a means to reduce greenhouse gas emissions and take care of forests. Led by Secretary-General Ban Ki-moon, the United Nations launched the REDD Program in September 2008. Five countries in Africa, Asia and Latin America were chosen in March 2009 as pilot ventures for the REDD Program with a budget of $18 million.[17] The number of pilot countries increased to eight by July 2010, while the budget was raised to $42.6 million.[18]

REDD+ is an enhanced and extended version of the REDD Program, which focuses on the sustainable preservation and management of forests in addition to the enhancement of forest carbon stocks. The UN-REDD+ is planned to be officially included in a broader post-Kyoto climate regime in 2012. The Program's financial contributors are Norway ($105 million), Denmark ($8 million), Japan ($3 million) and Spain ($2 million). As of 2012, the Program works with 44 countries, 16 of which are directly receiving assistance and the total of budget approved increased to $67.3 million.[19]

In short, REDD and REDD+ are able to provide multiple benefits for the local people and their economies while supplying global public goods by reversing the trend of deforestation and forest degradation,

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17. www.un-redd.org/Events/18MillionApprovedUnderUNREDDProgram/tabid/598/language/en-US/Default.aspx (July 20, 2010).

18. www.un-redd.org/AboutUNREDDProgram/tabid/583/language/en-US/Default.aspx (July 20, 2010).

19. www.un-redd.org/AboutUNREDDProgram/tabid/583/language/en-US/Default.aspx (August 20, 2012). The 16 countries are Bolivia, Cambodia, Democratic Republic of the Congo (DRC), Ecuador, Indonesia, Nigeria, Panama, Papua New Guinea, Paraguay, the Philippines, Republic of Congo, Solomon Islands, Sri Lanka, Tanzania, Vietnam and Zambia.

and results in the cultivation of healthy forests. The UN and the World Bank regard REDD+ as an essential element in addressing global climate change.[20] The Program is responsive to a country's demand, and there is no reason that North Korea should be excluded if it is willing to participate. It is also significant to note that the UNDP (established in 1980) and FAO (established in 1995) have offices in Pyongyang.

The World Bank's Forest Carbon Partnership Facility (FCPF)

The World Bank provides funds to developing countries that carry out reforestation projects. In December 2007, the Forest Carbon Partnership Facility was ratified at the thirteenth Conference of the Parties (COP 13) in Bali, Indonesia, and will be initiated in June next year. It is an associate of the UN REDD+. The original recipients were fourteen countries, including three from Asia (Nepal, Laos and Vietnam). As of 2012, the number of forest developing countries is thirty-seven (14 in Africa, 15 in Latin America and the Caribbean and 8 in Asia-Pacific).

The FCPF helps developing countries reduce emissions from deforestation and forest degradation by providing monetary value to standing forests. Its two mechanisms are Readiness Mechanism and Carbon Finance Mechanism. The Readiness Mechanism is designed to help new REDD+ participants and is supported by the Readiness Fund of the FCPF, while the Carbon Finance Mechanism is designed to compensate countries that have made significant progress toward REDD+ and is financed by the Carbon Fund. The FCPF has collected about $230 million from 15 public donors on behalf of the Readiness Fund for the 37 countries selected into the Facility, and accumulated $205 million for the Carbon Fund from public and private contributors.[21]

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20. www.un-redd.org/NewsCentre/The_Road_Ahead_for_UNredd/tabid/3016/ language/en-US/Default.aspx (July 15, 2010).

21. www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/ files/Documents/PDF/Mar2012/FCPF_About_US_English.pdf (August 21, 2012); www.forestcarbonpartnership.org/fcp/node/12 (July 30, 2010). Donor countries are Germany (US$59 million), the United Kingdom ($30 million),

The UN-REDD Program and the FCPF agreed to closely coordinate their programs. The former primarily addresses technical fields in carbon measurement, reporting and verification (MRV) and others, while the latter presides over the monetary aspects of REDD strategies should the need arise. Although their history is rather short, these activities have been successful thus far.

The governance of the FCPF has a noteworthy feature. The program is run by the Participants Assembly, whose members are all countries and organizations active in the FCPF, and the Participants Committee, which is composed of an equal number of REDD+ countries (14) and financial donors (14) elected by the Participants Assembly once a year. The Committee is the prime control tower over the FCPF and convenes roughly three times a year. Observers representing indigenous peoples, civil society, international organizations, the UN-REDD Program, the UNFCCC (UN Framework Convention on Climate Change) Secretariat and the private sector also participate in the Committee's meeting.

If North Korea wishes to be a member of the FCPF, then it should prepare the necessary policies and programs, which include organizing national strategies and designing measurement, reporting and verification (MRV) systems. Again, it is a matter of will rather than impracticability for North Korea.

Kyoto Protocol's Clean Development Mechanism (CDM)

The Clean Development Mechanism (CDM) under the Kyoto Protocol[22] is designed to encourage the developed countries in Annex I launch anti-climate change projects in Non-Annex I countries. The countries participating in such projects will receive Certified Emission Reduc-

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the Netherlands ($22 million), Australia and Japan ($10 million each), France and Switzerland ($7 million each) and Denmark and Finland ($5 million each). A NGO, the U.S.-based Nature Conservancy, pledged $5 million as well.

22. The Kyoto Protocol, which was ratified in 1997, came into effect in February 2006. It is an action program designed to realize the vision agreed upon at the Rio UN Conference on Environment and Development in 1992.

tion credits (CERs), which can be traded in the carbon market, upon projects completion. The CER credits are then used either to satisfy their Kyoto Protocol liabilities or be traded in the international CERs markets for profit. This scheme will reward efforts for environmental protection with monetary incentives.

The CDM scheme's selling point is its feasibility. Wealthier countries can be flexible with their emission cap commitments, while the poorer parties can contribute to the prevention of climate change and pursuit of pro-environmental economic development. Profit-seeking private hands are regular in this business. Since concerned parties can freely choose their partners and methods, this scheme will firmly abide by the principle of market efficiency. South Korean corporations, such as Hanhwa, LG and Posco, among others, are carrying out various CDM projects in developing countries.[23]

North Korea is fairly attractive from an international investors' perspective. Its energy efficiency is very low, and its forests are under severe danger. The isolated country also heavily relies on obsolete facilities and fossil fuels, most notably coal. North Korea is soundly qualified as a CDM participant; it endorsed the Kyoto Protocol in 2005, established a DNA (Designed National Authority) in 2008, and there is no technical reason that prevents North Korea from participating in CDM projects.[24]

Nevertheless, North Korea faces a serious impediment to eligibility in regard to the forestation-related CDM businesses. According to the official definitions of afforestation and reforestation by the UN, North Korea is hardly applicable. The Kyoto Protocol complies with the 2001

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23. The number of projects, either registered or under review, is known to increase at an extremely high rate.

24. In 2008, North Korea appears to have earnestly decided to carry out CDM projects for garnering foreign exchanges upon the recommendation and consultation of the Hanns Seidel Foundation. It is known that 20 small-sized hydroelectric power plants have been under construction, while 8 of them have been reported to the UNFCCC as of May 2012. Refer to www.fnnews .com/view?ra=Sent0801m_View&corp=fnnews&arcid=201205240100222980 013525&cDateYear=2012&cDateMonth=05&cDateDay=24 (August 22, 2012).

Marrakesh Agreement's definitions of afforestation and reforestation. Afforestation (A) is defined "as the direct human-induced conversion of land that has not been forested for a period of at least 50 years to forested land through planting, seeding and/or the human-induced promotion of natural seed sources," and reforestation (R) is "the direct human-induced conversion of non-forested land to forested land through planting and seeding on land that was forested but that has been converted to non-forested land. For the first commitment period, reforestation activities will be limited to reforestation occurring on those lands that did not contain forest on December 31, 1989."[25]

Much of North Korea's deforestation has only taken place since the mid-1990s. Therefore, it is highly unlikely that North Korea has the sufficient amount of land that is required for AR CDM business. Moreover, AR CDM business entails a long maturity period to recover its investment because trees must grow for a considerable period of time in order to satisfy specific prerequisites in order to be classified as a forest.[26] This Kyoto scheme does not offer direct monetary incentives to the developing countries that implement forest preservation projects. Therefore, REDD appears to be the most appropriate in the case of North Korea, although AR CDM is the leading form of international forest carbon businesses.

A Joint Korean Forestation Project between the Two Koreas

There are obviously valuable benefits to forestation. A forestation project in North Korea will mutually benefit South Korea as well. If North Korean forests regain their ecological soundness, then they will have a reparatory effect on future unification-and-reconstruction costs.

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25. www.amity.edu/aigwes/3.pdf (July 30, 2010).

26. Forest is defined as "a minimum area of land of 0.05-1.0 hectares with tree crown cover of more than 10-30 percent with trees with the potential to reach a minimum height of 2-5 meters at maturity *in situ*." *Ibid*.

If a joint Korean forestation (JKF) project is successfully initiated, then it will expedite the two Koreas' line of contact and dialogue because networking, meeting, communicating and other interactions are inevitable in this sort of project. Frequent encounters will promote deeper mutual understanding and trust. The joint project will also be a valuable opportunity to acclimate ordinary North Koreans to the outside world, since many local residents will be needed in planting and tendering of forests.

Rationale of a JKF Project

Forestation in North Korea has multiple positive effects. First, forestation shows that both Koreas are fighting against climate change. In the contemporary world, all countries are asked to make an effort in minimizing global warming and be a responsible member of the international community. North Korea does not have the sufficient capital, equipment and experience to manage a proper forestation program. South Korea needs a partner country for its anti-GHG business. It ranks about 10th in world production, but its GHG emission volume is about 6th largest in the world because it is a manufacturing powerhouse. South Korea will have to buy emission trading rights to satisfy its dues to the international community.

Second, it will provide income and employment for millions of North Koreans. If people can afford food and fuel, they do not have to abuse forests and deforestation will come to a halt. Reforestation and tender forestry will increase land productivity through the tightening of water security and improvement of soil fertility. It will affect the income as well. The North Korean economy has been deteriorating since the early 1990s, with an arguable exception of a few years in the mid-2000s. The public sector is incapable of providing sufficient jobs to North Koreans. Many factories can neither carry on working because of energy shortages nor pay wages on a regular basis because of financial difficulties. Forestation programs will provide new sources of income to a considerable number of poor North Koreans. Forest management usually bears its fruits in the long term. Invest-

ments in the forests will not only provide jobs and sources of income to contemporary North Koreans but also invest in the welfare of future generations, as well as enhance carbon reservoirs.

Third, a forestation project will promote the opening and internationalization of the North Korean society. The country adopted isolationism due to its ruling *Juche* ideology, which pursues a system of self-reliance. Although the host countries implement the vast activities, international agencies must act as a supervisor to measure, verify and report emissions and savings from forests. It is also inevitable that international organizations and NGOs are involved in the relevant processes. A project managed under the international agency will influence a host country's policies and governance. Frequent foreign contacts will also promote North Korea's familiarity with international customs and practices. Constructive cooperation is essential in inducting North Korea as a responsible member of the international community.

Lastly, inter-Korean relations will experience an improvement. As of 2012, inter-Korean relations are far from being cordial, and it will not improve for quite a time unless the North Korean nuclear issue is resolved. In this stalemate, non-political cooperation efforts, including forestation, can promote the two Koreas' relations. Time is needed for the two Koreas that have been antagonistic for more than six decades to understand each other, build mutual trust and achieve reconciliation and cooperation. Forestation is a program of excellent strategic merits.

According to the Bali roadmap of 2007, all countries will assume the responsibility for GHG reduction unlike the present Kyoto system, in which only the developed countries are required to do. A country with energy-intensive industries, like South Korea, will have difficulty in fulfilling that duty. A way to resolve this problem is through securing CERs from the outside: by either purchasing them in international carbon markets or acquiring them from GHG reduction activities in foreign countries.

Feasibility of a JKF Project

Since the destruction of forest is a serious issue, the North Korean authorities certainly understand the importance of forestation in the improvement of the people's lives.[27] The 2009 North Korean annual joint editorial emphasized forestation as a way to improve the people's economic wellbeing. However, its success may be hampered by the lack of knowledge, technology and capital. There is no reason for North Korea to refuse foreign assistance, barring any political interference. The country has consistently demonstrates an interest in forestation cooperation with its southern neighbor. The South Korean Korea Forest Service and Gyeonggi Province built tree nurseries throughout the 2000s.[28]

At a micro level, the most serious obstacle to the forestation project is residents' resistance or non-cooperation. The North Korean government can barely persuade its people from cutting trees unless other energy sources are available. Likewise, North Korean rural residents do not want the government to interfere with their patch farming by planting trees in hills. North Korea is devoid of the money and technology needed to cope with these challenges, and it has to rely on foreign assistance. The UN REDD+ Program assisted by South Korea can offer a good opportunity to the money-hungry North Korea in order to revive its deteriorating ecosystem.[29]

The idea of a JKF program is not new in South Korea. In 2005, the Roh Moo-hyun administration reviewed seven projects for inter-Korean

27. See for detailed discussion, Kyu-Chang Lee, "A Preliminary Study on the Legal Provision of Inter-Korean Forestation Cooperation Aiming at Korean Peninsula's Green Growth," KINU Policy Review Series 10-01, 2010, pp. 11-15.

28. For the record of inter-Korean forestation cooperation, see Hae-Jung Lee, "Implications and Promotion of Tree Plantation Projects in North Korea," *Issues and Tasks of Domestic and Overseas Economy* [*Guknaeoe Kyungje Hyunangwa Gwaje*], Vol. 3 (2010), p. 5.

29. The Copenhagen COP 15 in 2009 addressed to collect $30 billion for 2010-2012 and $100 billion every year by 2020 to help developing countries, www.un-redd.org/AboutUNREDDProgram/tabid/583/language/en-US/Default.aspx (July 20, 2010).

economic cooperation, which included North Korean forestation.[30] However, this idea was aborted because of the missile and nuclear crises. In 2006, the South Korean government considered launching a joint forestation project again. It planned to open about 10 nurseries using the Inter-Korean Cooperation Fund.[31] Private hands would sow the plantation, and the expenses would be redeemed from emission trading rights acquired from the plantation. The plan was not realized because North Korea conducted its first nuclear experiment. The summit in October 2007 proposed cooperation in the fields of forestation and control of disease and insects, but Lee Myung-bak administration replaced the Roh administration within a few months.

The concept of a joint forestation project reappeared in the incumbent government's initial policies on North Korea. In 2008, the newly inaugurated President Lee Myung-bak appealed three objectives[32] and twelve tasks to serve as the official policy on North Korea, "The Policy of Mutual Benefits and Common Prosperity," in which cooperation in forestation was one of the twelve proposed tasks. Planting trees, reforestation, CDM business promotion and the like were included in the "Green Korean Peninsula."[33] The Green Growth Initiative, a pro-environmental growth strategy pushed since 2008, can also accommodate aid projects for North Korean forestation. In his 2009 Liberation Day speech, President Lee again proposed the Korean Peninsula New Peace Initiative. According to this proposal, some projects can be

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30. The others were energy cooperation, railroads modernization, Mt. Baekdu tourism, Nampo Harbor remodeling, agricultural complex development and shared river co-usage.

31. The Inter-Korean Cooperation Fund was launched in 1990 on grounds that the South-North Korea Cooperation Fund Law will facilitate reconciliation and cooperation between the two Koreas.

32. They are the resolution on the North Korean nuclear issue, the opening of North Korea and the development of North Korea's economy.

33. Cho, Min, "Basic Directions and Strategies of the Denuclearization·Opening· 3000 Project," Korea Institute for National Unification, *North Korea Policy by the Lee Myung-bak Administration: Vision and Direction* [*Leemyunbak]eongboo Daebukjeongchaek Bijeon Mit Coojinbanghyang*] (Seoul: Korea Institute for National Unification, 2008), pp. 50-56.

implemented, even before the North Korean nuclear issue has been settled. Mutual cooperation for North Korean forestation was one of them. This flexibility was timely and appropriate but failed to succeed due to the deterioration of bilateral relations.

International joint projects are hardly free from political intervention. Customs and institutions concerned with the forestation business across national boundaries have not been firmly stabilized yet. Political arbitrariness can be intervened in project implementation, taking advantage of the difficulties in securing objectivity in process.[34] Drastic and valiant changes to the two Koreas' perception and attitude toward a JKF project are indispensable for the success of the project. It appears that as of now, the South Korean government holds the key to implementing an inter-Korean forestation project. In February 2010, the Ministry of Unification announced that it intended to help the North Korean forestation efforts, only under the condition that things were settled,[35] but things still have not been settled as of November 2012. Furthermore, South Korea needs to clarify its constitutional interpretation on the legal status of North Korea. When an OECD DAC inspectorate visited Seoul in 2008 and asked if South Korea was willing to include its assistance to North Korea in the ODA, the South Korean authority was unable to provide a definite answer. This ambiguous situation remains unresolved and it must be politically determined. The UN sanctions against North Korea, such as Resolution 1874, do contain exceptional clauses, in which financial assistances for humanitarian or developmental reasons are allowed. Most countries also recognize humanitarian exceptions, so there are no any legal constraints on South Korea's ODA to its northern neighbor.

Another key aspect to the success of an inter-Korean forestation project is capital. While there is growing competition among the developing countries, those capable of financing forestation projects

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34. For example, a CDM project should satisfy its additional conditions in economic, technical and environmental aspects.
35. See www.tongilnews.com (February 17, 2010). "Things" here mean nuclear issues.

are not quite ready to pay the required cost.[36] Therefore, if South Korea contributes funds and designates North Korea as its recipient, then neither the UN authorities nor the World Bank will seriously object the idea.[37] Although South Korea can use the inactive Inter-Korean Cooperation Fund for the joint forestation project, official development assistance for North Korea's reforestation would be better utilized.

South Korea is scheduled to assume more responsibilities in providing foreign aid and assistance in the coming years. In early 2010, South Korea joined the Development Assistance Committee (DAC) in the Organization for Economic Cooperation and Development, as its 24th member. In order to be eligible for member, it needs to raise its official development assistance (ODA) from 0.1% ($0.8 billion) of the gross national income (GNI) in 2009 to 0.25% ($3.2 billion) in 2015.

The Korean ODA authorities must determine new fund outlets. Although the KSP (Knowledge Sharing Program) has increased its budget by 75% annually from 2007 to 2011, its performance rates have been 56% (2007), 100% (2008), 83% (2009) and 80% (2010). The EDCF (Economic Development Cooperation Fund), which offers loans to developing economies with long-term maturation and low interests, has recorded a 14% annual increase but its performance rates have been 51% (2007), 67% (2008), 89% (2009) and 87% (2010).[38]

All these conditions indicate that official development assistance is necessary. If South Korea successfully engages in joint forestation projects with North Korea, then it will be akin to catching two birds with one stone. A JKF project not only fits the moral justification but

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36. See www.un.org/News/briefings/docs/2009/090923_Deforestation.doc.htm (July 20, 2010).

37. The funding mechanism for REDD has not been solidly settled yet, but Australia has already invested US$175 million in its neighboring countries, Indonesia and Papua New Guinea, www.un-redd.org/NewsCentre/News UnitedNatioweventowforestsandclimate/tabid/1530/language/en-US/ Default.aspx (July 20, 2010).

38. www.etoday.co.kr/news/section/newsview.php?TM=news&SM=0399&idxno =479564 (August 22, 2012).

also presents tangible advantages.

Looking for a JKF Project: Sustainable Forest Management (SFM)

South Korea has supported North Korean activities relevant to forestation in the past two decades. Seedlings along with the necessities for nurseries and pest control were provided, although the scale of provisions was limited. There was neither a serious strategic objective nor a systemic program. The two Korean governments will need to orchestrate all concerned programs in order to achieve forest greenification in North Korea.

The strategic objective of the JKF project should be the institutionalization of a sustainable forest management (SFM) in North Korea. SFM is defined as follows.

> The stewardship and use of forests and forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfill, now and in the future, relevant ecological, economic and social functions, at local, national and global levels, and that does not cause damage to other ecosystems.[39]

The concept of SFM is derived from the concept of sustainable development. Without denying the use of forests for human purposes, it strongly advocates the preservation of the natural environments, believing that it eventually returns the favor to humans.

The UN and concerned international organizations have a plan to upgrade the REDD+ Program to a more comprehensive climate change regime in 2012 when the current Kyoto Protocol emissions reduction proposal ends.[40] This plan essentially creates monetary value (and thus, an incentive) from the forest conservatory. Developed countries "pay" developing countries to reduce emissions, and the

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39. www.foresteurope.org/eng/What_we_work_for/Sustainable_Forest_ Management (July 30, 2010).
40. www.un.org/apps/news/story.asp?NewsID=27388&Cr=forest&Cr1= (July 25, 2010).

payment is used to carry out low-carbon development projects.[41] If this is applied to the Korean peninsula, South Korea can provide financial support for North Korea's anti-deforestation and sustainable development efforts.

The dividends to South Korea will be three-fold. First, South Korea can utilize its growing ODA fund for North Korean forestation, and a unified Korea in the future can save money for planting trees. A considerable portion of grants, which are now worth more than 60% of Korean ODA, can be invested in North Korean forest. Moreover, if the stipulations from the Kyoto Protocol apply, then South Korea can buy emission trading rights from its contributions to North Korean afforestation and reforestation. The CDM, which has been defined in Article 12, allows a developed country to meet its cap by using Certified Emission Reductions (carbon credit) acquired from its GHG reduction project in a developing country. Lastly, South Korea can promote peace and friendship with North Korea by offering of knowledge, finance and other necessities for a successful forestation.

The South Korean government can make use of its ODA for a JKF project via UN REDD+ Program, World Bank FCPF or its own CDM projects. North Korea may be designated as the recipient of South Korea's financial contributions. The UN REDD+ project will need to secure new funds to finance its programs as the number of countries that want to participate in coming years is expected to increase. Therefore, if South Korea contributes fund by designating North Korea as its recipient, then the UN will not seriously object to the idea.[42]

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41. To reduce the annual deforestation rate by 25%, an estimated $22 billion to $29 billion will be needed by 2015, www.un.org/News/briefings/docs/2009/090923_Deforestation.doc.htm (July 20, 2010).

42. It is not definite whether South Korea can finance a UN REDD+ project in North Korea using its ODA contributions. The funding mechanism for REDD+ has not be clearly defined yet, but Australia has already invested US$175 million in its neighboring countries, Indonesia and Papua New Guinea. Thus, there will not be a serious obstacle in applying an ODA scheme to North Korean forestation, www.un-redd.org/NewsCentre/NewsUnited Nationseventonforestsandclimate/tabid/1530/language/en-US/Default.aspx (July 20, 2010).

A JKF project needs to include various actors. Although central and local government agencies directly participate in the programs, a JKF project must be shared with various civilian agencies in order to be effective. The accomplishment achieved by South Korean participants, regardless of public or civilian, in the REDD+ programs that are to be implemented in North Korea must be treated as an equal to that in South Korea. A public authority will also be asked to coordinate the overall activities of private corporations and NGOs, from the conception and negotiations with North Korean partners to the implementation and closing, for the consistency and harmonization of relevant programs.

South Korean forests are fairly stable thanks to the country's solid acknowledgement and well-designed policies to protect the nature.[43] Therefore, the industrialized South Korea must collaborate with North Korea in order to accumulate credits for GHG emission reduction and eventually become a country that is carbon neutral. South Korea has already launched pilot REDD+ projects in Southeast Asian countries like Indonesia. The experience and technology accumulated will help the efforts to campaign reforestation and improve forest management in North Korea.

Concluding Remarks

Reducing deforestation is a battle against time and immediate actions are critical in mitigating global warming. Forestation is the most cost-effective investment to combat soil erosion, prevent floods and droughts, reduce GHG emissions and thus prevent climate change. It is also a swift approach to harvesting its effects.

Forestation is one of the few options that can contribute to the

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43. Forestation and forest management started in 1973, and more than 10 billion trees had been planted by 1997. Reflecting on its experiences, South Korea has initiated the AFoCO (Asian Forest Cooperation Organization) that launched in September 2012, www.news.donga.com/3/all/20120810/4851 4708/1 (August 20, 2012).

wellbeing of the two Koreas, regardless of changes in the Korean peninsula's strategic environment. Despite several years of discussions and pilot projects, the main reason for the suspension of inter-Korean forestation cooperation is the lack of political will from the both leaderships. As detailed above, technical and financial issues are hardly significant problems. Considering the devastating repercussions of North Korea's deforestation and the enormous costs in addressing natural and social disasters, both Koreas must pay more attention to a joint forestation project. The South Korean ODA authority has plans to increase its green project spending by up to 30 percent of its budget by 2020 from the current ten or so percent. South Korea also succeeded in hosting the 2012 GCF (Green Climate Fund) headquarters in Incheon, and it will explore pragmatic cooperation with North Korea under a new leader.

A JKF project basically prescribes an exchange of technology and capital from South Korea and CERs from North Korea. Apart from substantial carbon appropriation and storage function, forestation harbors many valuable rewards and safeguards against disasters. These benefits emphasize human wellbeing, especially for the vulnerable by providing firewood, food and income. A political side effect, mutual understanding or reconciliation between the two Koreas, is also anticipated.

Both Koreas should pay their attentions to a JKF project for co-prosperity and peace on the Korean peninsula. It is neither a resolution to stop North Korea's deforestation nor a deadly catalyst to enhance peace on the Korean peninsula. North Korean forest damage is, however, very serious considering its magnitude and speed. Sustainable forest management (monitoring and assessment, silviculture, fire management, forest health, corrective logging and so on) requires much more attention than the assumed amount. There are, of course, tough barriers to overcome in order to realize a JKF project. Among others, the North Korean authorities must maintain the norms and rules that follow international development cooperation processes. Providing sufficient incentives to North Korean rural residents is another challenge because there are no private forests. Without their

participation and endurance, a long-term forestation project cannot succeed. South Korea must also technically separate forestation projects from politics.[44] Despite its complexity and difficulties, a JFK project is a matter of political determination rather than technical plausibility.

The UN REDD+ program supports countries in their preparation, management and marketing of activities concerned with forests and forestry. A joint Korean-REDD+ project is one of the few ways that can uphold inter-Korean cooperation and concurrently fulfill the South Korean GHG reduction obligation. The number of countries that joined the UN REDD+ program, as regular members or observers, has more than quadrupled in the last four years, and it is expected to further increase in coming years. To enjoy the early entry advantages, North Korea must apply for the program before it is too late. South Korea may utilize its ODA funds for North Korean reforestation efforts.[45]

A JKF project, which makes use of UN REDD+ and others, can help alleviate North Korea's economic difficulties and encourage the country to act as a decent member of the international community. Although inter-Korean relations are currently at a stalemate, a joint forestation project can provide the momentum to promote reconciliation between the two Koreas.

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44. Considering the vulnerable food security in North Korea, a forestation project ODA can be said to have humanitarian as well as developmental purposes.
45. UN REDD programs and ODA are not directly connected to each other. Thus, it is impossible for South Korea to designate North Korea as a recipient of South Korea's ODA for REDD for now. A technical review is needed for its realization.

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