
NORTH KOREA IN 2000

Surviving through High Hopes of Summit Diplomacy

Samuel S. Kim

Whatever the future uncertainties, the year 2000 was the best of times in Pyongyang's checkered international life—with many historical firsts. Of all the year's first-ever benchmark events, it was the three-day (June 13–15) summit meeting in Pyongyang between South Korean President Kim Dae Jung and North Korea's Chairman Kim Jong Il, with the resulting North-South Joint Declaration (June 15), that easily stood out as the single greatest one, with enormous repercussions throughout the Korean Peninsula and beyond. The Pyongyang summit, the first of its kind in the half-century history of the politics of competitive legitimation and delegitimation on the divided Korean Peninsula, has led to some paradoxical expectations and consequences for the Democratic People's Republic of Korea (DPRK) and the Republic of Korea (ROK) and for Northeast Asian international relations.

After six years of unimpressive "rule by the will of the deceased" (*yuhun t'ongch'i*), accompanied by continuous economic decline, the Pyongyang summit is said to have boosted among the ruling elite Kim Jong Il's prestige as a strong and skillful leader who has managed to turn outside powers into anxious supplicants rushing to Pyongyang. As Kim himself put it in an extended interview with a 56-member delegation of South Korean media executives on August 12: "Why on earth do I have to visit big countries? Even though I stay in Pyongyang, various powerful countries come visit me, do they not?"¹ Indeed, Kim Jong Il seemed to have stirred an aura of excite-

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1. For a full text of the interview, see Foreign Broadcast Information Service (FBIS), *Daily Report/East Asia (DR/EA)*, August 13, 2000, on the World Wide Web at <<http://wnc.fedworld>>.

ment, high hopes, and expectations that the inter-Korean summit would bring about more foreign aid and improved living conditions, even as the authorities were launching strong countermeasures to minimize possible damage from the “sugarcoated poison” of capitalist aid, asserting that the country will continue its *juche* (self-reliance) policy.

Thanks to saturation television coverage of the summit, Kim Jong Il has also managed to bring about an instant wholesale image makeover, even a “Kim Jong Il fever,” in the ROK. Suddenly the capital city of Pyongyang—the city of darkness—has become a city of diplomatic light and a primary arena for diplomatic influence and competition among the four great powers—the U.S., Japan, Russia, and China—all of whom are deeply involved in Korean affairs. Within the short time span of a few months, the infamously reclusive Kim had no less than three summit meetings—with Chinese President Jiang Zemin in a secret visit to Beijing in late May, with South Korean President Kim Dae Jung in June, and with Russian President Vladimir Putin in July—plus a flurry of first-ever diplomatic missions to Pyongyang, including those of U.S. Secretary of State Madeleine Albright, Chinese Defense Minister Chi Haotian in October, and a European Union delegation in November. The notion that the Pyongyang summit has improved prospects for melting the remaining portion of the cold war glacier on the Korean Peninsula seemed to have intensified the needs and efforts of the four major powers to readjust their respective Korea policies to the rapidly changing realities on the ground.

By the end of the year, however, the initial euphoria in the South has turned into sobering realism about the many fault lines in the emergent rapprochement process. Pyongyang controls all the levers to extract maximum aid for minimal concession (a select and controlled opening of its doors). Financially, Seoul will be bled dry in its quest for peace at any price and the fundamentals of the North Korean system, including its military-first politics, remain dominant.

Will Seoul's Sunshine Policy Also Rise in Pyongyang?

It appears curious that Kim Jong Il agreed to an inter-Korean summit at all, let alone made his unexpected appearance at Pyongyang's Sunan Airport to personally embrace President Kim Dae Jung in full view of domestic and foreign television audiences. However, the April 10 summit announcement and its actual implementation two months later stunned the outside world and instantly sired global coverage, positive diplomatic response, and more for-

eign aid. This suggests that in a single stroke Kim Jong Il delivered a blow to the DPRK's image as a hermit kingdom with the eyes of its reclusive leader wide shut to the outside world.

From North Korea's system-maintaining perspective, however, a test of the outer possibilities and limitations of Kim Dae Jung's sunshine policy has much to gain and little to lose. In his inaugural address on February 25, 1998, President Kim proclaimed three guiding principles of what came to be known as the "sunshine policy": (1) no toleration of armed provocation of any kind (deterrence); (2) no German-style unification by absorption; and (3) active promotion of inter-Korean cooperation, starting first with those areas of mutual interest on which both parties can most readily reach agreement. The sunshine policy reflected and effected a cost-effective adaptation to Seoul's financial crisis, or what Kim Dae Jung called "the greatest crisis" confronting South Korea since the Korean War.

In a remarkable role reversal, the Kim Dae Jung government had to work overtime in an effort to globalize the sunshine policy and actively seek international support, especially from the U.S. and Japan. In a major policy speech dubbed the Berlin Declaration that was delivered at the Free University of Berlin on March 9, 2000, Kim made three promises to North Koreans: to guarantee their security, assist in their economic recovery efforts, and support them actively in the international arena. This was accompanied by a major offer:

The Government of the Republic of Korea is ready to help North Korea tide over its economic difficulties. Presently, private-sector economic cooperation is underway under the principle of separating the economy and politics. However, to realize meaningful economic collaboration, the social infrastructure, including highways, harbors, railroads and electric and communications facilities, must be expanded. . . . The Government of the Republic of Korea is ready to respond positively to *any North Korean request in this regard* (emphasis added).²

More than anything else, the offer of substantial if unspecified governmental aid to rebuild North Korea's decrepit infrastructure was implicitly the main causal force behind Kim Jong Il's decision to agree to an inter-Korean summit. Until the Berlin Declaration, North Korea had taken a two-handed approach, attacking the sunshine policy as a "sunburn policy" on ideological grounds while simultaneously pursuing mendicant diplomacy to extract maximum economic concession. Before its official unveiling in Berlin, Seoul had already delivered an advance text to Pyongyang, as well as to Beijing, Moscow, Tokyo, and Washington through various diplomatic channels, further making evident the fact that the offer had stretched the outer limit of the sunshine policy.

2. For a full English text of the Berlin Declaration, see Yonghap, March 9, 2000.

Pyongyang's reaction came six days later, on March 15, in a commentary entitled, "Actions Speak Louder than Words" in *Rodong sinmun* [The worker's daily], the official organ of the Korean Workers' Party (KWP). While dismissing the "declaration" as nothing new, the DPRK nonetheless claimed that inter-Korean talks could take place "any time if their behavior is in line with our principled position."³ In essence, Pyongyang was asking, "Where is the beef?" Between March 17 and April 8, the Berlin Declaration sparked a series of behind-the-scenes inter-Korean negotiations in Shanghai and Beijing to hammer out an inter-Korean summit accord.

The timing of the April 10 announcement, coming only three days before the South Korean National Assembly elections in which Kim Dae Jung's party was trailing in the polls, raised questions about the kind of deal struck in the secret negotiations in China. One thing remained loud and clear: Pyongyang quickly appropriated the politics of the inter-Korean summit for its game of brinkmanship as one-upmanship in which it took the upper hand and the advantage of holding the meeting on home territory to control the atmospherics, agenda, pace, and direction of the emergent inter-Korean summit process. Kim Dae Jung's request for a more neutral venue for the summit (e.g., Beijing, Vladivostok, the 38th parallel on the Korean Peninsula, or some other site) was categorically rejected—this would deny North Korea the home advantage. All the same, the North Korean official announcement of the summit made clear who was the supplicant: "At the request of President Kim Dae Jung, he will visit Pyongyang from June 12 to 14, 2000."⁴

Kim Jong Il also seized inter-Korean summit diplomacy to showcase his leadership in North Korea—demonstrating who is in charge. It seems safe to assume that he would have been neither willing nor able to embark upon such a historical journey without prior consolidation of power. He apparently saw in the inter-Korean summit a great opportunity of killing several birds with one stone, producing multiple normative, diplomatic, and material benefits without seriously threatening the North Korean system. According to North Korean diplomats in Russia, romancing the inter-Korean summit would accomplish at least three things. First, Kim Jong Il reportedly boosted his prestige among the power elite by kindling expectations that the summit would empower the DPRK to improve its economic fortunes and acquire more food, clothing, and medicine for its people. Second, he apparently pulled off a major public relations coup, a wholesale image transformation in South Korea. The Pyongyang summit would help demonstrate the "superiority of the DPRK in the eyes of all Koreans living in the South and abroad" and that

3. "Malpoda silchon haengdong ui chungyo hata" [Actions speak louder than words], *Rodong sinmun*, March 15, 2000, p. 5.

4. Korean Central News Agency (KCNA), April 10, 2000.

“the side that is morally weaker and that committed so many crimes against its own nation must kowtow before the real and only leader of all Koreans.” And third, the summit would greatly enhance the prestige of the DPRK and Kim Jong Il throughout the world and attract more countries to cooperate with Pyongyang, especially the U.S., because the summit was viewed or projected as a major concession to the U.S., which was therefore expected to make “major economic and strategic concessions.” Pyongyang would also do its best to exploit the new connection with Seoul to speed up normalization talks with the U.S. and Japan and in the process gain access to bilateral and multilateral aid and foreign direct investment.⁵ What was left out in this cost-benefit analysis is a Washington-Tokyo-Seoul strategic partnership—the Trilateral Coordination and Oversight Group (TCOG)—which has deprived Pyongyang of much room for its divide-and-conquer strategy.

The five-article North-South Joint Declaration provides a road map for the nature, scope, and direction of the future inter-Korean rapprochement process. Despite all the South’s unification pomp that surrounded the summit and declaration, and despite the official claim in the North that these were “the greatest successes in the reunification movement since the country was divided into two parts over half a century back,”⁶ Kim Jong Il and Kim Dae Jung embraced each other before domestic and global television audiences, signaling in a symbolically powerful way their acceptance of each other’s legitimacy. At core, the summit was all about mutual recognition and legitimation, bringing the two Koreas down from their respective hegemonic-unification dreamlands to a peaceful coexistence of the two separate states. The single greatest accomplishment was to put an end, at least for now, to the fratricidal politics of competitive legitimation and delegitimation.

Indeed, the Joint Declaration glossed over the ineluctable fact that there is no common formula for reunification, broadly stating that the “North and the South agreed to solve the question of the country’s reunification independently” (Article 1) and, recognizing common elements in each side’s unification formula, “agreed to work for the reunification in this direction in the future” (Article 2). While Pyongyang paid mandatory lip service to the supreme task of building “one nation, one state with two governments and two systems” without delay under the “federation system” (formerly “confederation system”), in the wake of the summit it proclaimed publicly for the first time “the issue of unifying the differing systems in the north and the south as

5. For analysis by Russia’s Korea experts based on their discussions with North Korean representatives, see *DPRK Report*, no. 24 (May–June 2000) and *DPRK Report*, no. 26 (September–October 2000), at the Nautilus Institute home page on the World Wide Web at <<http://www.nautilus.org/pub/ftp/napsnet/russiadrk>> [accessed October 30, 2000].

6. KCNA, November 18, 2000.

one that may be *left to posterity to settle slowly in the future* [emphasis added].”⁷

Equally remarkable and revealing is the fact that the Joint Declaration had nothing to say about military and security matters, not even in general terms about working together for tension-reduction and confidence-building measures. Article 3 seems like a compromise between Seoul’s priority concern for the “exchange of visiting groups of separated families and relatives” and Pyongyang’s interest in having “unconverted long-term prisoners” (euphemism for North Korean spies) in the South returned to the North. Article 4 gives emphasis to North Korea’s bottom line, framed as the North-South agreement “to promote a balanced development of the national economy.”

Not surprisingly, in the latter half of the year the rapprochement process in economic cooperation moved faster than any other issue area. As a sweetener, prior to the June summit Seoul sent 200,000 tons of fertilizer and afterward it sent another 100,000 tons. In the post-summit second round of inter-Korean ministerial talks, held in Pyongyang from August 29 to September 1, Pyongyang lost no time in requesting about one million tons of food aid in the form of a loan, as if to test Seoul’s Berlin Declaration. On top of its World Food Program (WFP), food-aid contribution of 100,000 tons, Seoul decided to provide Pyongyang with 300,000 tons of Thai rice and 200,000 tons of Chinese corn, on the condition that the repayment would be made over 30 years, with an annual interest of 1% and the first 10 years as a grace period. Seoul’s rationale was framed as positive evidence of its commitment to implement the Berlin Declaration and the Joint Declaration, as well as to improve inter-Korean relations. Legally, South Korean aid is a long-term soft loan, but in practice it is a free lunch.

A flurry of post-summit rapprochement measures and projects followed in the succeeding months (July–September) to warm the icy relations and boost economic cooperation. Suspension of propaganda warfare, reopening of the liaison offices in Panmunjom, activation of ministerial talks, and a first round of separated family three-day reunions produced several major accords on inter-Korean economic cooperation. The Hyundai Group (South Korea’s largest *chaebol*) signed an agreement with North Korea to build a multibillion-dollar industrial complex in Kaesong, just north of the western DMZ and only 70 km from Seoul. This is a most promising potential opening for the North Korean economy. In solving a long-standing dispute over the proposed site of a new industrial complex, between the politically safe but geographically remote northwestern city of Shinuiju (Kim Jong Il’s original preference) and the city of Haeju, only 120 km from Seoul (Hyundai’s preference, for its greater proximity and attractiveness as an economic hub), eco-

7. *Rodong sinmun*, June 25, 2000, p. 6.

nomic bottom-line rationality seems to have prevailed over the political top-line preference for Shinuiju. And yet, Kim Jong Il presented this agreement as his personal favor to Chung Mong-hun's Hyundai: "I gave Kaesong to Hyundai so that it could construct a tourism complex and industrial complex, and this is a gift resulting from the 15 June declaration. . . . [H]e [Chung Mong-hun] returned smiling from ear to ear."⁸ How the bankrupt Hyundai Engineering and Construction will actually bankroll the development of the Kaesong industrial complex is another question, a "big if" question of moral hazard for the Kim Dae Jung government.

Pyongyang also agreed to reconnect a 24-km severed Kyonggui Line (Seoul-Shinuiju railway), which many proclaim as the coming of a new age of the "Iron Silk Road." As a major axis in the world linking Europe, Asia, and the Pacific via North Korea, the road would be paved with the de facto unification of the Korean Peninsula. President Kim Dae Jung presided over the historic groundbreaking ceremony on September 18, but it was marred by the nonattendance of North Korean authorities. But even if North-South military cooperation in the de-mining and reconnecting operations proceeds without any incident, it is doubtful whether the reconnected Kyonggui Line could be fully utilized, as many portions in the North remain in urgent need of repair. If the project develops in tandem with major infrastructure projects, the North Korean economy could make much headway toward recovery. The cost will be prohibitive for the South. According to one estimate, about 10 trillion won (\$9 billion) will be required just for short-term infrastructure projects in North Korea, whereas South Korea's total financial resources available for such investment, even under the best of circumstances, amount to less than 1.8 trillion won (\$1.6 billion).

On November 11 and December 15, Pyongyang initialed and signed four agreements on inter-Korean business cooperation consisting of investment guarantees, settlement of commercial disputes, clearance of accounts, and avoidance of double taxation. The four agreements, which await final parliamentary ratification of both Koreas before entering into force, represent another historical first aimed at facilitating greater South Korean investment in the North. Despite the reference to "a balanced development of the national economy" in the Joint Declaration, Pyongyang was determined to treat South Korean firms as foreign enterprises rather than as domestic companies, granting no more than a most-favored nation (MFN) status, much to the chagrin of many South Korean firms on the prowl.

From Pyongyang's perspective within the politics of competitive legitimization and delegitimation, exchange visits of separated family members and relatives are cost-ineffective and potentially threatening to the system. An

8. "Kim Jong Il's interview with ROK media executives."

estimated 7.7 million South Koreans, including 1.2 million who fled the North during the Korean War, still have relatives in the swollen state and spent society of the North. This explains why during the three decades of on-again, off-again inter-Korean détente there was only one exchange of 50 people from each side in 1985. While the first round of separated family reunions in mid-August was relatively trouble-free, not only was the second round from November 30 to December 3 delayed by two months for unexplained internal reasons, ruling out a planned third round in 2000, but it was also marred by a series of Pyongyang-initiated incidents that dim the prospects of future inter-Korean rapprochement, including family reunion exchanges.

As if determined to find an excuse for scuttling the second round of family reunions, Pyongyang worked hard to find fault. On November 3, Pyongyang initiated a fight by denouncing the (South) Korean National Red Cross (KNRC) president Chang Choong-sik—who is in charge of the inter-Korean family reunion project—for a comment on North Korea as poor and lacking freedom in an interview with a local magazine. Despite Chang's ensuing apology for his alleged defamation of the DPRK, Pyongyang continued its attacks and threatened to reconsider the family reunion project unless he resigned. Yielding to persistent demands from Pyongyang—and probably also from the Kim Dae Jung government—the KNRC chief abruptly left the country for Japan on the eve of the arrival of the North Korean family members and canceled his participation as host in an official dinner. North Korean Red Cross chief Chang Jae-un, who led the North Korean visitors to Seoul, threatened not to attend the welcoming dinner if it was hosted by Chang Choong-sik, stating in a press conference, "His [Chang's] shape is such a pity. I hope he will die of his sin and resurrect in a right way." Adding insult to injury, Chang Jae-un arrived an hour and a half late for the dinner without explanation or apology.

At the same time, South Korean-separated family members in Pyongyang were subjected to heavy doses of political propaganda and the cult of personality. North Korean authorities even singled out a *Chosun ilbo* reporter and detained him for three hours in virtual house arrest, searching his equipment, deleting some 230 images from his digital camera, confiscating one roll of film, and demanding an apology for one of his newspaper's articles.

As a humanitarian gesture, Seoul sent 63 pro-communist spies to Pyongyang without having a single South Korean prisoner of war (POW) or abductee returned home. North Korea has kidnapped a total of 3,756 South Koreans since the end of the Korean War, and some 487 abductees (mostly fisherman) and 351 POWs are believed to be living in the North. Except for the military-related works on the Kyonggui Line project, North Korea has shown no interest in inter-Korean security cooperation. At the first-ever de-

fense ministers' talks in September, Seoul raised a wide range of tension-reduction and confidence-building measures, only to provoke Pyongyang's rejection. North Korea has yet to show any interest in discussing overall military-related problems, including arms reduction, regularization of defense ministers' talks, establishment of a military hot-line, prior notification of military drills and troop movements, and sending observers to each other's military exercises, not to mention the sensitive issue of weapons of mass destruction.

By mid-December when the fourth inter-Korean ministerial talks were held in Pyongyang, North Korea began threatening to scuttle the inter-Korean rapprochement process, finding fault with an "antagonistic" view expressed in Seoul's *Defense White Paper 2000* where the ROK Defense Ministry stressed the need for continuous security awareness while designating North Korea as its primary enemy. According to the document, despite the inter-Korean thaw North Korea actually bolstered its military power, reorganized army divisions, and deployed 500 short-range missiles and other artillery near the border with South Korea. Moreover, it has not moved away from its most fundamental policy of "communizing" South Korea.

It became evident that this was another militant mendicant act of brinkmanship designed to extract more aid when the North came up with a new demand for electricity aid of 2 million kilowatts, with an immediate delivery of 500,000 kilowatts. In the context of the North's ability to produce only 2 million kilowatts of electricity (as against its potential capacity of 7.4 million kilowatts, because more than 73% of its facilities need repairs), the magnitude of this latest request can be seen. South Korean negotiators displayed a laid-back posture, making it clear that they could leave Pyongyang without reaching an agreement. To avert total breakdown, the talks were extended an extra day as the two sides hammered out a compromise joint statement over Pyongyang's demand for electricity—to the effect that the issue of cooperation in electric power as well as other pending issues would be dealt with in an inter-Korean economic cooperation committee for the sake of balanced development of the national economy and co-prosperity.

Launching a Diplomatic Blitz

It is a fitting barometer of Pyongyang's successful diplomatic outreach process that the year 2000 started with the announcement on January 4 of diplomatic relations with Italy—the first G-7 country to do so—and ended with the announcement on December 12 of diplomatic relations with the U.K. At least in foreign relations, there is no mistaking that Pyongyang has opened itself, in quite unprecedented fashion, to the outside world for diplomatic ties. There is also no doubt that President Kim Dae Jung's sunshine policy is a testimonial to the remarkable role reversal—with Seoul now becoming part

of the solution, rather than part of the problem—in Pyongyang's normalization of relations with as many countries as possible. With the early exception of Italy, Pyongyang garnered all the diplomatic sweepstakes in bilateral, East Asian regional and global relations in the wake of the April 10 inter-Korean summit announcement.

The impact of the summit process was made manifest in Pyongyang's multilateral diplomacy. In July Pyongyang applied and was accepted as a member of the Asean Regional Forum (ARF). The ARF is the only security forum for East Asia, and China's presence would assure a minimum necessary comfort level for Pyongyang's participation. Twenty-six leaders attending the third session of the Asia-Europe Meeting summit in Seoul October 20–21 adopted the Seoul Declaration, supporting peace on the Korean Peninsula. The Declaration elicited enthusiastic support from Pyongyang, thanks to China's successful intervention to delete from the final draft a reference to curbing weapons of mass destruction. Pyongyang also responded positively to Seoul's initiative for a joint sponsorship of a resolution in the 55th session of the U.N. General Assembly. On October 31, the General Assembly adopted without a vote a first-ever inter-Korean joint resolution on Peace, Security, and Reunification of the Korean Peninsula. The historic significance of the resolution lies not in the substance but in the symbolism. For the first time in more than half a century, a joint draft resolution was worked out and submitted by both Koreas, instantly attracting more than 150 co-sponsors, including the U.S., China, Russia, and Japan. Also for the first time, Pyongyang publicly expressed its gratitude for U.N. aid and its appeal for more humanitarian aid: "The U.N. appealed to the world to render assistance worth approximately 390 million dollars to the DPRK including 810,000 tons of food."⁹ Simultaneously, however, it attacked humanitarian intervention as the greatest danger to the U.N.

In bilateral relations as well, 2000 was a diplomatic banner year. With the exception of Italy (a response to Pyongyang's diplomatic blitz launched in August 1999), the North Korean diplomatic outreach and success came about in the wake of the April 2000 inter-Korean summit announcement. Australia decided to resume its relations (May 8); the Philippines did so as well (July 12); declarations were made by the U.K., Germany, Spain, and the Netherlands that they will move toward full diplomatic relations in due time (late October); and immediate establishment of diplomatic relations was undertaken with the U.K. (December 12). Although Pyongyang's diplomatic blitz is largely Eurocentric, still only seven of the 15 European Union (EU) member states have diplomatic relations with the DPRK (Denmark, Austria, Sweden, Portugal, Finland, Italy, and the U.K.), as do only two of the G-7

9. KCNA, December 4, 2000.

industrialized countries (Italy and Great Britain), leaving Canada, Germany, France, the U.S., and Japan yet to establish full diplomatic relations as of the end of 2000.

Moreover, there is the wide chasm between the formalities of diplomatic recognition and realities on the ground. At the beginning of the year, for example, 135 countries had recognized the DPRK (183 for the ROK) but the number of its overseas diplomatic missions stood at 51 (ROK 125), consisting of 38 embassies (ROK 91), 2 consulate generals (ROK 30), and 11 representative offices (ROK 4). All the diplomatic sweepstakes garnered in 2000 do not change significantly the gap between the formalities and the realities.¹⁰

The inter-Korean rapprochement process reflected and effected Pyongyang's relations with the four major powers. By its own reckoning, there has been "signal progress . . . in the traditional friendly relations between the DPRK and China and the DPRK and Russia," "some moves to improve the DPRK-U.S. relations, including their high-level talks" and apparently no progress (no mention) in DPRK-Japan normalization talks.¹¹

Kim Jong Il's choice of Beijing for his first-ever unofficial state visit, on May 29–31, spotlights the importance of China in North Korean foreign relations. The secrecy of the visit also speaks volumes about his reputation as the world's most renowned reclusive leader. By all signs, the China trip was catalyzed by and concerned with the proper handling of the forthcoming Pyongyang summit two weeks hence, with Beijing playing the supporting role of a socialist elder brother and tutor. Without prior Chinese encouragement and tutoring, and without an advanced trial run at being and becoming a smiling public persona, Kim Jong Il might not have dared to take several bold image-remaking steps during the televised inter-Korean summit process.

By achieving a "consensus of views on all the matters discussed," according to a North Korean source, the Beijing summit advanced the cause of socialism and further consolidated the DPRK-China friendship—a relationship sealed in the blood of the Korean War—at a time when the international situation was becoming increasingly complicated.¹² During his China trip, Kim Jong Il viewed a computer plant of the Lianxiang Group in an area often called the Chinese version of Silicon Valley, and for the first time he complimented Chinese reform leader Deng Xiaoping's achievements of opening up the country and expressed the view that North Korea supports the reform policy pursued by the Chinese side. In October a high-powered military dele-

10. Government of the ROK, Ministry of Foreign Affairs and Trade (MOFAT), *Oyekyo baekso 2000* [Diplomatic white paper 2000], Seoul, MOFAT, 2000, on the World Wide Web at <<http://www.mofat.go.kr>> [accessed December 30, 2000].

11. KCNA, December 8, 2000.

12. Ibid., June 1, 2000.

gation headed by Chinese Defense Minister Chi Haotian visited Pyongyang to reaffirm Sino-DPRK military ties, providing momentum for revamping the relationship that has become frayed since 1992 when Beijing recognized and established full diplomatic relations with the ROK.

At first glance, North Korea's relationship with Russia warmed up considerably in 2000. In February Foreign Minister Igor Ivanov traveled to Pyongyang to sign a new treaty—the DPRK–Russia Treaty on Friendship, Good Neighborliness and Cooperation—as a fresh start to replace the 1961 security pact that was scrapped in 1996. The new treaty, which took effect in late October with an exchange of certificates of ratification, was hailed as providing political and legal guarantees to boost cooperation and exchanges in all aspects of the DPRK-Russia relationship. In July, on the heels of the inter-Korean summit, the newly elected Russian President Vladimir Putin made a historic journey to Pyongyang for a summit meeting with Kim Jong Il. Putin became the first Kremlin leader ever to visit the neighboring communist country. The two leaders signed an 11-point joint declaration far more muscular and provocative than the inter-Korean one, including trenchant attacks against infringement on state sovereignty under the pretext of humanitarianism and against the theater missile defense and U.S. national missile defense programs.

Although Pyongyang is becoming increasingly active in economic contacts with Russia, economic cooperation between the two financially troubled countries flounders. Putin's new foreign policy doctrine, with its unprecedented stress on safeguarding Russia's economic interests, and Pyongyang's damage-compensation mendicant diplomacy are out of sync with each other. Pyongyang still feels that it has been materially betrayed and damaged by its former mentor and asks Russian assistance in repairing and modernizing all the industrial facilities and enterprises built in North Korea by the former Soviet Union in the 1950s and 1960s. Pyongyang is also insisting on barter deals and low-interest credits to which Moscow cannot agree and which would be impossible to implement in a market economy. One possible solution, according to Russia's Koreanists, is to have South Korean banks and firms provide credit to the DPRK in exchange for Russian technical assistance¹³—wishful thinking given the looming economic crisis in the South, with one chaebol after another going belly up.

The inter-Korean summit spurred the faltering DPRK-U.S. and DPRK-Japan normalization processes, albeit to varying degrees. Pyongyang portrayed the inter-Korean summit as a quid pro quo concession to the U.S. and another way of accelerating the DPRK-U.S. normalization process. Washington's response came less than a week after the inter-Korean summit. On June 19, the

13. *DPRK Report*, no. 26.

U.S. announced that it would start implementing its September 1999 pledge to lift a range of economic sanctions. As a result, North Korea and U.S. companies will be free to engage in most kinds of commercial and investment transactions without a license, including agricultural, medical, and low-level industrial goods and services. In July 2000, Secretary of State Madeleine Albright and DPRK Foreign Minister Paek Nam Sun held first-ever ministerial talks at the sidelines of the ARF conference in Bangkok.

Most remarkably, in October North Korea and the U.S. held two quasi-summit meetings in Washington and Pyongyang. For over a year, Washington has been negotiating for Pyongyang to send a special envoy—Kang Sok Ju, who negotiated the 1994 U.S.-DPRK Agreed Framework and is known to be Kim Jong Il's closest foreign policy advisor—to continue the so-called Perry Process. Instead, Vice-Marshals Jo Myong Rok, the first vice-chairman of the National Defense Commission, in his capacity as the special envoy of Chairman Kim Jong Il—with his party including Kang Sok Ju—visited the U.S. from October 9–12. During his visit, Jo delivered a letter directly to President Clinton from Kim Jong Il that set forth his views on U.S.-DPRK relations.

This quasi-summit meeting ended with a U.S.-DPRK Joint Communiqué, in which both sides have agreed *inter alia* to take steps to fundamentally improve their bilateral relations, support and encourage international efforts against terrorism, and have Secretary of State Albright visit the DPRK in the near future to convey the views of President Clinton directly to Chairman Kim and prepare for a possible visit by the president of the U.S. In less than two weeks, Albright became the first American secretary of state and the highest-ranking U.S. official ever to set foot on North Korean soil and the first American ever to meet Kim Jong Il, let alone conducting six-plus hours of summit talks. This quasi-summit in Pyongyang was followed by another round of negotiations in Kuala Lumpur on the missile issue. Despite significant progress made possible by Pyongyang's substantial concession—U.S. officials believe they are on the verge of a major breakthrough deal—at the end of the year North Korea stopped short of a diplomatic touchdown due to changing U.S. political circumstances beyond its control.

Despite several rounds of DPRK-Japan normalization talks and Tokyo's aid of 500,000 tons of rice from domestic reserves (worth nearly \$1 billion), little progress was made on this front in 2000. Pyongyang was apparently betting its destiny and survival on the fully established Washington connection, which would inevitably force Tokyo to accommodate Pyongyang's demands for a Japanese apology for past wrongs by providing both economic aid and reparations to its former colony. Pyongyang even refused a Japanese proposal to normalize relations based on an economic aid formula similar to that used in 1965 to normalize relations with the ROK. The two sides also

failed to find a solution to Japan's long-standing demand that the DPRK provide information on 10 missing Japanese citizens that Tokyo believes were abducted by DPRK agents in the 1960s and 1970s. With a surge of new publicity, the abduction issue has become a political hot potato in Japanese domestic politics. A citizens' group that has long campaigned for the disappeared persons has recently stepped up a petition drive that has already collected 1.3 million signatures for stronger government action. On top of this long-standing issue, no single event has impacted and reshaped Japanese public opinion as much as the North Korean launching of the Taepodong-I missile in August 1998. A recent public opinion survey showed that some 80% of Japanese want their government to first resolve bilateral disputes before establishing full diplomatic relations with North Korea.

"Military First" Politics at Home

In domestic politics, the most significant event of the past year turned out to be a non-event. Despite the New Year joint editorial entitled, "Let Us Glorify This Year, Greeting the 55th Anniversary of the Party Foundation as a Year of Proud Victory in the Flame of the Great *Chollima* Upsurge," the 55th birthday of the KWP (October 10, 2000) came and went without the much anticipated party congress, occasioned by only the mass birthday celebration.

The unprecedented diplomatic outreach notwithstanding, there is no evidence of any change or shift in the military-first orientation. Nor is there any indication of reform. In more than three hours of talks with ROK media executives and six hours of talks with Secretary of State Albright, the word "reform" was never uttered nor even the idea of change. If the long overdue party congress finally convened after a 20-year-hiatus, it would have to proclaim a new party line. Kim Jong Il danced around this question:

When President Kim came to North Korea and asked when we would hold a party congress [*tang taehoe*], I replied that [we] were thinking of doing it sometime around the fall. However, the party congress we had prepared had to be completely replanned because the North-South situation changed abruptly.¹⁴

A revision of the Party Charter (as amended at the Sixth Party Congress on October 13, 1980), especially the preamble declaring that "the ultimate task is to imbue the entire society with the Juche ideology while, at the same time, establishing a Communist society throughout the country,"¹⁵ would truly serve as a litmus test for whether Kim Jong Il is a master or slave of the system.

14. "Kim Jong Il's interview with ROK media executives."

15. For a full text of the Party Charter, see *Puikhan kaeyo 2000* [North Korean synopsis 2000] (Seoul: Ministry of Unification, December 1999), pp. 629–652, quote at p. 630.

In light of the inter-Korean rapprochement process, the call for communication of the Korean Peninsula seems anachronistic. In a June press conference, ROK National Intelligence Service (NIS) head Lim Dong-won (chief manager of the sunshine policy) stated that the KWP plans to remove the above-mentioned passage from the Party Charter, signaling a scaling-down of Pyongyang's hegemonic unification objectives. Kim Jong Il went as far as to say that "there are many radical and militant expressions" but expressed his "prisoner's dilemma"—to wit, if we change the charter, people will say that I am carrying out a purge of many old Kim Il Sung loyalists.¹⁶ That is, Kim Jong Il does remain more as a slave than a master of the *juche* system Kim Il Sung created, developed, and passed on to the son.

Indeed, central to Pyongyang's security approach is the notion that military power and threat is and becomes a fungible strategic and economic asset for system maintenance. It is touted not only as the last trump card, displaying power in the fierce diplomatic and ideological stand-off with imperialism, but also as a necessary and sufficient condition for the success of socialist and self-supporting economic development. With a synergy of military power and periodic threat, Pyongyang has claimed not only to have gained the upper hand over the imperialist offensives that seek to crush the DPRK but has also gained economic assistance from wealthy capitalist countries out of their abiding fear of war.¹⁷ A kind of rational-choice decision that logically follows from such reasoning is the Stalinist/Maoist conception of power. Kim Jong Il said as much: "My power comes from the military power. . . . In relations with foreign countries, power comes from military power and, although we are close to foreign countries, we should possess the military power."¹⁸

Despite the unprecedented diplomatic blitz and the inter-Korean rapprochement process, the North Korean military continued to grow in both conventional and asymmetrical forces, with increasing emphasis on the latter. Indeed, from Pyongyang's military-first perspective, developing asymmetrical capabilities such as ballistic missiles, special operations forces, and weapons of mass destruction (nuclear, chemical, and biological) is one of a few areas in which it commands comparative advantage in the military balance of power and competition for status.

As of mid-2000, the North Korean armed forces are the world's fifth largest, its ground forces are the world's third largest, and its special operations forces are the world's largest. Some six million reserves supplement the active-duty personnel. Moreover, 70% of its active force—700,000 troops,

16. "Kim Jong Il's interview with ROK media executives."

17. *Rodong sinmun*, June 1, 2000, p. 6.

18. "Kim Jong Il's interview with ROK media executives."

8,000 artillery systems, and 2,000 tanks—is forward deployed near the demilitarized zone (DMZ), and Seoul, the political, economic, social and cultural heartland of South Korea, lies only 25 miles (40 kilometers) from the DMZ.¹⁹

Thanks to its nuclear, missile, and collapse cards, Pyongyang has managed to promote itself as the largest recipient of U.S. aid in Asia. Paradoxically, system maintenance in so-called *juche*-based socialist North Korea is increasingly dependent, at least in the short-run, upon a life-support system provided by “modern imperialists, especially the U.S. imperialists” who are said to be more sly and ugly than old imperialists for they resort to the trickier means of “infiltrating into those [developing] countries in the name of ‘globalization’ to enslave them politically and economically and to plunder.”²⁰

The flip side of growing asymmetrical military capabilities is continuing economic decline, especially in production of food and electricity. According to the special report of the WFP and the U.N. Food and Agriculture Organization (FAO) released on November 16, the year 2000 saw “a sizeable reduction” in rice and maize production: the rice crop alone was 31% lower, while maize output fell by 235,000 tons over 1999, instigating the greatest U.N. appeal yet for humanitarian aid in food, health, sanitation, and agricultural infrastructure. The report concluded with a grim picture: (1) North Koreans suffered from the highest rate of malnutrition in East Asia; (2) 16% of the population suffered from acute malnutrition or wasting; (3) 62% of the population suffered from chronic malnutrition or stunting; and (4) 30% of the children between 12 and 24 months suffered from acute malnutrition.²¹

The Bumpy Road Ahead

Despite the inability to satisfy minimal expectations for requirements of basic human needs, in 2000 Kim Jong Il managed to extract many diplomatic and economic concessions from his various suitors without having to offer much concrete action in return (other than continuing the moratorium on testing of Taepodong, long-range ballistic missiles). The fundamentals of the North Korean system remain unchanged. North Korea has shown some adaptive, situation-specific learning, as it copes with the challenges of system mainte-

19. U.S. Secretary of Defense William Cohen, *2000 Report to Congress: Military Situation on the Korean Peninsula*, September 12, 2000, at the DefenseLink home page on the World Wide Web at <<http://www.defenselink.mil/news/Sep2000/korea09122000.html>> [accessed September 30, 2000].

20. *Rodong sinmun*, June 18, 2000, p. 6.

21. See FAO and WFP, *Special Report: Crop and Food Supply Assessment Mission to the Democratic People's Republic of Korea*, November 16, 2000, at the WFP home page on the World Wide Web at <<http://www.wfp.org/newsroom/Korea/WFPandNKorea.htm>> [accessed November 30, 2000].

nance, but it has shown virtually no normative learning or system reform of which to speak. The changes are all at the level of system processes, especially in foreign policy, but they remain within the primary parameters of the highly militarized system.

Pyongyang clearly has worked hard to restructure the playing field of inter-Korean relations by pursuing a maxi-mini system-maintaining strategy. While displaying some cooperative behavior toward inter-Korean economic exchanges as a way of getting food and developmental aid, it has shown a highly defensive/offensive attitude toward humanitarian issues involving the separated family reunion project, apparently from a fear that they could undermine the system. Despite the continuing economic crisis, the military continued to grow especially in asymmetrical capabilities, banking on the notion of military power and threat as an asset for system maintenance. To abandon such military power and threat is to leave Pyongyang without the single most important lever in its negotiations with South Korea, the U.S., and Japan. Instead, Pyongyang does the minimum necessary to get the maximum possible aid from South Korea and other countries, without reducing its military power or easing tensions.

Such an asymmetrical process is unsustainable. Without more cooperative actions from Pyongyang, especially on military and security issues, Seoul's sunshine policy—along with Washington's engagement policy—will face a threat of strong backlash in domestic politics. Indeed, by the end of the year Seoul's sunshine policy was in trouble, as Pyongyang's growing demand for more and more aid and Seoul's looming economic crisis were on a collision course.

In terms of peace salesmanship, South Korea's Kim Dae Jung may well be right that Seoul's economic aid to Pyongyang in the amount of \$560 million "is not excessive, considering the cost needed to prevent war"²² since it promises to be a low-cost alternative to a sudden implosion or explosion that would wreck the ROK economy, but not many South Koreans are buying it. Kim Dae Jung admitted in a major policy speech in Singapore in late November that without parallel improvements in North Korea's ties with the U.S. and Japan, the emerging inter-Korean ties would be inadequate to take the peace process forward.²³ ROK Unification Minister Park Jae-kye told his North Korean counterpart, in the course of the fourth ministerial talks in Pyongyang in mid-December, that "due to looming economic difficulties, South

22. *Korea Herald*, November 14, 2000, on the World Wide Web at <<http://www.koreaherald.co.kr/>> [accessed November 30, 2000].

23. Agence France Presse, November 27, 2000, on the World Wide Web at <<http://www.afp.com/english/home/>> [accessed November 30, 2000].

Korea may not be able to give much economic aid to the North,"²⁴ only to provoke a demand for a new energy aid.

In the final analysis, however, any successful medium- and long-term coping strategy has to be systemic, involving the institutional design and implementation of measures that are consistent and congruent across different, traditionally disparate areas of policy making as well as between domestic and foreign policies. While piecemeal tactical adaptations can yield some concessions and payoffs in the short run as they did in 2000, a series of system reform measures pursued swiftly would yield both greater benefits and greater dangers. As matters stand now, only time will tell whether Kim Jong Il can rise to the challenge of moving from system-maintaining coping strategies to a system-reforming direction without triggering a cataclysmic system collapse.

24. *Korea Herald*, December 13, 2000, on the World Wide Web at <<http://www.koreaherald.co.kr/>> [accessed December 30, 2000].