

North Korea in 2009 – An Assessment

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## North Korea in 2009 – An Overview

North Korea in 2009 over came formidable obstacles to make some progress toward its goal of becoming a “strong and great nation” (*kangson taekuk*) by 2012, the 100<sup>th</sup> Anniversary of founder Kim Il Sung’s birth. Rumors proved premature that Kim Jong Il’s faltering health might compel him to step down and pass power to his youngest son. Despite pervasive international criticism North Korea again tested its long range intercontinental ballistic missile on April 5 and conducted a second nuclear test on May 25. The United Nations Security Council (UNSC) reacted first with a Presidential Statement on April 14 that severely criticized North Korea and later on June 12 with additional economic sanctions. Outraged, North Korea declared that it would never return to the Six Party Talks that China had initiated in 2003. At the same time, South-North Korea tensions intensified. By mid-year Northeast Asia seemed destined for possible instability.

Abruptly, however, tensions began easing after former US President Clinton’s August 4-5 visit to Pyongyang and meeting with Supreme Commander Kim Jong Il. Soon South-North Korea dialogue resumed. Then the Japanese people elected a new prime minister. Chinese Premier Wen Jiabao made a state visit to Pyongyang October 4-6. A month later France dispatched a presidential envoy to Pyongyang on November 9 and a reluctant US Obama administration announced on November 10 that it would engage in direct bilateral talks with North Korea in the hope of paving the way for North Korea’s return to the Six Party Talks.

North Korea by the end of 2009 had achieved its goals. Kim Jong Il’s health improved and rumors of his demise faded. The economy showed some signs of improvement. The April ballistic missile test was only partially successful but the second nuclear tested succeeded. Pyongyang enhanced its “nuclear deterrent” capability by extracting more plutonium from nuclear spent fuel rods to fabricate more nuclear weapons, and announced the initiation of an uranium enrichment program. North Korea also sustained good relations with China while improving ties with South Korea and the United States.

Nevertheless, Kim Jong Il’s future, like that of North Korea, remains unclear.

### *Succession*

At the beginning of 2009 “Pyongyang watchers” competed to predict who would succeed Kim Jong Il. Rumors were rampant that the “supreme commander’s” health was failing and he might soon transfer power either to his brother-in-law Chang Son-taek or one of his sons. Pyongyang rejected this and claimed Kim was maintaining a busy schedule of “on-the-spot guidance” visits to military units, factories and farms. But he remained invisible to the international community.

Then in mid-April Kim Jong Il appeared before the Supreme People’s Assembly, North Korea’s legislature. His appearance confirmed that he had experienced a severe health crisis, probably a stroke. He had lost considerable weight and his face had aged. He walked cautious with a slight limp and seemed to favor one arm. But subsequent video of his appearances suggests that Kim’s health has steadily improved. President Clinton was impressed by Kim’s apparent health at their early

August meeting and in early October Kim was able to walk unaided to greet Wen Jiabao beside his airplane.

As Kim's health improved, speculation about his successor subsided. Rumors that brother-in-law Chang Song-taek might succeed Kim died first. Fueling this had been Chang's appointment to the National Defense Council, the apex of North Korea's bureaucracy. Actually such an appointment is consistent with the traditional Korean practice of bringing relatives into government. Kim Il Sung appointed all his immediate family members to government positions. Kim Jong Il apparently was merely following his father's precedent.

Speculation about which of Kim two youngest sons might be succeed him have also faded away. It is generally agreed that the first born son, who resides in China, is not a serious contender. Others argue that Kim seems to favor his youngest son Chong-un over his second born son. Regardless of which son Kim selects, the more important matter is that Kim Jong Il seems intent upon continuing his father's preference for father-to-son succession.

Also ignored by the speculators is the fact that the most formidable political group in Pyongyang is the military. Generals dominate the National Defense Council and the leadership of the Korean Workers Party. This is consistent with Kim Jong Il's decade old policy of "*songun chongji*," or military first politics. Here Kim differs with his father who favored maintaining a balance of political influence between the party and army. Ultimately Kim Jong Il will fade into history and one of his sons will probably succeed him. More important which son will follow Kim is the successor's need to rally the loyalty of North Korea's generals. Otherwise the transition could prove stormy. But if Kim were to die without naming his successor, political chaos in Pyongyang could destabilize Northeast Asia.

### ***The Economy – Industry and Trade***

North Korea remains under an extensive network of economic sanctions imposed by the United Nations, the United States and Japan. Yet North Korea's economy continues to demonstrate some gradual improvement in a few areas but a serious food shortage persists.

Twice since 2006 the United Nations has imposed economic sanctions on North Korea. It first did so October 14, 2006 (Resolution 1719) following Pyongyang's first nuclear test, and then again on June 12 after the second May 25 nuclear test. Japan's efforts to rally UN Security Council (UNSC) support for economic sanctions after North Korea's April 5, 2009 ballistic missile test faltered in the face of Chinese and Russian opposition. Japan and other UNSC members settled for a "presidential statement" that severely censured North Korea. Later in June the UNSC finally approved more sanctions. But to win China's support, the sanctions were designed to halt North Korea's transactions in weapons and acquisition of materials for ballistic missile and nuclear weapon development without disrupting normal economic activities. Some evidence suggests these sanctions may be tempering Pyongyang's sometimes impulsive behavior.

Extensive United States economic sanctions remain in place in spite of President Bush's actions in the summer of 2008. First he discontinued Trading with the Enemy Act (TWEA) sanctions and removed North Korea from the U.S. "terrorism list," but then reversed himself but in August 2008 he affirmed the end of these sanctions. At the same time, he imposed similar sanctions but under a different law and for different reasons. Despite the end of some sanctions, bilateral US-DPRK trade remains inactive because North Korea does not enjoy "most-favored nation" status. All North Korean exports to the United States face very high tariffs make them to costly to import.

Japan's economic sanctions, like those of the United Nations and the United States, have little impact on North Korea's economy. Even before Prime Minister Abe imposed sanctions on North Korea in 2006, Japan-DPRK trade of marginal value to North Korea and was declining. Since 2001, South Korea has replaced Japan as North Korea's second largest trading partner and direct Japan-DPRK trade has come to a virtual halt.

North Korea's trade with China, South Korea and Russia plus their investments in North Korea have virtually negated the impact of economic sanctions. China's exports to North Korea climbed from \$167 million in 2001 to nearly \$600 million by the end of 2006. China's imports from North Korea doubled during the same period. South Korea's two way trade with North Korea almost tripled during the same period. The DPRK has benefited from almost a 400% increase in exports to Russia.

One consequence is that there is some robust economic activity in Pyongyang. Foreign residents confirm that construction is underway for 100,000 new apartments. The city has not experienced so much new construction since the late 1980s. Streets are busy with car and bicycle traffic. Pyongyang's residents appear relatively well dressed and feed. The number of restaurants has increased noticeably and are filled with North Koreans who pay in Euros. Pyongyang's two major department stores have ample stocks and varieties of Chinese and Japanese electronic goods. Grocery shelves and clothing racks are well stocked. The Egyptian telecom firm Orascom has installed a cell telephone network and DPRK officials and Korean Worker Party cadre walk about using a cell telephone. Also foreign tourists from China, Taiwan, Hong Kong and Thailand are numerous.

But prosperity remains a future hope. Pyongyang's buildings remain poorly heated and dimly lighted. The national Air Koryo still flies Soviet designed and built aircraft. Most roads outside the capital are either poorly paved or not at all. Rice paddies have been configured for modern farm equipment, but even at harvest time tractors and harvest machines remain a rare site. Some factories have been updated with Chinese investment such as the Hamhung fertilizer factory. The old Chollima Steel complex between Pyongyang and Nampo port is being renovated, and Chinese investment has repaired and modernized coal and gold mines.

### ***The Economy – Agriculture***

Pyongyang's most serious economic problem remains its food shortage. The starvation of the 1990s is now history, but malnutrition persists especially among

children, pregnant women and the elderly. Grain production has risen since 1998 and food distribution has improved. The 2009 harvest is expected to amount to 4.31 metric tons of grain. But international organizations estimate that North Korea needs 5.48 million tons of food to meet basic needs. This leaves a significant shortfall. Estimates vary regarding the short fall's size. The United Nations Food and Agriculture Organization estimates North Korea will need 1.7 to 1.8 million tons of food aid in 2010. South Korea's Ministry of Unification estimates the need will be closer to 1.17 million tons. Either way, the shortage is substantial.

Food shortages are not unique to North Korea. Japan and South Korea have food shortages that equal about 30% of annual food need. The difference is that these nations have prosperous economies which allow for the purchase and importation of foreign food to supplement domestic production. North Korea's feeble economy and national policy of giving the military first priority for scarce resources prevents Pyongyang from purchasing foreign food.

Now, as has been true since 1994, North Korea relies on international food aid. Russia and Vietnam reportedly have already supplied food aid for 2010. The UN World Food Program is certain to provide food aid. U.S. and European Union humanitarian organizations supply some small amount of aid. In 2009 the U.S. and South Korean governments stopped shipping food aid and fertilizer, and Japan ceased several years ago. Nevertheless China can be expected to ensure that North Korea receives sufficient food aid in 2010.

Over all North Korea's economy continues its struggle to restore pre-1990 production levels. Defense industries receive priority for scarce resources has required by the "military first" national policy. Selected areas of civilian infrastructure and some key industries are being modernized using Chinese investment capital. Exports, especially to China and South Korea, have increased in recent years. But the transportation and agricultural sectors remain neglected. Grain production has increased since 1999 and starvation has ceased but malnutrition continues. Medicine and good medical care remain rare. Pyongyang's elite residents are enjoying some improvement in their quality of life but most North Koreans still endure extreme hardship.

### ***The Six Party Talks – North Korea's Rejection***

Developments late in 2009 suggest that North Korea may return to the Six Party Talks, a significant shift in Pyongyang's stance since April. On April 14, North Korea reacted angrily to the United Nations Security Council (UNSC) Presidential Statement that censured North Korea's April 5 Taepodong long range missile launch which Pyongyang said was done to put a satellite into earth orbit. Acting as the UNSC's temporary president, Japan pressed for a resolution that would declare North Korea in violation of previous UN resolutions and impose additional sanctions. Opposition from China and Russia, however, compelled Japan and the Council to settle for a sternly worded statement.

North Korea's response was to allege that the "UN's action was a wanton violation of international law" since North Korea had earlier joined an international treaty that allows the use of space for peaceful purposes. Pyongyang also declared on

April 14 that "... there is no need any more to have the six-party talks ..." China had initiated the talks with the United States, Russia, Japan, and the two Koreas in 2003 to negotiate an end to North Korea's nuclear program. The Six Parties on September 19, 2005 issued a joint statement which pledged "mutual respect and equality." Pointing to this statement, Pyongyang's April 14 statement declared that the UN Presidential Statement meant the talks had "lost the meaning of their existence ..." In the same statement, the Foreign Ministry declared that "The DPRK will never participate in such six-party talks nor will it be bound any longer to any agreement of the talks ...." This was a reference to Pyongyang's September 2005 promise to abandon "all nuclear weapons and existing nuclear programs ..." and to return "to the Treaty on the Non-proliferation of Nuclear Weapons and to International Atomic Energy Agency safeguards."

Also on April 14 the Foreign Ministry announced that North Korea would build its own light water nuclear reactor, repair its nuclear facilities at Yongbyon Nuclear Research Center (which had been partially dismantled in 2008) and "boost its nuclear deterrent for self-defence in every way." In a rare official statement on April 18, the Korean People's Army spokesman for the General Staff echoed the government's outrage. This statement declared, "The army of the DPRK has never pinned any hope on the six-party talks from their outset ..."

North Korea's Foreign Ministry followed with a series of statements that spelled out how Pyongyang would "boost its nuclear deterrent" capability. April 25 it announced the resumption of plutonium extraction from 8,000 spent nuclear fuel rods. (Note: Plutonium is the core element of a nuclear bomb.) April 29 it demanded that the UN Security Council apologize for the Presidential Statement or, "... the DPRK will be compelled to take additional self-defensive measures ..." that "include nuclear tests and test-firings of intercontinental ballistic missiles."

One month later on May 29 North Korea conducted its second nuclear test. The Foreign Ministry's statement about the test repeated the demand for an apology and added that North Korea would not "recognize any resolution and decision of the UN Security Council in the future." Nevertheless, the UN Security Council on June 12, with China's approval, imposed additional economic sanctions on North Korea. Pyongyang's Foreign Ministry reacted by declaring "The whole amount of newly extracted plutonium will be weaponized," and that uranium enrichment would soon begin. (Note: In October 2002 North Korea first confirmed and then adamantly denied that it had a clandestine "uranium enrichment program." The Bush Administration rejected Pyongyang denial and declared it to be in violation of several international and bilateral agreements. These developments sparked the second Korean nuclear crisis that gave birth to the Six Party Talks.)

Despite repeated claims that it would not return to the Six Party Talks, Pyongyang has gradually softened its position. On November 2, the Foreign Ministry stated that "...it is possible to hold multilateral talks including the six-party talks depending on the talks with the U.S., now is the U.S. turn. If the U.S. is not ready to sit at a negotiating table with the DPRK, it will go its own way." This is the clearest indication since April 14 that North Korea would return to the Six Party Talks, but only after the United States engages it in direct bilateral talks.

### ***Six Party Talks – The United States’ Position***

A few days later on November 10, the U.S. State Department announced that Special Envoy for North Korean Issues Ambassador Stephen Bosworth would soon travel to Pyongyang for “unilateral” talks regarding the nuclear issue. This announcement indicates that Pyongyang has agreed to Washington’s preconditions for convening bilateral talks.

Since President Obama’s inauguration in January 2009, the United States has expressed a willingness to engage in bilateral talks with North Korea but only so long as the talks were convened in “the context of the Six Party Talks.” White House National Security Adviser on Asian Affairs Jeffrey Bader in a November 6 speech at the Brookings Institution in Washington, D.C. confirmed Washington’s willingness to “engage directly with the North Koreans” so long as they were in the “context of the Six-Party Talks with the explicit goal of de-nuclearization ...” Bader added that North Korea would also have to confirm its “previous commitments” made in the September 19, 2005 Six Party Talks joint statement. Once Pyongyang officially announces that it will return to the Six-Party Talks and confirms its pledges in the 2005 joint statement, the date for the US-DPRK bilateral talks can be set.

### ***The Six Party Talks – China’s Influence***

Some believe that North Korea has softened its position because of the United Nations sanctions, but the visits of former President Clinton in early August and Chinese Premier Wen Jiabao formal state visit in October 4-6 certainly had significant if not greater impact on North Korea’s policy. The secrecy surrounding Pyongyang’s policy formulation means we may never know. Several factors, including the embargo on North Korea’s arms exports, probably contributed.

The Clinton and Wen visits appear to have had a constructive impact on Pyongyang’s attitude toward diplomacy and dialogue. During early 2009 Kim Jong Il seems to have given preference to the advice of his military advisers. This is indicated by his allowing the Korean People’s Army General Staff to issue several policy statements that were hostile and confrontational in tone. Normally only the Foreign Ministry issues official statements on foreign policy.

But soon after Clinton visited on August 5 to gain the release of two American journalists, South-North Korea relations began warming after a prolonged period of tension. Economic cooperation has yet to resume. A brief confrontation between the two Koreas’ navies in early November has again complicated relations, but the two Koreas are again discussing their differences through official channels and have conducted another round of separated family visits.

The softening of North Korea’s position toward the Six Party Talks became audible after Chinese Premier Wen’s visit. Wen told journalists after he had departed Pyongyang that Kim Jong Il had expressed a willingness to return to the talks if the atmosphere was appropriate. Subsequently Pyongyang dispatched senior diplomat Ri Gun to the United States for informal talks with his US counterpart Ambassador Sung Kim.

Former President Clinton's visit may have suggested even to Pyongyang's hardliners that the Obama Administration might consider tempering its "hostile policy" toward North Korea. Pyongyang's political elite may also have seen the visit as enhancing Kim Jong Il's international stature. One result might have been that Kim Jong Il was grateful to his diplomatic advisers for this boost of his sagging image. The foreign ministry had not accomplished any success after progress toward normalizing relations with the United States had collapsed late in 2008. Nor had Pyongyang gained much for its cooperation in the Six Party Talks. Diplomacy had also failed to prevent international condemnation after the April Taepodong launching and May nuclear test.

Premier Wen's clearly visit has had the most direct and constructive impact on North Korea's foreign policy. China's persistence since 2000 to increase its influence in Pyongyang using economic inducements now gives Beijing considerable leverage in Pyongyang. China prefers a strategy of "engagement" over "containment." Engagement emphasizes "soft power," i.e. diplomacy, economic inducements, etc. to influence another nations' policies. "Containment" relies on "hard power" such as economic sanctions, public censure, etc. to compel a government to accept another nation's preferences. The Bush Administration's "containment" approach to North Korea accomplished little. But China's "soft power" approach appears to have convinced North Korea that it had more to gain economically than to lose by returning to the Six Party Talks.

### *Conclusion*

Regardless of what has motivated Pyongyang to consider returning to the Six Party Talks, all the concerned nations of Northeast Asia will benefit from their resumption. The road to a peaceful end to North Korea's nuclear and ballistic missile programs is certain to be long and arduous, but the alternative, confrontation, would only severely damage the region's pursuit of peace, prosperity and stability. But time might be on Pyongyang's side because the longer it takes to end North Korea's nuclear program, the more time North Korea has to develop nuclear armed ballistic missiles.