

A NEW INTERNATIONAL ENGAGEMENT FRAMEWORK FOR NORTH KOREA?

Contending Perspectives

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Managing Collateral Catastrophe: Rationale and Preconditions for International Economic Support for North Korea

Moon Chung-in

No country in recent history has been as notoriously branded as North Korea (the Democratic People's Republic of Korea, or DPRK), which has been portrayed as a failed rogue state and a member of an axis of evil playing a dangerous game of proliferating weapons of mass destruction (WMD), violating basic human rights, and starving its own people while pursuing a megalomaniac goal of a strong and prosperous nation (*kangsung daeguk*). North Korea has also even been called an amoral state that not only engages in habitual cheating and blackmail, but also defies international norms and ethics by committing illegal acts such as exporting drugs and counterfeiting currencies. On the basis of this characterization, North Korea does not deserve sympathy or support from the international community, and its early demise through isolation and containment will be a blessing for peninsular, regional, and global peace and stability.

This paper argues that the monolithic and linear interpretations and prescriptions of the North Korean quagmire are misleading and even dangerous. I make this argument not because I believe in an idealistic constructivist view that emphasizes the self-determination of nation-states, the cultural context of national identity, and its intersubjective understanding (Cumings 2004, Bleiker forthcoming), but because a sudden collapse of North Korea and the subsequent negative spillover can bring a collateral catastrophe to South Korea and the Northeast Asian region. Widespread political unrest, an increasing potential for conflict escalation, economic devastation, social instability, and immense human suffering—all of which are likely to be immediate outcomes of a sudden collapse—can jeopardize peace and prosperity on the Korean peninsula and in the Northeast Asian region. Thus, preventing a sudden collapse and avoiding collateral catastrophe seem to be the

critical tasks that lie ahead. It is in this context that North Korea deserves international economic support.

To be sure, Pyongyang should be reminded that there is no free lunch. International economic support should be firmly tied to North Korea's corresponding cooperative behavior. Preconditions should include the proactive resolution of security concerns, including the North's nuclear weapons program, extensive structural and institutional realignments for economic opening and reform, political liberalization and improvement of human rights, and accumulation of credible external behavior. This paper aims at addressing these issues within the broad context of systemic changes in North Korea.

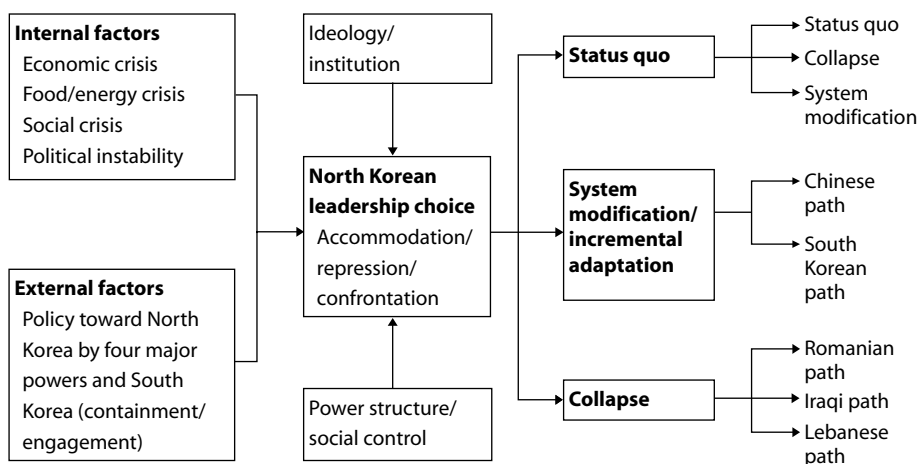
System Changes in North Korea and Contending Scenarios¹

Before we get into a detailed discussion of contending scenarios, it seems essential to define the concept of system change. Although there has been a plethora of scholarly debates on the concept of system change in North Korea, no consensus has yet been reached on its nature. To capture the precise meaning of system change, we need to look into the different levels of change. Changes can take place on the policy, government, regime, and state sovereignty levels (Kim S. 1996; Choi 1996). Depending on the levels of change, we can delineate three basic scenarios on the future of North Korea (Scalapino 1992, 81–9):

- **Status quo** refers to the continuation of existing policy, government, institutions, and the ruling regime. With the status quo, no radical changes can be envisaged with regard to the *suryông* (leader) system, the governing ideology of *juche* (self-reliance), and one-party dominance.
- **System modification** denotes the survival of the current Kim Jong-il regime through incremental adaptation. Thus, modification assumes that the Kim Jong-il regime would endure current hardships through extensive modification of existing policies, institutions, government structure, and ideology.
- **System collapse** is here defined as the radical transformation of policy, institutions, government, and regime.² Collapse presupposes primarily the demise of the Kim Jong-il regime, the *suryông* system, and the socialist command economy. Because state sovereignty is presumably retained after the collapse scenario, this scenario also alludes to the possibility of the transfer of power from the Kim Jong-il regime to new

1 This section draws partly on Moon and Ryoo (1997) and Moon and Kim (2001).

2 It is assumed here that system collapse does not include the demise of DPRK as a sovereign state. It seems highly unlikely that the North Korean populace will give up sovereignty and go through the process of unification by absorption, as East Germany did. Thus, system collapse should not be automatically equated with the end of North Korea as a sovereign entity.

Figure 1: System Changes in North Korea and Contending Scenarios: An Overview

actors such as the military, collective leadership, or populist democratic forces, which may or may not retain elements of the old system.

As Figure 1 demonstrates, the dynamics of system change in North Korea are by and large a function of leadership choice in the face of internal and external constraints (Moon 2003, 69–131). It is hypothesized that, while the strategic choice of accommodation could prolong system survival at least in the medium term, repression and confrontation could lead to a more immediate collapse or a deformity of the North Korean system. The leadership choice is, in turn, profoundly affected by ideological orientation, power structure, internal institutional arrangements, and the patterns of social control. Rigid adherence to the *juche* ideology and existing institutions, concentration of power in the hands of hard-liners such as the military, and the continuing pursuit of social control through coercion and intimidation could induce the North Korean leadership to choose confrontation and repression as the strategic guide of its governance, which would lead to short-term survival but then to a medium-term to long-term collapse. Meanwhile, ideological and institutional relaxation, decentralization of power, the ascension of soft-liners such as technocrats, and resilience in social control can facilitate the strategic choice of accommodation and system modification.

Ideological stance, institutional arrangements, and power structure serve merely as intervening variables in influencing leadership choice, however. The ultimate trigger variables are objective internal and external situational factors. Although food crises, starvation, economic hardship, and social deviation cannot directly cause system changes, they can serve as crucial vari-

ables in invoking leadership responses. In a similar vein, external variables can play an equally important role in affecting leadership choice. No matter how self-reliant North Korea is, its system is closely intertwined with external factors. Although the engagement policy of South Korea and the major regional actors could smooth the strategy of accommodation and incremental adaptation, a shift to policies of denial and containment could cause a reversal of this path by provoking North Korea's corresponding hostile behavior. External factors and impacts on domestic political dynamics in the North should be carefully gauged in forecasting North Korea's political changes.

Against this backdrop, let's examine each scenario by focusing on initial trigger variables; leadership choice; the underlying ideological, institutional, and power structures; and the nature of system changes in the North.

Status Quo and Its Limits

The status quo model asserts that North Korea is likely to continue functioning under the existing political, economic, and social patterns. Changes will be minimal, and the *juche* ideology will continue to serve as the guiding principle of the North Korean polity and economy. Recent gestures of an incremental open-door policy will not be fulfilled but are instead instrumental in alleviating North Korea's short-term economic hardship. As long as Kim Jong-il stays in power, any genuine changes, regardless of whether they are incremental or structural, are quite inconceivable because such changes can undermine the security of the Kim Jong-il regime. The North Korean leadership will not undertake reform measures that put regime survival at risk.

Many observers believe that the status quo will bring about a major system breakdown in the North. But proponents of the status quo criticize this expectation as an oversimplification of the complex North Korean reality. As a matter of fact, since Kim Jong-il's succession in 1994, there have been numerous predictions on the early demise of the Kim Jong-il regime, and outside actors have undertaken hard-line measures to hasten its collapse. These predictions turned out to be wrong (Cumings 2004). Kim's regime has shown its extraordinary reliance and durability by overcoming hard times in the mid-1990s; to date his regime has proved distinctly more capable of surviving than many outside observers had anticipated.

Several factors may account for regime survival even under a status quo policy. First, the *juche* ideology remains intact, serving as the unifying force of the elite and the masses in the North (Bae 2002, 523–603; Lee J. 2000; Lee O. 1996). Second, Kim Jong-il has firmly consolidated his power base, along with his leadership qualities. Since 1972, Kim has had extensive leadership experience. His commanding and charismatic style—revealed internationally during the North Korea–South Korea summit in June 2000—

underscores the fact that his leadership capability should not be underestimated. In addition, he has recently firmly consolidated power in the military and among technocrats. Third, internal cohesion of the ruling elite in the North is unusually high, and friction between hard-liners and soft-liners is more fictional than real. Since elites share a strong sense of common destiny, internal challenges to the Kim Jong-il regime are virtually unthinkable. Fourth, Kim Il-sung's charisma still serves as a valuable asset for regime maintenance. As long as Kim Il-sung is revered and systemic indoctrination in the *sur'yong* system is sustained, the Kim Jong-il regime is likely to remain intact. The effective working of *yuhun tongch'i* (governance by injunctions of the deceased Kim Il-sung) offers powerful evidence of this interpretation. Finally, North Korea is one of the most regimented societies in the world. Surveillance, intimidation, and social control by the state security apparatus are quite extensive, and punitive measures for any deviation are severe. The geographic compartmentalization of North Korea also makes it difficult for its people to engage in organized or spontaneous mass riots.³

External factors suggest a mixed reading of the future of the Kim Jong-il regime under a status quo scenario. None of the regional actors geographically closest to the DPRK favors a DPRK collapse, which could cause major disruptions on the Korean peninsula such as the creation of a unified Korea through absorption or the outbreak of large-scale conflicts.

Since the inauguration in the United States of President George W. Bush, however, the external environment has been changing rapidly. Although South Korea, China, and Russia still favor engagement with North Korea, the United States and Japan have taken a tougher policy stance. Unless North Korea fails to reach a negotiated settlement on the current nuclear standoff, pressures from the outside world will be intensified, taking the form of isolation and containment. Such a hostile external environment will severely undermine North Korea's efforts to maintain its status quo by not only impeding its access to international support but also worsening its domestic food and energy crises.

Ironically, outside pressures from the United States and Japan can contribute to sustaining the Kim regime, at least in the short run, by strengthening the position of the military and enhancing internal cohesion. People's collective memory of the Japanese colonial rule and the destruction wrought on them by the United States during the Korean War will further facilitate Kim Jong-il's staying power.

By taking into account these internal and external factors, the survival of the Kim Jong-il regime might be more than likely. Changes will be minimal, and the gestures of an open door and changes in regime structure will be

3 North Korea's policy of encouraging regional autarky (*jiyok charib jui*) seems to have resulted in an increasing closure of its society, because this policy has decreased exchanges of personnel and information among regions (Kim B. 1999, 116).

cosmetic, just to cope with the current economic, food, and energy crises. However, adherence to the status quo cannot assure regime survivability in the medium and long term. If the Kim Jong-il regime cannot effectively muddle through current hardships through incremental adaptation and system modification, it is most likely to encounter the challenges of a sudden collapse. The current economic and ecological crises North Korea is undergoing cannot be solved through cosmetic changes under the continuation of the existing system. These are structural problems, and remedies should be sought at the structural level.

Incremental Adaptation through System Modification

The system modification scenario posits that the continuation of the status quo cannot assure North Korea's long-term survivability. Proponents of system modification argue that in order to manage current difficulties, North Korea needs to modify its system in the direction of opening and reform but that such modification should be incremental so it will not precipitate a major system breakdown (Lee J. 2000, 575–95; Koh B. 1993a; 1993b).

In fact, opening and reform are already under way in the North, albeit at a pace that is slow and in a scope that is limited (Faiola 2003a; 2003b; 2004; Watt 2003; Ward 2004a; 2004b; Zhebin 1995, 230–1; Lee J. 2002; Park Y. 2001; Jeong 2003). The 1998 constitutional amendment that stipulated the introduction of such new concepts as price and profits in the public sector and partial private ownership of farmland exemplifies such efforts.⁴ Beneath Pyongyang's repeated rhetoric championing its "own style of socialism," its technocrats are fully aware of the need to carry out opening and reform. More important, the 1 July 2002 administrative reform measures on prices, wages, incentives, and markets have begun to produce erratic but profound and far-reaching changes in the North Korean economy.

Several factors have facilitated the DPRK's willingness to foster moderate reforms through system modification. First is an increasing breakdown of the state-run economy of rations, which has caused enormous supply bottlenecks and a deterioration in people's lives. Second is the example of the dismal failure of the Soviet Union and other East European countries. And, finally, China's stellar performance under market socialism has possibly fostered deliberation on the part of the North Korean leadership about survival through incremental adaptation and system modification (Kim I. 1992, 30–31). In fact, Chairman Kim Jong-il highly praised the Chinese opening and reform during his visit to China in January 2001. Two alternative paths to opening and reform through system modification can be envisaged:

4 The full text of the 1998 amendment in Korean is at www.kcna.co.jp/item2/1998/9809/news09/05.htm#11; an abstract in English can be found at www.kcna.co.jp/item/1998/9809/news09/05.htm#24.

- **China's path.** The first alternative is the adoption of the Chinese model in which Kim Jong-il could follow Deng Xiaoping's path of an open-door policy and structural reforms (Chung H. 1999, 124; Yang 2001; McMillan 1997; Park Y. 2001). As China did, Kim can designate selected areas as special economic zones and actively seek foreign investment with preferential treatments. Depending on the success of an open-door policy, Kim can move on to the next step of structural reforms, starting with the agricultural sector and extending to reforms in the price and incentive system, industrial structure, and even patterns of ownership of means of production. Such gradual opening and reform might not instantly lead to political reforms, however; as in the case of China, the current political system would remain intact although there might be some relaxation of political control. In the process of opening and reform, the *juche* economic system would gradually be transformed into market socialism through various institutional and policy reforms, and North Korea could become much more pragmatic and resilient than it had been in managing its national economy as well as in dealing with the outside world.
- **South Korea's path.** The China model represents mainstream thinking on the economic future of North Korea, but there is a possibility of a more radical path. The developmental dictatorship model, which characterized the essence of political and economic governance under Park Chung-hee, may well attract the attention of North Korean leadership.⁵ Park Chung-hee was responsible for the transformation of the South Korean economy from poverty and underdevelopment to one of the most dynamic economies in the world in less than two decades through the assertive pursuit of export-led growth and heavy industrialization. In his efforts to overcome North Korea's current economic backwardness and to realize the goal of *kangsung daeguk*, Kim Jong-il might learn something from the developmental dictatorship model. It can expedite the process of economic growth, industrialization, and increased exports without necessarily impairing his regime survival. To emulate the model, however, the North Korean leadership would have to radically reshape its economic template by introducing elements of capitalism, especially private ownership and the use of the market mechanism. Otherwise, the model is not viable because it is predicated on state orchestration of private agents, such as business conglomerates, in fostering growth and industrialization. The transition to a developmental dictatorship would help the North not only to overcome its

5 Kim Jong-il has shown a keen interest in learning about South Korea's experience of economic development during the Park Chung-hee period (1961–78); examples include the New Village Movement, the heavy chemical industrialization plan, and an export-led growth strategy (Kim Y. 2003; Mansourov 2003; and press reports in *Weekly Donga* (22 June 2000) and *Hangyerae* 21 (6 July 2000).

current economic difficulties but also eventually to become a normal state in the international community.

Both the Chinese model and the developmental dictatorship model can bring about profound effects on economic and political transformation in North Korea. As conservative observers in South Korea and the United States have constantly cautioned, however, the North Korean leadership might not be genuinely interested in economic opening and structural reforms. The current gesture of opening and accommodation might be nothing but a tactical move to manage short-term economic difficulties by attracting foreign economic and humanitarian assistance. With its fear of negative boomerang effects on regime survival, the leadership of North Korea cannot embark on the daring reform measures that were undertaken by Deng and Park. When and if North Korea is able to cope with its current economic hardships, it will return to the old posture of the *juche* economy, delaying or avoiding opening and reform as well as sustaining status quo.

The North Korean leadership's pursuit of Deng's market socialism or Park's developmental dictatorship would definitely contribute to revitalizing its economy, however. Economic recovery resulting from these reforms would sustain the Kim Jong-il regime at least in the medium term, and the DPRK as a sovereign state would be preserved. Improved inter-Korean economic and social exchanges, followed by opening and reform, would produce considerable positive spin-off in the security arena, including tension reduction, confidence building, and arms control. Most important, such developments would be instrumental for forging a direct peace treaty between the two Koreas, ensuring peaceful coexistence on the Korean peninsula.

Inter-Korean economic exchanges and cooperation as well as peace building will be conducive to leveling off the North Korean economy. The North's economic normalization through the selective adoption of market principles and the expansion of the private economy will not only enlarge and activate its civil society, but also precipitate the advent of a new middle class. The expansion of civil society through the rise of a middle class is bound to precipitate political changes in the North. It may not necessarily mean the dismantling of the Kim Jong-il regime, but even if Kim stays in power, the mode of political governance during his reign will depart radically from the old version of totalitarianism, opening a new space for political pluralism.

Three Paths to System Collapse

The blind maintenance of the status quo or the failure to cope with the transitional instability arising from system modification could lead to a sequence of crisis, catastrophe, and implosion, which would bring the North Korean system to an end (Noland 2004; Eberstadt 1999; Pollack and Lee 1998; Downs 1999, chap. 10; Lee D. 1994; Kim G. 1996; Ryu 1997; Kim K.

1996, 22–5). Why crisis and catastrophe? The proponents of this scenario have identified several compelling causal factors.

The most critical factor is economic hardship. Political regimes cannot survive without sustaining economic performance. No matter how ideologically indoctrinated and socially controlled, protracted economic deformity is bound to facilitate the breakdown of a political system by shattering the foundation of its legitimacy and stability. The collapse model identifies North Korea as its classical example. While the structural rigidity of a command economy has skewed the allocation of scarce resources in favor of the defense and heavy industry sectors, the stagnation of the civilian economy, an acute food crisis resulting from continuing natural disasters and poor harvests, and chronic energy shortages have driven the North Korean economy to the brink of total collapse. There are no immediate remedies for the impending collapse. The model predicts that economic catastrophe is inseparably linked to political breakdown.⁶

According to the collapse scenario, Kim's maneuvers to consolidate his political power through various ideological campaigns would not produce satisfactory results. Kim Jong-il could minimize the political backlash of the economic crisis through symbolic and ideological manipulation, social control and intimidation, and projection of the power of leadership. The mass campaign to idolize Kim Jong-il in his father's image reflects this effort, but Kim Jong-il is not Kim Il-sung. The cultivation of new charisma is not easy. Proponents of *yuhun tongch'i* believe that few in the North can challenge Kim Jong-il's leadership position, which he has held since 1973, but his consolidation of power is not complete. Cracks in his leadership, coupled with the pervasive food and energy crises, threaten regime survival by eroding his political legitimacy. Kim's recent championing of the military through the idea of *sunkun jungchi* (military-first politics) cannot rescue his faltering political destiny (Lee D. 1994, 432–3; Koh S. 1995, 73–4; Kim G. 1996, 110).

Supporters of the status quo argue that the social domain also reveals symptoms of crisis and catastrophe. North Korea has traditionally been characterized as a society of purity and discipline. This image of a pristine society has become greatly tarnished. Corruption is known to be pervasive throughout North Korea, where bureaucratic corruption is particularly problematic (Kim S. 1994). In addition, crime, social deviation, demoralization, and even prostitution have become rampant. Defectors from the North have given lively testimonials of growing social decay in North Korea. Economic hardship could produce multiplier effects of social disintegration, resulting in severe social unrest.

According to proponents of the collapse scenario, the Kim Jong-il regime does not seem to have any way out. Reforms, whether systemic or limited,

6 In his recent study (Noland 2004, 49), Marcus Noland predicts that, if North Korea is subject to comprehensive economic sanctions, the probability of regime change reaches 50 percent annually.

cannot help the Kim regime avoid an impending collapse (Jung 1994, 249–69; Kim C. 1996, 623–36). Social control and political intimidation can ensure the regime's short-term survival, but in the medium term there is great danger of a sudden implosion in the form of either a military coup d'état or mass riots triggered by food shortages. Limited reforms, through which the Kim regime retains its totalitarian political system while it seeks an early Chinese-style incremental and selective economic opening, cannot secure the medium- to long-term survival of the regime either. Economic opening and increased exposure to the outside world following the reform will instantly trigger political and social instability. At present, collapse theory posits that systemic changes involving such drastic measures as market reforms, economic opening, privatization, and political restructuring are inconceivable because of not only structural contradictions and negative political boomerang effects but also the rather hostile external environment emanating from the current nuclear standoff.

A system collapse in North Korea could take one of three paths: the Romanian, the Iraqi, or the Lebanese:

Romanian path. The Romanian path refers to a collapse of the Kim Jong-il regime and the advent of a new regime, drawing from either the ruling coalition or popular democratic forces, amid severe social, economic, and political unrest (Noland 2000, 324–33). Most critical in this scenario are the initial conditions comprising economic and ecological failures in North Korea. Despite the mandates to cope with these failures through opening and reform, North Korea defies the mandates in fear of a negative political backlash on the stability of its regime and continues its self-reliant strategy, aggravating its economic conditions, seemingly beyond recovery. The acute shortages of food and energy further compound the economic hardship. The failure to satisfy basic human needs and improve living conditions widens and deepens the political and social grievances of the masses, resulting in sporadic riots and an overt defiance of the government. Consequently, domestic hardships increase and the number of economic refugees fleeing across the border into China rises, heightening the fear of neighboring countries.

Facing these internal difficulties, the North Korean leadership continues to repress domestic opposition through coercive measures while it projects a hard-line foreign policy that includes nuclear tests, test launches of long-range missiles, and military provocations meant to defuse domestic instability by invoking contrived external threats. But such moves backfire. Domestic opposition intensifies and unfavorable external environments unfold. North Korea's nuclear ambition and erratic policy behavior force the United States and Japan to intensify their hard-line policies of denial, isolation, and containment by terminating economic and humanitarian assistance, resorting to concerted economic sanctions and blockade, and heightening military preparedness. South Korea also abandons its engagement policy because

of increasing domestic and international pressures. Its suspension of economic and social exchanges and cooperation further isolates North Korea. The firm positions of South Korea, Japan, and the United States cause the North to seek alternative sources of assistance such as China and Russia, which do not extend immediate help to North Korea either. Protracted internal political and economic problems prevent Russia from extending immediate relief to the North, and China hesitates to bail out the North not only because of its fatigue over Pyongyang's erratic policy behavior but also because it anticipates mounting pressure from the United States.

In the Romanian model, such internal and external developments narrow the margin of political survival of the North Korean leadership. Enduring social and economic hardship considerably weakens the domestic foundation of governability. The preceptoral power of *juche* as the governing ideology that has buttressed the Kim Jong-il regime would become increasingly questioned, leading to institutional disarray and dismal governance. Internal fragmentation among the leader, the state, the party, and the military becomes all the more pronounced, undercutting Kim's power base. Crisis of governance amid dismal economic performance as well as failure to control and contain social unrest amplifies popular uprising. The North Korean leadership attempts to suppress spiraling social instability through confrontation and intimidation. Such repressive measures could trigger intense debates within the ruling circle, dividing it into soft-liners and hard-liners. While the military and security apparatus might favor the continuation of the Kim regime through further repression and control, soft-liners comprising party cadres and technocrats could advocate a compromise with opposing forces. The elite fragmentation and polarization send signs of weakness of the Kim regime to the public, further fueling domestic crisis. The vicious cycle of repression and resistance without any controlling mechanism ultimately leads to a state of anarchy. As anarchy persists, North Korea becomes totally ungovernable, and high human casualties follow. Under this circumstance, a regime-preserving coup or a genuine revolution could take place, and the North Korean leadership could face the same destiny as Nicolae Ceausescu.

Iraqi path. The Iraqi path refers to outbreak of a major war and collapse of the North Korean system through occupation, as happened to Iraq at the end of the Saddam Hussein regime. Two possibilities can be envisaged:

- North Korea's preemptive military provocation against the South through a limited war, combined with guerrilla warfare and missile attacks, counterattacks by South Korea and its allied forces, and the eventual occupation of the North by the allied forces; or
- Outbreak of a major war as a result of North Korea's brinkmanship diplomacy, involving WMD, missiles, a surgical strike by the United States and its allied forces on nuclear and missile facilities in the North,

North Korea's counterattack on the South, and allied forces' all-out invasion into the North.

In either case, the end game is likely to be a takeover of the North by South Korea and its allies, resulting in an outcome similar to Iraq.

Under the first possibility, the North Korean leadership might seek a military venture primarily in order to cope with domestic political instability. Internal conditions would deteriorate to the extent that it would cause severe domestic instability and military discontent, threatening the survival of the Kim Jong-il regime. Economic hardship, social disintegration, and political instability could induce the North Korean leadership to deliberate on a military venture as a way of defusing domestic turmoil while consolidating power and control. North Korea's military provocation could instantly trigger massive counterattacks by South Korea and its allies, including the United States and Japan. An all-out counterattack by the allied forces, backed by formidable firepower and abundant logistic support, would eventually destroy the Kim Jong-il regime and place North Korea under the joint occupation of South Korea and the United States. Consequently, the DPRK as an independent government, a socialist system, and a sovereign state would cease to exist, and unification could be achieved through the South's forceful takeover of North Korea.

Another plausible path is conflict escalation emanating from nuclear stand-off. North Korea's refusal to undertake a complete, verifiable, and irreversible dismantling of its nuclear programs could derail the six-party talks.⁷ And as part of its brinkmanship diplomacy, North Korea might cross critical redlines by exporting nuclear materials to third parties, nuclear testing, and test launching the Taepo-dong 2 missile. The United States and its allies could make concerted efforts to deny and contain the North through comprehensive economic sanctions, naval blockades, and seizure of North Korean vessels carrying nuclear materials and missiles for exports. The United States, as it contemplated in May 1994, could send an ultimatum to the North by signaling a move toward preemptive surgical strikes on suspected nuclear facilities and missile sites. North Korea might then disregard the warning and intensify its hard-line position by crossing redlines such as undertaking nuclear tests, transfer of nuclear materials to third parties, a test launch of the Taepo-dong 2, and premeditated military provocation along its southern border.

Disregarding popular opposition in South Korea and elsewhere, the United States could decide to stage surgical strikes in cooperation with its allies. Upon the surprise attack, the North could mount instant counterattacks on the Seoul metropolitan area and U.S. military assets in the South by launch-

⁷ Participants in the six-party talks are China, Japan, North Korea, Russia, South Korea, and the United States.

ing missiles deployed along the Demilitarized Zone. The North Korean attack could escalate into an all-out counterattack by the allied forces, ultimately defeating North Korean forces. The allied occupation of North Korea would terminate the Kim Jong-il regime as well as the government and sovereignty of the DPRK, paving the way to national unification under South Korean initiatives.

Lebanese path. The Lebanese path implies protracted civil strife, foreign intervention by invitation, and a de facto rule of North Korea under an external trusteeship. Protracted civil war and Syrian intervention in Lebanon exemplify this path, and it is also similar to the Romanian path in its causal sequence. Internal crisis, coupled with a hostile external environment, could force Kim Jong-il to choose the strategy of confrontation and suppression, but he could fail to pacify the domestic turmoil. Failure to control the crisis could trigger internal division and factional struggles within the ruling circle, ultimately resulting in the demise of the Kim Jong-il regime. A power vacuum amid mass riots following the toppling of the Kim regime could bring about a protracted civil war among various social and political forces, resurrecting the image of the Bosnian or Lebanese conflicts. In the middle of this fiasco, the state might still survive if the ruling elite in the North attempts to preserve state sovereignty (to avoid the plight of the East German elite during the process of German unification). But the North Korean elite could well fail to restore order and stability through the establishment of an effective government.

As the domestic situation worsens through protracted civil war and pervasive anarchy, warring factions could invite external intervention in the form of international peacekeeping forces (DIA-ROK 1997, 2). Under these circumstances, China is most likely to intervene. Geographic proximity, historical ties, and the congruity of interests between the Chinese leadership and large segments of the North Korean elite will increase Chinese leverage over North Korea when and if a civil war breaks out in the North. Chinese intervention through the dispatch of its own peacekeeping forces might not come to an end after a short period; it could last longer than expected. As the Syrian intervention in Lebanon illustrates, China could sustain its control over the North even after the North's domestic situation becomes normalized. The North's independence and autonomy would be fundamentally curtailed under a Chinese trusteeship, and China would likely dictate the domestic politics and foreign policy of North Korea.

Costs, Benefits, and Rationale for International Support

The potential paths to system change in North Korea are not likely to be smooth; they vary in different contexts. It is the sequential dynamics of internal and external conditions, leadership choice, and the resulting system changes in North Korea that shape the paths to system change. Which sce-

Table 1: Costs, Benefits, and Rationale for International Support: A Comparison

Scenario	Military dimension	Political dimension	Economic dimension	Social dimension	Humanitarian dimension
Status quo					
	Continuing military tension and conflict potential	Short-term survival/ medium- or long-term collapse	<i>Juche</i> economy; chaos and stagnation	Increasing deviation; contradiction	Sustaining human suffering
System modification					
Chinese path	Peaceful management	Reformed political leadership	Incremental opening and reform; leadership-market socialism	Controllable	Improving human condition
South Korean path	Peaceful management	Short- to medium-term dictatorship	Capitalist-radical opening and reform	Controllable	Improving human condition
Collapse					
Romanian path	Civil unrest; heightened tension	Big bang	Chaos and stagnation	High uncontrolled costs	Extensive human suffering
Iraqi path	Conflict escalation	Occupation and transitional chaos	Extensive war damage	Uncontrollable	Extensive human suffering
Lebanese path	Protracted civil war	China's intervention; pro-China regime	Transitional chaos and medium-term recovery	Controllable	Limited suffering

nario is then most desirable and likely? What would be the rationale for international economic support for North Korea?

Desirability and Likelihood

Table 1 shows that system modification seems the most desirable. Though limited in its scope, it not only enhances peaceful coexistence on the Korean peninsula by reducing the potential for conflict escalation, but it also contributes to fostering political reforms in the North. No matter how reformist the Kim Jong-il leadership might be, it will retain either the Chinese form of socialist authoritarianism or the old South Korean version of developmental dictatorship. Nevertheless, political stability can be assured with either model.

The incremental opening and reform (Deng's path) or the radical transformation toward capitalism (Park Chung-hee's path), both of which are integral to the scenario, would significantly level off the North Korean economy. Although transition to opening and reform could entail adverse effects such as transitional social and economic instability, the North Korean leadership would be able to manage these effects through authoritarian political governance and improved material foundation. The most promising aspect would be the improvement of human conditions in North Korea because this scenario is predicated on the effective management of food, energy, and basic necessities.

Although most desirable, the transition to these paths through system modification might not be smooth. The North Korean leadership would have to overcome several formidable hurdles. First to be overcome would be the structural rigidity embodied in the *juche* ideology, the *suryŏng* system, the socialist planned economy, and bureaucratic inertia. Second, removing such structural rigidities can invite immense domestic political opposition, especially from those hard-liners who fear the negative consequences of opening and reform. Thus, successful transition to the Chinese or South Korean model will be contingent on the North Korean leadership's ability to pacify domestic political opposition. Third, poor physical infrastructure and lack of resources and capital will be other major impediments to opening and reform. Thus, the model's success depends heavily on whether North Korea can acquire international economic support. Finally, international economic support is not likely to arrive unless North Korea alleviates pending security concerns such as its threats of WMD, missiles, and conventional forces. In view of this, the transition will require bold initiatives on the part of the North Korean leadership to overhaul the country's system and remove its nuclear weapons program. The scenario might not be feasible unless the current nuclear standoff is peacefully resolved.

The status quo can be problematic. Because it is predicated on the continuing pursuit of *kangsung daeguk* under the banner of the *juche* ideology and the *suryŏng* system, North Korea may not give up its nuclear ambition, which would lead to a major escalation of conflict. As long as the North adheres to its old military stance, military tensions may continue to prevail on the Korean peninsula. Immediate adverse political effects may not be visible because North Korea will presumably be under the tight control of the Kim Jong-il regime. But the North Korean economy would continue to deteriorate to the extent that it may not recover. Economic stagnation and chaos, which would be further aggravated by cosmetic economic reform measures, will make the North Korean economy hopeless. Social discontent and deviation would deepen while massive human suffering continues. The more prolonged the duration of status quo, the more intense the internal pressures for system collapse and the higher the costs of fixing the North Korean system after collapse.

Status quo is not likely to last long. The durability of North Korea's regime appears to be approaching the point of diminishing returns. Ideological indoctrination; consolidation of political power; the system of surveillance, control, and intimidation—no matter how sophisticated, firm, and penetrative they are—cannot assure regime survival if the North Korean leadership cannot satisfy the minimal level of basic human needs. The status quo would not work in the medium and long term particularly because cosmetic and stop-and-go opening and reform measures are bound to compound the structural contradictions of the North Korea economy, planting the seeds of economic and social catastrophe. Added to this is the hostile external environment that would arise from North Korea's pursuit of its nuclear ambitions and its unruly behavior. Unless the North Korean leadership makes a drastic shift to opening and reform through major system modification, it is doomed to encounter a big bang, resulting in a collateral catastrophe for South Korea and neighboring countries. Thus, the status quo scenario seems neither desirable nor durable.

The worst case would be system collapse. Of the three likely paths within this scenario, the Iraqi path would be the most devastating because it is predicated on the collapse of North Korea through war and occupation. Given the current structure of military confrontation, conflict escalation and war could well destroy not only North Korea but also all of what South Korea has achieved. It is unthinkable to the South. No matter how limited it might be, war will cause insurmountable human and material damage, as demonstrated by the Korean War. Even if the United States and its allies win the war and liberate the North from the Kim Jong-il regime, there is no guarantee that the North can be pacified easily. As the Iraqi experience shows, managing transitional chaos and unrest can be a daunting challenge. Worse are the negative impacts on the South Korean economy and the astronomical costs of postwar reconstruction. Extensive human suffering, uncontrolled social instability and unrest, and a massive outflow of refugees will make the Iraqi path extremely unattractive.

The Romanian path might be better than the Iraqi one because conflict escalation and war can be avoided, and the economic and social costs will be much lower than the costs of traveling on the Iraqi path. Nevertheless, traumatic regime change and transitional chaos could not only heighten political instability in the North but also severely threaten peace and stability on the Korea peninsula through the negative spillover of an internal power struggle. Ensuing political uncertainty and a lack of clear direction for ideology and governance would continue to deform and stagnate the North Korean economy. If the anarchic situation persists, social instability might become uncontrollable; and, as human suffering worsens, a massive exodus of North Korean refugees into South Korea and neighboring countries can be anticipated. North Korea under this scenario could be better off if it becomes willing to give up its sovereignty and merge with the South—unification by

absorption. But this seems implausible not only because of the new political forces in the North that would like to preserve the country's sovereignty, but also because of South Korea's increasing reluctance to accommodate the German unification model in fear of high costs and uncertainty.

Of the three pathways under the scenario of system collapse, the Lebanese path seems the least traumatic and costly. Although protracted civil war might increase military tension on the Korean peninsula, it would not escalate into a major war. Chinese intervention could also reduce economic and social costs in the postcollapse period because it is assumed that China would extend massive assistance to the North to aid in the North's economic recovery and social stability. Political costs would be extremely high, however, because the scenario is based on *de facto* recognition of Chinese influence over North Korea. Chinese trusteeship of North Korea would be unacceptable to South Korea and some segments of North Korea not only because of historical memory and national pride but also because of the adverse impact on Korean unification. Chinese intervention could perpetuate national division. In addition, China's expanding sphere of influence in the region would also pose a major threat to the United States, Japan, and Russia.

On the basis of the above observations, none of the collapse models seems desirable. Nonetheless, their plausibility cannot be ruled out. If North Korea refuses to reach a negotiated settlement in the current nuclear standoff, as it undertakes dangerous activities such as nuclear testing, proliferation of nuclear materials and missiles, and conventional military provocation, it might be difficult to avoid a major showdown. Blind pursuit of the status quo, amid protracted confrontation with outside powers and subsequent isolation and containment, could also make both the Romanian and Lebanese pathways plausible. In this regard, nothing is unthinkable about the future of North Korea.

Rationale for International Economic Support

After assessing the costs and benefits of the contending scenarios, it becomes evident that opening and reform through system modification is most desirable for all parties concerned. The relevance of international support lies in the desirability of opening and reform and the gradual transformation of North Korea. International support will not only be conducive to North Korea's successful transition to opening and reform but will also be beneficial in other vital areas that affect the international community as a whole.

International support and recognition of North Korea can break a vicious circle of distrust, confrontation, crisis, and uneasy settlements. One of the central causes of the Korean conflict is the lack of recognition and trust. The deep-rooted distrust of and refusal to recognize North Korea as a normal state has compounded already difficult negotiations with North Korea. However, timely and forthcoming international support can serve as a useful ve-

hicle for recognizing North Korea's identity and building trust with the outside world. Although there is always the danger of being cheated by the North, the North's past record shows that positive reinforcements have worked. Engagement and international support will be beneficial not only for the resolution of the current nuclear standoff, but also for inter-Korean military confidence building, arms control, and peacemaking. By reducing military tensions and the potential for conflict, international support will be essential for avoiding collateral catastrophe. Through the improvement of material and social conditions in the North, effective international support will also help alleviate North Korea's aggressive behavior by increasing its dependence on the outside world and depriving the Kim Jong-il regime of its rationale for undertaking provocative actions. Kim would not be able to resort to a scapegoat-driven military adventure designed to pacify domestic political and social instability. Thus, international support, even at the nominal level, would represent more than just material incentives.

The March of Hardship in the mid-1990s, a breakdown in North Korea's ration system, and the success of China have all revealed the structural limits of the *juche* economy. The North Korean leadership is keenly aware of these limitations and has been pushing hard for opening and reform. The 1 July 2002 reform measures involving managerial innovation of state enterprises; a realistic pursuit of price, wage, and foreign exchange rates; and the adoption of incentive systems can be seen as sincere efforts to overcome current economic difficulties. Although these measures have entailed enormous negative consequences such as supply bottlenecks, spiraling inflation, and deepening income inequality, the North Korean leadership has shown a commitment to continuing the process of opening and reform (KIEP 2003).

A little push from the international community can induce profound changes in the North Korean economy. International economic support in terms of expanded trade and foreign direct investment can certainly help sustain and enhance moves toward opening and reform, which would alleviate the North's economic downturn and facilitate its integration with the South Korean and the world economies. Such developments can significantly reduce the economic and social costs for South Korea in a future process of integration and unification.

Systematic international support, particularly in the form of financial support, would also make political changes in North Korea less traumatic and more manageable. A relatively smooth economic operation through opening and reform that is the result of massive external support would most likely entail extensive institutional changes such as new incentive systems, individual property rights, and autonomy and freedom for economic activities. Such changes would require concurrent, albeit limited, political reforms because the monolithic *surŭong* system and the existing command and control of the economy and society cannot effectively fulfil the mandates of opening and reform. Moreover, the expansion of civil society through the

introduction and diffusion of a market system will facilitate the transition to a reformist political leadership in North Korea.

The opening of North Korea to the outside world, other reforms, and the subsequent introduction of a market system will eventually promote the rise and expansion of civil society. At present, North Korea is devoid of a functioning, normal civil society because voluntary associations are not permitted. In fact, regardless of economic hardship, the Kim Jong-il regime has avoided or delayed the process of opening and reform precisely because of civil society's threats to his regime. Some scholars argue that the exposure of North Korea to the outside world through opening could enhance citizens' awareness of the objective reality of North Korea in a comparative sense, ultimately triggering a shared feeling of cognitive dissonance and even relative deprivation. In particular, newly emerging networks between foreign capital and domestic citizens could easily facilitate the expansion of civil society beyond party and state control. Such developments could cultivate a new foundation for democratic opening in North Korea, making changes from within more plausible.⁸

North Korea is notorious for its miserable living conditions. More than two million North Koreans are known to have suffered from an acute food crisis. In addition, chronic shortages of energy and basic medical supplies have severely deteriorated the living conditions in North Korea. Recognizing the North Korean plight, the international community has offered extensive humanitarian support. Since the nuclear standoff began, however, international support has decreased. Although the United Nations gave \$116 million and individual countries and nongovernmental organizations (NGOs) granted \$8.16 million and \$35.7 million, respectively, to the North in 2003, *Chosun Ilbo* on 21 January 2004 reported that international support decreased by 38 percent, from \$257 million in 2002 to \$161 million in 2003. If the North Korean nuclear standoff persists, international support, including humanitarian assistance, will continue to decline. But it should be noted that, at present, humanitarian assistance from the outside world is the only way to alleviate the human suffering in North Korea.

International economic support also carries profound implications for Korean unification. South Koreans support neither unification by force nor unification by absorption. Unification by force would be extremely traumatic. Consequently, even if unification were achieved through this path, nation building would require a precarious process of healing fractures. The collective memory of the Korean War is a vivid testimonial to these wounds. A sudden blending of North Korea and South Korea through absorption might also entail painful adjustments. Regional rivalries, institutional differences, and divergent patterns of political socialization and aspirations could lead to another round of animosity and mutual contempt in the post-unifi-

8 For detailed discussions of North Korea's civil society, see Suh (1995, 1997, 1998).

cation era. As the German experience testifies, the rise of a second wall dividing the mental geography of a new Korea could hamper the process of genuine integration between the peoples of the two Koreas.⁹ Given the high social costs of other modes of unification, unification by consensus appears to be the most desirable for minimizing the trauma of integration, facilitating mutual learning, and fostering national harmony. International economic support, opening and reform, and the eventual transformation of North Korea will be conducive to realizing unification by consensus.

Finally, the extension of international support will ultimately foster a liberal transition on the Korean peninsula. An acceleration of opening and reform by means of international support will contribute to spreading the free market system to North Korea. As commercial liberals argue, the deepening of a market economy and economic interdependence can facilitate the modification of North Korea's external behavior, which would reduce the likelihood of war while it enhances chances for peace (Morse 1976; Keohane 1989, 165–94). The expansion of markets creates vested commercial interests across the border that would oppose an outbreak of war that could destroy wealth; and the spread of a free market system can lead to an enlargement of democracy in the North. No matter how limited they are, openness, transparency, and domestic checks and balances—all of which are associated with democratic changes—would make the conduct of foreign and defense policy more predictable and accountable (Doyle 1997, chap. 8; Russett 1993; Russett and O'Neal 2001, chaps. 2, 3). A market economy and a democratic polity can eventually foster the formation of a community of security through shared norms and values, common domestic institutions, and high levels of interdependence (Deutsch 1959; Adler and Barnett 1998). Thus, international economic support seems indispensable to peace building on the Korean peninsula.

Preconditions for International Economic Support

North Korea deserves support from the international community not simply because of its hardships and human sufferings, but also because of the profound negative effects on peace and prosperity on the Korean peninsula and in the Northeast Asian region that would arise from a traumatic collapse of the North Korean regime. In this sense, international economic support can be seen as a preventive diplomatic move to avoid a major catastrophe. North Korea needs to satisfy several preconditions in order to qualify for international support, however.

9 Kucheler (2002) comments on the second wall in a unified Germany.

Resolve Security Concerns

The most urgent precondition is the resolution of the current North Korean nuclear problem. It is believed that North Korea acquired one or two nuclear warheads before it signed the 1994 Agreed Framework. In April 2003 at the Beijing three-party talks, Li Keun, the chief North Korean delegate, indicated to U.S. Assistant Secretary of State for East Asian and Pacific Affairs James A. Kelly that North Korea possessed two nuclear bombs. In addition, North Korea has claimed that it has completed the reprocessing of 8,000 spent fuel rods stored in a water pond. The North is able to reprocess additional spent fuel rods, obtained from the activation of the 5 MW and 50 MW reactors in Yongbyon and a 200 MW reactor in Taechun. Projections of North Korea's plutonium bomb vary according to each analyst, but it is estimated that the reprocessing of 8,000 spent fuel rods will yield about five bombs. The reactivation of the 5 MW reactor is estimated to produce 6–7 kg of plutonium yearly, which can yield about one bomb. The 50 MW reactor is not yet completed, but its completion and activation can produce about 56 kg of plutonium, sufficient to manufacture 11 bombs, per year. The 200 MW reactor is projected to produce 220 kg of plutonium per year, yielding 44 bombs annually (Wolfsthal n.d.; Albright 1994, 78; NTI 2004). More serious is the development of a highly enriched uranium (HEU) program. It is estimated that North Korea will be capable of producing 75 kg of HEU per year, which would be sufficient to manufacture three HEU weapons every year, starting in 2005 (Wolfsthal n.d.; McGoldrick 2003).

Possessing nuclear warheads is one thing; having the capability to deliver them is another. North Korea may have both because the country is known to have a credible delivery capability. It currently possesses various types of missiles: Scud B (range 320 km, payload 1,000 kg), Scud C (range 500 km, payload 770 kg), and Nodong (range 1,350–1,500 km, payload 770–1,200 kg). On 31 August 1998 North Korea alarmed the world by test launching a Taepo-dong 1 missile (range 1,500–2,500 km, payload 1,000–1,500 kg). North Korea is also known to be developing Taepo-dong 2 missiles (range 3,500–6,000 km, payload 700–1,000 kg) but has put a moratorium on test launches. Although the North has been planning to develop an intercontinental ballistic missile, the Taepo-dong 3 (range 15,000 km), it will take more than a decade to complete its development (Nerris et al. 2003, 76–7; Wright 2003). All in all, North Korea is far short of developing a long-range missile to threaten the mainland United States, but it might be able to cause considerable damage in South Korea, Japan, and even Guam.

North Korea is nearing the status of a full-fledged nuclear power. It has already acquired one or two nuclear bombs and is likely to build considerable nuclear arsenals in the short and medium term if left unchecked. Although actual nuclear testing has not been conducted, North Korea has demonstrated its delivery capability.

For peninsular security, the implications of a nuclear North Korea are quite grave. Foremost, a nuclear North Korea is not compatible with the ideal of peace building on the Korean peninsula. Not only would a nuclear North Korea pose formidable nonconventional threats to the South, it would also fundamentally alter the inter-Korean military balance. Equally troublesome are the unintended negative consequences of crisis escalation. If the North Korean nuclear problem cannot be resolved through peaceful means, the use of coercive measures including military options might become unavoidable. Such developments would be bound to cause massive collateral damage to the South. Even a minor surgical strike could escalate into a full-scale war, jeopardizing peace and prosperity on the entire Korean peninsula. Estimates of war casualties reach more than a half million even at the beginning stage of a full scale war (Carter and Perry 1999, chap. 4; Schuman 2003, 38). North Korea's nuclear venture could also easily precipitate a nuclear domino effect, trapping the entire Northeast Asian region in a perpetual security dilemma reminiscent of the late nineteenth century. More important, North Korea could become a threat to global security when and if it begins to export plutonium and other nuclear materials to rogue states and terrorists.

North Korea needs to resolve security concerns arising from its nuclear threats. International economic support will be highly unlikely unless North Korea undertakes a complete, verifiable, and irreversible dismantling of its nuclear weapons program. North Korea should get away from the illusion that nuclear deterrence capability can assure its national security and regime survival. If anything, its obsession with its nuclear ambitions is more likely to accelerate the collapse of its regime through isolation and containment by international society. Moreover, the devastating military and political consequences of conflict escalation cannot be ruled out. The only way out seems to be the path of Libyan leader Mu'ammarr Qadhafi.¹⁰

North Korea needs to resolve other security concerns too. Issues pertaining to missiles, biochemical weapons, and conventional forces are a case in point. The North needs to take a more proactive attitude toward confidence-building measures with South Korea, including the redeployment of offensive forces and the reduction of conventional forces. A concurrent alleviation of security concerns over conventional forces along with nuclear weapons will certainly contribute to cultivating a new international trust in North Korea and facilitating the inflow of international economic support.

¹⁰ North Korea has repeatedly stated that the Libyan model is unacceptable. However, a relaxation of U.S. demands for complete, verifiable, and irreversible dismantling of the North's nuclear program and an innovative approach such as security assistance through the use of a third-party intermediary (like the British in Libya) might persuade the North to accept the Libyan model.

Expedite Economic Opening and Reform

The fortified *juche* ideology might make the positive transformation of the North Korean economy difficult, but an array of signs including recent economic reform measures points to the fact that North Korea is taking critical steps toward opening and reform. The steady implementation of the 1 July 2002 reform measures seems to be the most vivid testimonial.

Nevertheless, North Korea is still far short of genuine economic changes sufficient to attract international support. First, a realignment of governing ideas seems to be a crucial prerequisite. Neither the *juche* ideology nor the doctrine of *kangsung daeguk* can be compatible with opening and reform. It is ideal when military strength and economic prosperity come together. However, as the experiences of *fukoku gyohei* (rich nation and strong army) in Japan and South Korea demonstrate, military strength can come only after going through capitalist transformation and industrial development. Otherwise, the simultaneous pursuit of the two conflicting goals could derail opening and reform and also undercut a country's national security posture.

Second, there must be profound external behavioral changes. North Korea needs to enhance its international credibility by demonstrating its willingness to comply with international laws and norms. The sanctity of contracts should be assured, and a mechanism for securing financial transactions and arbitration methods of commercial disputes should be put in place. Keeping abreast of international standards on national economic and financial statistics is also required; otherwise, the international community cannot tell what is going on in the North Korean economy. The North should also demonstrate its ability to engage in businesslike conduct at the transaction level, respecting the mutuality of interests in economic and commercial relationships. Proper understanding of concepts and methods of economic, financial, and commercial transactions seems to be essential (Babson 2001, 449–50).

Finally, the North should take much bolder initiatives for the transition from a centrally planned economy to a market mechanism. Such a transition would require major structural and institutional changes, including a more assertive introduction of a market system, a progressive adoption of the private ownership of property, an overhaul of the ration system and state enterprises, and the establishment of new institutions and rules that are friendly to international investment.

Reform Politics; Resolve the Issue of Human Rights

Debate is ongoing about the nature of the political system in North Korea.¹¹ But it is undeniable that the North Korean political system is monolithic and

11 For debates on monolithic vs. pluralistic decision making in North Korea, see Park H. (1998, 225–7), Suh (1998, 199–201), Chung and Lee (1998, 172–3), Merrill (1997, 49–50), Paik (1997, 112).

based on the principle of equating *suryông* (leader) with the people, the party, the state, and the military. It is also founded on a totalitarian regime. Although the North Korean regime seeks its legitimacy from such historical legacies as the guerrilla struggle against Japanese colonialism and a major war with the “American imperial power,” tight social surveillance, control, and intimidation are what actually sustain the regime. The military has become the most important factor in the North’s game of regime survival, and the military has been a major source of opposition to economic opening and reform. It would be extremely difficult for North Korea to undertake meaningful opening and reform without altering its military-centered power structure. More political weight should be given to party and state technocrats. And, in the medium and long run, incremental political opening should be accomplished in the direction of pluralism and decentralization. The North cannot obtain international recognition and support without showing signs of genuine political change.

The gradual improvement of human rights is an urgent issue. North Korea has been classified as the worst violator of human rights in the world. Its murderous criminal codes, lack of procedural justice, complete absence of freedom of association and expression, and large number of political prisoners underscore the stark reality of human rights conditions in North Korea. Because these issues cannot be resolved without a fundamental regime transformation, North Korea will be reluctant to address them officially. Nevertheless, North Korea can deliberate on small steps. For example, North Korea could enhance its human rights record by allowing international organizations or NGOs access to camps for political prisoners. Amendment of its criminal codes could be seen as another meaningful gesture.

Mounting external pressures on the issue of human rights will be unavoidable to the North Korean leadership. But it should be kept in mind that the ultimate resolution of human rights in North Korea cannot be imposed from the outside. It should be resolved from within. To enhance the chances for resolution from within, international support seems to be vital because economic opening and reform, expansion of civil society, and political change are not conceivable without such support.

Demonstrate Normal Behavior

The image of North Korea has been greatly tainted by its track record of unpleasant international behavior. Although the North denounced terrorist activities in the wake of September 11, 2001, memories of the bombing and assassination of South Korean government officials in Burma, the terrorist bombing of a South Korean passenger airplane, and the kidnapping of innocent Japanese citizens still haunt the international community. Equally troublesome is North Korea’s alleged extensive engagement in such illicit activities as the smuggling of weapons, drugs, counterfeit currencies, tobacco,

and alcohol. Moreover, North Korea's compliance with international norms and laws has been arbitrary and selective, depending on the configuration of its national interests. Its behavior regarding the Nuclear Non-Proliferation Treaty is a case in point. North Korea should take more explicit measures to remove the scarlet letter of terrorism by abandoning its erratic and unruly behavior. This is the only viable way to gain recognition, respect, and trust from international society.

It is highly unrealistic to expect North Korea to satisfy all these preconditions simultaneously. But the North can take step-by-step measures. The most urgent step is the resolution of the current nuclear standoff through the undertaking of a complete, verifiable, and irreversible dismantling of its nuclear program. Depending on progress in the nuclear arena, North Korea would be given a set of incentives and disincentives. Its full cooperation with the dismantling could facilitate its transition to opening and reform by permitting it to have access to international capital, technology, energy, and other forms of support.

Resolution of the nuclear issue should lead to comprehensive measures to ease outside security concerns arising from missiles, biochemical weapons, and conventional forces. The North should engage in direct negotiations with South Korea on the issue of conventional forces along with negotiations about the nuclear issue. Significant progress on inter-Korean military confidence building can produce a positive spillover into nuclear negotiations. North Korea should also take credible steps to restore international trust by settling the issue of the kidnapped Japanese citizens and officially terminating illicit activities such as smuggling drugs and counterfeiting currencies. Finally, regardless of progress on security issues, North Korea should consider taking some visible measures to alleviate its human rights issues.

Policy Options

I have argued that neither the status quo nor a sudden collapse of the North Korean regime is beneficial to all concerned parties, especially to South Korea. The most desirable scenario seems to be a gradual transformation of North Korea through opening and reform. The North cannot make a successful transition to opening and reform without obtaining considerable international economic support. To win international support, North Korea should satisfy several preconditions—alleviate security concerns, including the current nuclear standoff; pursue more proactively ideational, behavioral, and institutional changes in the economic domain; improve human rights; and demonstrate more credible international behavior.

It will not be easy for the North to carry out these preconditions, but it has no other choice. The North Korean leadership should realize the cold reality that its adherence to the status quo in fear of collapse can in fact accelerate the very process of collapse. Only when it ventures into opening and reform

through system modification, even while risking regime stability, can it ensure a desired transition and regime survival. Thus, the North Korean leadership should not hesitate to satisfy these preconditions. Paradoxically, although he inherited political power from his father, Chairman Kim Jong-il seems to be the victim of the structural rigidity stemming from the negative legacies of his father's era. All kinds of derogatory rumors notwithstanding, Kim Jong-il seems to be competent, pragmatic, and sensible enough to take new initiatives for opening and reform.

Changes in North Korea can be volatile and unpredictable. But we should be prudent and patient and avoid the trap of wishful thinking. The dialectics of negation embodied in Buddhist teachings deserve close attention. You can change North Korea more easily when you do not speak of change. Changing the North without urging change is perhaps the most effective way of transforming the North. A chorus of outside voices for change will constantly alert and even threaten the North Korean leadership and will backfire with additional unruly behavior from the North. In dealing with North Korea, quiet diplomacy, positive reinforcement, and engagement are much better than coercive diplomacy, negative reinforcement, isolation, and containment.

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