

A NEW INTERNATIONAL ENGAGEMENT FRAMEWORK FOR NORTH KOREA?

Contending Perspectives

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Foreign Aid and International Norms: The Case of North Korea

Carol Lancaster

Should the United States or other governments (or international organizations) provide foreign aid to the government of the Democratic People's Republic of Korea (DPRK)? North Korea is an extremely poor country with periodic bouts of severe famine and widespread human suffering. But it is governed by what is arguably the most repressive and secretive government in the world with one of the most mismanaged economies and, despite its poverty, one of the largest expenditures on its military relative to the size of its gross national product of any country on the face of the Earth. What is to be done?

There are no binding international rules of eligibility for receiving foreign aid. The decision to provide or withhold aid rests with the governments and international institutions giving it. But over the half century of aid giving a set of international norms has arisen that has guided who receives aid and who does not. This paper examines those norms, applies them to the case of North Korea, and suggests conditions under which aid should be given or withheld from that peculiar and troubling regime.

Norms for Aid Giving

Let us start at the beginning: What do we mean by norms? What do we mean by foreign aid? And where did foreign aid come from?

Definition: Norms

Norms are principles—widely recognized as legitimate and appropriate—that guide behavior. They may not carry the weight of law or even be written down, but, by being widely accepted, they set standards of behavior against which individuals, groups, states and international bodies can be judged. In

the case of foreign aid, there are norms that guide whether an aid-giving agency provides aid as well as how the aid is provided (that is, how much, for what uses, in what forms, and with what terms). We are concerned here with the question of whether, not the many questions of how. What principles, formal or informal, shape whether aid donors provide assistance to particular countries or governments?

Definition: Foreign Aid

Foreign aid is not a policy, as is sometimes thought. It is an instrument for achieving purposes or realizing policies. We use here the definition of foreign aid (also known as official development assistance or ODA) framed by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD): a transfer of public funds from a government to another government of a developing country, or to an international organization or nongovernmental organization (NGO) for use in such a country, with at least a 25 percent grant element, one purpose of which is to further development and welfare (OECD 2004b).¹ ODA amounted to \$58 billion worldwide in 2002. According to DAC data, in that same year, the DPRK received \$188 million in foreign aid, \$90 million of which was in the form of food aid (OECD 2004a).

Foreign aid is a phenomenon of the second half of the twentieth century, with antecedents in earlier international relief efforts as well as public transfers from colonial powers to their territories in Africa and Asia. But it was the Cold War, beginning in the late 1940s, that led the United States to begin to provide significant and sustained flows of foreign aid to governments under internal or external pressures or threats from communist parties, radical insurgents, the USSR, the People's Republic of China, or their allies. Aid to stabilize and grow economies soon became aid to further their development, used as a means to the end of containing communism.

By the 1960s, most European governments and Japan, now recovered from World War II, established their own aid programs, often with commercial as well as development purposes.² Commercial purposes tended to be secondary in most aid-giving countries and were gradually constrained by development goals and international agreements on such things as the amount of tied aid and the use of aid in mixed credit arrangements. Thus, by the end of the twentieth century, foreign aid was provided for three principal reasons:

- To relieve human suffering caused by natural or man-made disasters;

1 The DAC would prefer the development and welfare purpose as the main purpose, but aid-giving governments tend to mix their purposes, making this requirement too exacting and difficult to determine. The designation of a developing country is that it had an average per capita income of less than \$9,360 in 1998 (a World Bank benchmark).

2 Commercial purposes included securing needed raw materials imports and expanding export markets.

- To support economic and social progress in developing countries (and, with the end of the Cold War, former socialist bloc countries); and
- For national security and international political purposes.³

These three goals of aid giving have generated sets of widely shared international norms regarding the conditions under which aid is provided.

Norms: Emergency Relief

Four main norms have come to guide international humanitarian aid:

- The first norm is the humanitarian imperative of saving lives and alleviating suffering where home governments are unable adequately to do so themselves.
- Those providing humanitarian assistance are required to act with impartiality, independence, and neutrality when dealing with the victims of emergencies—that means not taking sides in conflicts and not serving in effect as the agents of external powers that may also have particular interests in emergencies other than providing relief (Sphere Project 2004).⁴
- Those providing relief should treat victims of emergencies with dignity.
- Relief organizations and workers should be accountable to both those they help and those that fund their operations.

In practice, accountability to funders has often meant that governments providing the aid have wanted to ensure it was delivered to its intended beneficiaries. This not usually an issue if an experienced NGO is delivering the aid. It can be a problem if the aid is being provided to governments to distribute and those governments deny donors access to the beneficiaries of the aid.

These principles have not been dispute free. Critics within the relief community suggest that politically blind relief can be abused by manipulative governments or warring factions, hurting the intended recipients in the long run, if not the short run, as well and reinforcing the power and sustainability of abusive regimes. In the case of relief for the refugees in Goma in the wake of the genocide in Rwanda in 1994, Médecins Sans Frontières withdrew from providing relief on the grounds that the relief was controlled by the very *genocidaires* in the camps (remnants of the Hutu militias) who had perpe-

3 Other purposes gaining prominence in the 1990s included promoting democracy, managing conflict, and addressing global problems like environmental degradation or the international transmission of disease. For a detailed accounting of the origin and evolution of the purposes of aid, see Lancaster (forthcoming).

4 These principles are found in the code of conduct of the Red Cross and the Red Crescent, which was established in 1994 and is adhered to by numerous NGOs, and in the Humanitarian Charter, drawn from a variety of documents on humanitarian norms and practices and agreed to by a variety of NGOs engaged in relief activities.

trated the genocide in the first place; the relief was permitting them to continue intimidating refugees and purchase arms. Thus, the issue of whether relief, while reducing suffering in the short run, can prolong suffering in the long run is on the international normative agenda.

Norms: Development Aid

International norms guiding the allocation of aid for development are less concrete than those shaping relief assistance and are breached by aid-giving governments far more frequently with much less criticism. Many aid-giving governments have pursued aid giving with mixed motives (often including national security and international political goals) that have obscured the clarity of purpose and the best means for achieving development objectives, which underpin norms. Nevertheless, international norms—involving the characteristics of countries and their governments and make them appropriate recipients for foreign aid—have evolved and have become especially evident since the end of the Cold War. They include economic need, human rights performance, probability of aid effectiveness, aid process, and ability of aid donors to be accountable to their governments for their use of the aid.

Need. It is widely accepted that concessional public transfers for development should be provided to those governments that lack the resources fully to realize their countries' development on their own. Where a country has a pocket of severe poverty but has the resources (through taxes, international borrowing, or foreign investment) to reduce that poverty, the case for development aid is far less compelling. That government has made a choice not to address its domestic problems; it is difficult to argue that the publics in other countries should then do so with their resources.

The benchmark often used to designate needy countries is an average annual per capita income below a certain level. The World Bank designation of countries that are IDA eligible—that is, eligible for soft loans from the International Development Association (IDA)—is the most commonly used norm. The World Bank currently has a cutoff of \$875 average per capita gross national income per year (in 2001 prices) for eligibility for IDA loans. The DAC, which is an international club of bilateral aid donors in North America, Europe, and Japan, pushes the norm of neediness further. It undertakes periodic reviews of the aid programs of its member states and makes a point in those reports and in its data generally to highlight the percentage of member states' aid going to the lowest-income countries (with a per capita income of \$760 or less in 1998 dollars) in an effort to encourage member states to direct more aid to the poorest.⁵

5 The United Nations Development Program (UNDP) has created a Human Development Index comprising a variety of statistical indicators of well-being in addition to per capita income levels, but this index tends to be less used as a common standard of need in the development community; see UNDP (2003).

Human rights. Human rights have long been on the international agenda. They were delineated in 1948 in the United Nations (UN) Universal Declaration of Human Rights and have since been expanded in a number of other international declarations and treaties. For several decades, however, the human rights performance of governments was little debated in international forums because of the sensitivities in particular of newly independent governments about the sanctity of sovereignty and the bipolarity of the Cold War, which made it risky for Western governments to criticize the human rights records of other governments for fear of driving them into the arms of the Socialist bloc (whose regard for human rights was not terribly elevated in any case). Since the 1970s when Jimmy Carter, then the U.S. president, declared that a government's human rights performance was an explicit criterion for the quality of U.S. relations with that country and that the United States would consider that performance in its decisions on aid and on votes in the World Bank on aid loans, human rights has been on the international agenda as a consideration in aid giving. Human rights has been a prominent consideration in the aid programs of a number of other governments as well—the Nordic countries in particular—and has become widely accepted, at least at the rhetorical level.

No common standard is used by aid donors for judging the human rights performances of governments and informing decisions on their aid allocations. The U.S. government often draws on the annual *Country Reports on Human Rights Practices* that, for each country

... cover internationally recognized individual, civil, political and worker rights, as set forth in the Universal Declaration of Human Rights. These rights include freedom from torture or other cruel, inhuman or degrading treatment or punishment; from prolonged detention without charges; from disappearance or clandestine detention; and from other flagrant violations of the right to life, liberty and the security of the person.

Universal human rights seek to incorporate respect for human dignity into the processes of government and law. All persons have the inalienable right to change their government by peaceful means and to enjoy basic freedoms, such as freedom of expression, association, assembly, movement and religion, without discrimination on the basis of race, religion, national origin or sex. The right to join a free trade union is a necessary condition of a free society and economy. Thus the reports assess key internationally recognized worker rights, including the right of association; the right to organize and bargain collectively; prohibition of forced or compulsory labor; the status of child labor practices and the minimum age for employment of children; and acceptable work conditions (DOS 2003).

Other sources of human rights assessments include the Office of the UN High Commissioner on Human Rights, the United Kingdom (UK) Foreign

and Commonwealth Office on Human Rights, Human Rights Watch, Amnesty International, and numerous other public and private organizations worldwide. Although there is no universal standard of human rights to which aid agencies are expected to adhere, there are usually criticisms—from human rights organizations and other governments—of aid-giving countries providing development assistance to governments that are widely recognized as gross violators of human rights.

The U.S. government, for example, was roundly criticized by U.S. human rights groups in the mid-1980s for providing aid to the government of El Salvador in light of the brutality and widespread killings on the part of the military of that country. The government of France has been criticized for providing aid to Togo, where human rights, child trafficking, and political repression have been particular problems over the past decade. In neither of these cases did criticisms prevent the U.S. or French governments from providing aid, but they put governments that have touted their commitment to human rights on the defensive. In another case—the former Zaire—a number of aid-giving governments reduced or halted their aid in the early 1990s after the army there killed a number of students in a demonstration. In this case, the national security or political interests of the aid-giving governments were not perceived to be affected by a cutoff of aid. The realities of aid giving are that, where governments provide the aid for national security reasons or other important political reasons, those reasons usually trump human rights concerns. But that does not mean that human rights standards are not important or influential in aid giving. They clearly are important in today's world.

Aid effectiveness. Concerns about aid's effectiveness in furthering economic and social development have been around since the beginning of aid giving. Such concerns have taken on a particular prominence since the end of the Cold War (which, in effect, removed a shield against criticism that aid was not furthering development in recipient countries) and since the expansion of quantitative data that has encouraged analysts to take a closer look at aid's impact. Studies—including several from the most influential aid donor, the World Bank—argue that aid has, in fact, been ineffective in a number of situations (Dollar and Burnside 1998).

What are the conditions, apart from the capacity of aid-giving agencies themselves and the quality of their staff's work, that are generally assumed to determine the effectiveness of aid? In the 1960s and 1970s, aid experts would likely have answered that the quantity of infrastructure and the education and health of the population would be critical to the absorptive capacity of a country—that is, the country's ability to use aid effectively. Attitudes are different at present; they reflect the experience of the past several decades on the basis of which it has been recognized that institutions matter. Thus, the general answer today on the conditions of aid effectiveness would include

the quality of a country's governance; the degree of openness of its markets (to permit private economic initiative); and the commitment of its government to creating the conditions for economic and social progress, including expanding education and health services (therefore putting less funding into military expenditures). These are the essential conditions President George W. Bush mentioned as qualifications for aid to countries from the new Millennium Challenge Account, but these conditions have been part of the broader development discourse for several years. What do they entail?

Governance is used to refer to several different conditions. One—most often used by the World Bank—refers to capacity of government to perform its functions. This can involve appropriate levels of education and training for staff; adequate amounts of required skills (e.g., auditing); and an efficient, functioning organization of tasks to be accomplished (clarity of responsibilities, delegation, and budgetary planning and controls, for example).

The United States has used the term governance more broadly, often to include democracy, assuming that without the legitimacy and accountability associated with democratic political systems, governments will lack the incentives to ascertain and respond to the public will, to choose and implement workable policies, and to maintain a relatively clean administration with a minimum of corruption. Some in the United States go so far as to assert that, without democracy, development (and, presumably, effective aid) is unlikely to occur.⁶ One of the principal and most widely used sources of indicators of the existence and extent of democracy in particular countries is the annual report by Freedom House, called *Freedom in the World*. This report ranks governments according to a number of indicators of political and civil rights.

One aspect of good governance that everyone—both scholars and public officials—appears to support is that essential to effective aid and development are the rule of law and a minimal amount of corruption. Where the rule of law is impaired and corruption rampant, investments (public or private) become extremely risky, and the ability of investments to achieve their objectives and sustain those achievements is diminished. The principal source of indicators of corruption in individual countries is the *Global Corruption Report*, an annual survey produced by Transparency International that ranks countries, on the basis of the perceptions of groups of experts on individual countries.

The degree of **market freedom** is another quality widely considered essential to development and effective aid. Where governments create high barriers to trade; control prices, internal trade and production; levy excessive taxes;

6 Research on the relationship between democracy and development, at least in the short run, does not substantiate this view. That has not dampened enthusiasm for it in public discourse, an enthusiasm probably stemming from strongly held and widely shared values that democracy is a good in and of itself—an end as well as a means of policy.

overregulate the economy; and engage in other activities that curb the incentives and opportunities for private entrepreneurs to invest and produce, economies tend to progress more slowly, and opportunities for corruption and mismanagement increase.⁷ One source used by the U.S. government for indicators of the degree of free markets is the annual publication by the Heritage Foundation called *Index of Economic Freedom*.

Perhaps the principal indicators of a government's commitment to the development of its country are its **expenditures on health and education** as a portion of its budget and of the country's gross national income. Within these expenditures, development specialists have put special emphasis on funding primary education (it has long been observed that the returns to additional expenditures tend to be high relative to expenditures on secondary and tertiary education) and primary health care. Data on health and educational expenditures are often drawn from World Bank data where data on military expenditures are also available.⁸

Military expenditures as a portion of total government expenditures are sometimes examined by aid-giving governments and consultative groups. Expenditures on weapons of mass destruction have been particularly important to U.S. decisions on aid allocations. The Pressler Amendment, passed by the Congress in 1986, prohibited U.S. aid to Pakistan unless the president could verify that Pakistan did not possess nuclear arms. By 1990, the president could not do so, and U.S. aid to Pakistan was phased out.⁹ Other governments have cut their aid when recipient governments exploded nuclear devices; for example, Japan reduced its aid to China in the wake of Chinese nuclear testing in the 1990s. Thus, there may be an emerging norm that governments of developing countries that develop and test such weapons are sanctioned—at least for a time—with reductions in their aid flows.

Aid process. One of the less-recognized developments of the 1990s was the emergence of what could be called “process conditionality” as part of the norms shaping aid giving. In reaction to the apparent ineffectiveness of aid—especially in sub-Saharan Africa—during the 1980s and early 1990s, practitioners and scholars of aid and development began to look for ways to manage aid to ensure greater effectiveness. Out of this effort came three concepts:

- **Participation.** Participation means asking people what their preferences are—whether in the form of a national consultation on overall development strategies or in the form of a targeted consultation with the intended beneficiaries of a specific intervention. This is not a new idea;

7 This does not mean that there should be no regulation of economic activity. The balance between government regulation and free markets is an area of continuing contention.

8 For a much more detailed examination of the likely indicators used to determine eligibility for the Millennium Challenge Account monies, see Radelet (2002).

9 Aid to Pakistan has since been restored in conjunction with Pakistan's cooperation in the U.S. intervention in Afghanistan and the hunt for members of Al Qaeda.

it has been around since the beginning of development aid and was a prominent element in the community-development focus of aid giving popular in the 1960s. It regained prominence in the late 1980s and 1990s as part of the backlash to structural adjustment programs, which were widely criticized as imposed from the outside, top down, and hurtful to the interests of the poor.

At the core of the current notion of participation is the idea of empowerment—that people should have a measure of control over their lives and not be dictated to or repressed by governments (their own or others) or other powers in society. Deriving from this notion is the belief that, if people are consulted about things intended to affect their lives, their preferences and knowledge can lead to more appropriate interventions, and they will support those interventions in the future—in other words, they will take ownership of the aid interventions, making them more effective and sustainable. Participation in the form of national consultations on development strategies is also regarded by some development practitioners as a means of strengthening democracy in developing countries because it leads the government to consult with its population on these important issues.

- **Ownership.** Ownership is one of the least satisfactorily defined terms in the aid process category. At its core is the sensible notion that people will take responsibility for things they have had a hand in shaping. However, identifying when ownership exists and when it does not; what sorts of engagement by people create a sense of ownership on their part for particular activities; and what ownership actually leads to in terms of human behavior are also as yet ill defined elements of this concept. Although the term is vague enough to obscure clear thinking, it is virtually a mantra in aid-giving today.
- **Partnership.** Partnership means a collaboration between aid giver and aid recipient that involves a measure of equality.¹⁰ Again, behind this somewhat vague idea is the assumption that aid recipients will take more seriously aid-funded activities that they have helped to plan and implement; in other words, aid donors should not just arrive in a country and dictate to the government or local communities what will be done for them.

These three ideas—participation, ownership, and partnership—have been given particular prominence by the World Bank in its Comprehensive Development Framework (CDF), a broad concept of what development requires. The three ideas have also become the basis on which the World Bank has

¹⁰ Partnership can also mean collaboration among different aid-giving organizations, including public aid agencies, NGOs, and private enterprises.

attempted to recast its aid interventions to achieve greater effectiveness and sustainability. The preferred vehicle for ensuring that the World Bank's aid and aid of other aid agencies reflect these principles is the Poverty Reduction Strategy Papers (PRSPs). These are broad national strategies for poverty reduction that are drawn up by recipient governments in consultation with their citizens for maximum participation and ownership and that, after approval by the World Bank Board of Executive Directors will become the framework for World Bank lending and (it is hoped) aid from other governments as well. Having a PRSP is also a requirement for heavily indebted poor countries to gain extraordinary debt relief from the World Bank.

Not all aid agencies have embraced these notions, even at the rhetorical level. Nor have they all made a PRSP a requirement for receiving aid. But these new notions and the reliance on PRSPs are increasingly common among a number of aid-giving agencies. Should it prove possible to demonstrate in a reasonably rigorous manner that these ideas do make aid more effective and sustainable, they could well become full-fledged norms of aid giving.¹¹

Accountability. Few aid-giving agencies are willing to write checks to recipient governments and organizations without some effort to identify the proposed uses of the aid and ascertain whether the funding has, in fact, been used for that purpose. Taxpayers and their representatives in governments in aid-giving countries typically demand such accountings. The more demanding the legislative and public groups are on issues of accountability, the greater the transparency in aid giving and the less opportunity there is for aid-giving and aid-receiving governments and organizations to act corruptly or for the former to turn a blind eye to the latter.

Where public scandals have erupted over the misuse of aid funding—as in Italy during the early 1990s, and periodically in Japan and France—the public can turn against aid and force the government to cut it and to reform. Thus, it has often been the case that governments and organizations receiving the aid must submit to audits, reports, and supervisory visits from aid donors to ensure that the aid is being used as intended. This is a norm in aid giving—more enforced in some aid-giving countries than in others—that is seldom mentioned because it is so widely accepted.

National Security

International norms have minimal influence on the allocation of foreign aid that is based on national security or international political concerns. The decision about whether to use aid in this way is made by aid-giving governments, based on the perceptions and priorities of those in power. This kind of aid has been provided to governments in exchange for agreed actions (for

¹¹ In World Bank (2003), the World Bank evaluated the impact of the CDF; it is in the process of evaluating the PRSPs as well.

example, the provision of base rights, the suppression of terrorists), in exchange for general support for the donor government's policies (for example, France vis-à-vis its former colonies in sub-Saharan Africa), or to ensure reliable access to policymakers in recipient countries.

At times, aid for national security purposes is consistent with the norms guiding the allocation of aid for development—that is, provided to governments with good governance, economic policies, and a commitment to their peoples. But it is also the case that governments with poor economic management, poor human rights records, high levels of corruption, and repression have all been the recipients of this type of aid when security or political interests of donor governments have been compelling. The poster child of this type of aid was the former Zaire, which for decades received sizable amounts of aid from the United States, Belgium, and France despite the kleptocratic government of Mobutu Sese Seko.

It appears that aid for national security purposes diminished in the wake of the end of the Cold War, a time when developing countries could exploit their position between the United States and the USSR and assorted allies and surrogates. However, this trend may be reversed with the war on terrorism and an activist policy by the United States to intervene militarily against terrorists and other rogue regimes—actions that often require support from other governments, especially in the region of the intervention. Aid is one instrument for acquiring that support. Aid is also useful as a tool of peace-making—an incentive for warring parties to negotiate peace. Policies of peace-making, as in the Middle East and the Balkans, are also likely to make continuing calls on U.S. aid.

Aid for national security or international political purposes, while not much influenced by international norms, is often contested in internal government discussions by officials in development agencies, by development-oriented NGOs, and in books and articles by officials and former aid officials from those governments providing the aid. Much of the long-term tension between the U.S. Agency for International Development and the U.S. Department of State over aid allocations has revolved around this difference of view. Perhaps the country in which such criticisms have been most public and strident is France, where even government officials still in office have published interviews in leading journals (sometimes under *noms de plume*) and books attacking the misallocation of their government's aid.¹²

If there is a norm in aid giving for national security or international political purposes, it is that those purposes must be regarded by political elites in aid-giving governments as of sufficiently high national priority so as to sus-

12 For an interesting example of this criticism, see Michailof (1993). Michailof was a senior official of the Agence Française de Développement at the time this book was published and is again a senior official in that agency. For an attack on U.S. aid for political purposes (in Egypt), see Zimmerman (1993).

tain them in the face of domestic and international criticism. The greater the deviation of the recipient government from the expected norms—especially need, human rights performance, and the qualities leading to greater aid effectiveness—the greater the expected criticism.

Norms and North Korea

How does aid to North Korea stack up against the norms—some weak, some strong—in aid giving at the end of the twentieth century? Let us discuss each set of norms as they apply to North Korea.

Humanitarian Relief

In many ways, this is the most problematic set of norms as applied to the DPRK. We know that much of the population of the DPRK has endured periodic famines (the one in the 1990s is thought to have killed hundreds of thousands at the very least, and perhaps a million or even more), and a large percentage of Korean children are seriously malnourished. In 1998, the UN estimated that 60 percent of Korean children suffered from stunted growth owing to malnutrition (EIU 2004, 13). Since agricultural production—never easy in a country with limited arable land—has diminished because of a lack of inputs and because the DPRK government has opted to spend its diminishing resources on guns rather than butter, the country, according to Noland (2003, 1), “does not produce enough output to sustain the population biologically.” What has been necessary since the late 1990s to keep an ongoing humanitarian crisis from turning into a major humanitarian disaster is massive amounts of foreign food aid. It is estimated that one-third of the 22 million North Koreans depend on food aid.

Although food aid has undoubtedly helped avoid widespread starvation in North Korea, providing the food aid does raise practical and ethical concerns. The unwillingness of the Korean government to permit aid donors to monitor the delivery of their aid to ensure it is not diverted to the one-million-strong army leaves doubt about the real beneficiaries of the food. Newspapers have reported that the government of North Korea has denied food to those considered insufficiently committed or loyal, a contravention of the humanitarian commitment to fulfill needs whatever the politics of the needy person or group.

Another difficult ethical problem is that of relieving short-term suffering with food aid while possibly prolonging suffering in the long term by, in effect, strengthening the position of a truly despicable government that is largely responsible for the suffering and starvation of its people and whose existence might be shortened were such aid not available. The ethical choice here, given the unknowns (including the consequences of a collapse of the North Korean regime), is very difficult to make, and most people and orga-

nizations have in the past chosen to provide the aid in the short term with the expectation that some of it will reduce suffering.¹³

Development Aid

With regard to the emerging norms that influence the provision of development aid, North Korea at present would never qualify. Although its need cannot be denied (per capita income is believed to be around \$750 per year, having declined by half since the early 1990s when the Soviet Union collapsed and its economic subsidies were terminated), it has one of the worst human rights records of any government in the world. For example, recent defectors have alleged that the government has used gas chambers in one of its labor camps to conduct chemical experiments on inmates. Aid for infrastructure and agricultural and industrial inputs might well facilitate greater production and internal trade (earlier investments in these areas have deteriorated dramatically), but North Korea's poor economic management would likely put limits on the sustained impact of these investments.

The DPRK's arbitrary, brutal, and repressive government—a government that in the past has blithely defaulted on its external debts—also limits the opportunities and incentives for individuals to take economic risks or, for that matter, for foreign investors to put their money at risk in the country. The government has invested in the education of its people and has one of the higher average levels of education and life expectancy of governments at its income level, but the government's relatively large expenditures on its large military and on arms production—despite widespread famine in the country—are an indication that the welfare of its population is far from the top of its priority list.

In addition to sizable military expenditures, the DPRK has openly advertised its efforts to develop nuclear weapons and has tested long-range missiles periodically over the past several years. These policies alone might be enough to raise questions about the appropriateness of providing such a government with development aid because such aid might in effect free up more domestic resources for military purposes.

The erratic behavior of the North Korean state—with its extraordinary cults of personality involving its leaders, its kidnapping foreign nationals, and its transfer of nuclear technology to other countries—all set it apart as a rogue state, outside the community of nations and the community of states normally receiving long-term aid for their development.

13 In January 2004, it looked like food aid for the DPRK would drop precipitously as food donations through the World Food Program fell. That drop in turn may reflect the growing disillusionment among aid-giving governments with the DPRK and their impatience with Pyongyang's erratic policies regarding weapons of mass destruction. However, the United States and other donors have begun to ship food to North Korea.

Finally, the inability of aid-giving governments to monitor their assistance in Korea would make it difficult for them to be accountable to their own legislatures and publics for the aid they have provided. In the case of development aid, the prospect of people dying if the aid is not provided is not present and does not override normal concerns for accountability.

The only justification for nonemergency aid to North Korea is a compelling national security concern on the part of the aid-giving government, such as was part of the Agreed Framework between the United States and the DPRK when the United States promised energy supplies and two nuclear generating stations in exchange for a promise by the North Koreans to stop production of nuclear weapons and dismantle facilities producing such weapons. This agreement appears to have held for a time, but, after the Koreans decided to commence a new nuclear weapons program, it was then cancelled.

The experience with the DPRK suggests that aid may be useful only in exchange for concrete and immediately delivered benefits and that aid in exchange for long-term commitments does not work. The government in Pyongyang does not regard its international commitments—whether repayment of debts or cessation of the production of nuclear weapons—as something it is obligated to fulfill. One cannot trust or verify because there is no basis for trust and no verification permitted. The only workable basis for exchange appears to be cash on delivery.

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