



LUXURY GOODS IN NORTH KOREA: TANGIBLE AND SYMBOLIC IMPORTANCE TO THE KIM JONG-UN REGIME

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Abstract

North Korea's adherence to self-sufficiency has its foundations in the country's *juche* ideology, meaning a spirit of self-reliance. The *juche* spirit still lives on in the DPRK, but stubbornly so, as the regime over the past several decades has confronted the limitations of being a truly self-reliant country, faced declining economic and humanitarian conditions, and became increasingly isolated from the rest of the world. Pyongyang's insistence upon its own terms in diplomatic engagements and provocative behavior have further isolated the country, and very few countries are willing to cooperate with the DPRK, for doing so would cost their own reputations.

Consequently, North Korea pursues illicit avenues to fund the lavish lifestyle of its leader, develop its weapons programs, and strengthen the elite's allegiance to the Kim regime. One such way the Kim Jong-un regime achieves these aims is through the acquisition of luxury goods. High-end items, such as wine, liquor, jewelry, and automobiles are acquired through third-party countries to fulfill Kim's penchant for luxury goods and buy the loyalty of North Korean elites. The international community is aware of the regime's dependence upon these items. As a result, sanctions have been imposed to restrict the North's access channels to luxury products and curtail its provocative behavior. The effectiveness of sanctions has been debated, for they often lack consistency in definition and application among participating countries. Yet, due to their symbolic value as punitive measures and potential to be more effective with proper application, there is still value in implementing sanctions.

Key Words: Luxury goods, North Korean leadership, sanctions, elite loyalty, China

Background

North Korea's self-proclaimed, unswerving adherence to self-sufficiency has its foundations in the country's *juche* ideology, meaning a spirit of self-reliance. The spirit of *juche* still lives on in the Democratic People's Republic of Korea (DPRK), but stubbornly so, as the regime over the past several decades has confronted the limitations of being a truly self-reliant country, faced declining economic and humanitarian conditions, and became increasingly isolated politically from the rest of the world. What had once been a self-imposed ideological conviction is now a reality that the North is forced to accept. Pyongyang's insistence upon its own terms in diplomatic engagements and provocative behavior have further isolated the country. Yet the North has shown very little unequivocal signs of wanting to change its course. For abandoning the *juche* philosophy would mean the regime's ineluctable opening of the country to the rest of the world, and the North would have to consider the terms of the United States, South Korea, and other like-minded countries—probably a last-resort move the Kim regime would try to avoid making at all costs. The DPRK most likely will not accept regime change by the international community's terms in the foreseeable future. Yet the state of the country renders it difficult for the regime to be truly self-sufficient. Very few countries are willing to cooperate, trade with or openly support the DPRK, for doing so would cost their own reputations, a risk they are hesitant or unwilling to take.

Consequently, the North Korean government pursues illicit avenues to satiate the appetites of its top leaders, continue to develop Pyongyang's weapons programs, obtain currency, and strengthen the elite's allegiance to the Kim regime. One such

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way the Kim Jong-un regime achieves these aims is through the acquisition of luxury goods. High-end items such as caviar, wine, liquor, jewelry, and automobiles are acquired through third-party countries to fulfill Kim's penchant for luxury goods and bribe the upper echelons of North Korean leadership to maintain their loyalty to the Kim regime. North Korean elites have no trouble acquiring these goods as long as they have the money to purchase them. The international community has become increasingly aware of the DPRK's surprisingly easy access to these goods, as well as the regime's dependence upon these items to maintain stability and further its political objectives. As a result, sanctions have been imposed on several occasions, both at the multilateral and bilateral level, to restrict Pyongyang's access channels to luxury products and curtail the regime's provocative behavior. The effectiveness of sanctions has been debated by many North Korea watchers, for these regulations often lack consistency and uniformity in definition and application among participating countries. Yet, because there is still a symbolic, messaging value in these punitive measures as well as the potential for sanctions to be more effective with the proper application and participation from countries crucial to clamping down on the North Korean regime, there is still value in implementing and applying sanctions.

A Delineation of "Luxury Goods"

To make its restrictions and sanctions policy vis-à-vis North Korea clearer to both the participant countries and Pyongyang, the international community set out to define what constitutes as a luxury good. The United Nations approved Security Council Resolution 2094 (UNSCR 2094) response to the DPRK's February 12, 2013 nuclear test to strengthen and expand its existing sanctions against the North by targeting the illicit activities of diplomatic personnel, transfers of bulk cash, and North Korea's finance relationships. The resolution prevents the provision of financial services or other assets and resources to North Korea, its entities and individuals that could contribute to the North's nuclear and ballistic missile programs or other prohibited activities.¹ It also imposes a travel ban and asset freezes on named North Korean entities deemed the primary arms dealer and main exporter of goods and equipment related to ballistic missiles and conventional weapons.²

More importantly for the scope of this paper, UNSCR 2094 delineates and defines "luxury goods." It clarifies that the term

includes but is not limited to the following items specified in the annex: jewelry, including jewelry with pearls, gems, precious and semi-precious stones (e.g., diamonds, sapphires, rubies, emeralds), and jewelry of precious metal or of metal clad with precious metal; and transportation items, including yachts, luxury automobiles and motor vehicles to transport people, station wagons, and racing cars.

In addition to imposing UN sanctions against the North, many individual countries have adopted their own measures to express disapproval of Pyongyang's course of actions and policy. In August 2010, as a response to the DPRK's sinking of the South Korean navy corvette *Cheonan*, the Obama administration signed Executive Order 13551, which targets the DPRK's arms imports and exports, imports of luxury goods, counterfeit currency, money laundering, and narcotics trafficking.³ The US Code of Federal Regulations (CFR) enumerates items that are subject to a policy of denial in exporting or re-exporting to the North. As defined by the CFR, the US has banned the following luxury goods from going into North Korea: luxury automobiles, yachts, gems; jewelry; other fashion accessories; cosmetics; perfumes; furs; designer clothing; luxury watches; rugs and tapestries; electronic entertainment software and equipment; recreational sports equipment; tobacco; wine and other alcoholic beverages; musical instruments; art; and antiques and collectible items, including but not limited to rare coins and stamps.

In 2011, Canada imposed sanctions (Special Economic Measures Regulations) against North Korea under its Special Economic Measures Act (SEMA) to send the message that Pyongyang's aggressive behavior is unacceptable. The SEMA prohibited any person in Canada any Canadian outside the country from knowingly directly or indirectly exporting, selling, supplying, transferring or shipping arms and related material, resources contributing to the North's weapons program and luxury goods.⁴ Canada defines luxury goods as jewelry, gems, precious metals, and watches; cigarettes, alcoholic beverages, perfume, designer clothing and accessories, furs, sporting goods, and private aircraft; lobster and gourmet foods and ingredients; computers, television and other electronic devices.⁵ The UN and individual countries' definitions of luxury goods banned to North Korea aims to restrict the regime's access to these items. Recent reports indicate, however, that Pyongyang is still able to acquire these goods.



North Korean Leaders' Lavish Lifestyles

The North Korean regime has had a robust appetite for luxury goods since the late Kim Jong-il was designated successor to his father Kim Il-sung in the 1970s. Kim Jong-il created Office 39, a secret organization that served as a repository to generate slush funds for Kim's personal use. Kim used the funds generated through Office 39 for developing weapons of mass destruction, constructing idolization monuments and buildings throughout North Korea, maintaining elite loyalty, and fulfilling his penchant for luxury items. Fujimoto Kenji, Kim's longtime sushi chef, said that Kim had a predilection for cognac and other expensive European alcohol and wines, Iranian caviar, melons and grapes from China, sushi, and shark fin soup.⁶ Kim reportedly also owned six luxury travel trains that included conference rooms, satellite phones, and flat-screen TVs.⁷

Kim's youngest son, Kim Jong-un, was considered the North's heir apparent in 2010 and succeeded his father following the elder Kim's demise in December 2011. The 30-year-old leader spent several of his formative years abroad, having attended the International School of Berne, a boarding school 15 minutes away from the capital of Switzerland. At the English-language school, Kim befriended the children of American diplomats and learned to speak French and German.⁸ He was also reportedly an avid fan of the NBA, idolizing basketball players such as Michael Jordan, loved skiing, and spoke highly of actor Jean-Claude Van Damme.^{9,10} In accordance with his age, the young Kim projected a more modern, Western lifestyle to the public in his first year as the country's leader. Alongside Kim appeared his wife, Ri Sol-chu, on some of the leader's public outings. The North's first lady wore Western-style clothing and was even spotted carrying a Christian Dior bag in one of her public appearances.^{11,12} The lavish lifestyle of Kim and his wife had been equally the focus of attention and point of criticism for many Korea watchers, as they noted the salient contrast between Kim's lavish lifestyle with the poverty and hunger confronting the average North Korean.

It appears that Kim Jong-un has not only inherited his father's penchant for luxury goods, but the young Kim's decadent lifestyle may well surpass that of Kim Jong-il's. In October, South Korea's ruling party lawmaker Yoon Sang-hyun released an analysis that examined Pyongyang's import of luxury goods between 2010 and 2012. According to the analysis, under the Kim Jong-un regime, North Korea's import of luxury items surged every year, from \$446 million in 2010 to \$584 million in 2011 and \$645 million in 2012.¹³ The North's tally of imports in 2012 was more than twice the average under Kim Jong-il, which totaled approximately \$300 million per year.¹⁴

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An examination of UN and Chinese trade data in 2012 revealed a significant increase in the export of cars, tobacco, laptops, cellphones, and domestic electrical appliances to North Korea over a five-year period.¹⁵ According to representative Yoon, the value of North Korea's luxury imports in 2011 was enough to buy 1.96 million tons of wheat.¹⁶ Imports of cell phones had risen by more than 4200 percent. In the South Korean National Assembly's analysis, the most popular items to be imported to North Korea included liquors, such as scotch and wine, electronic devices, perfumes and cosmetics, fur coats and luxury items.¹⁷ The North also imported expensive pet dogs and pet supplies, European and US baby products, and German-made sauna facilities. From China alone, the North imported \$519,402 worth of caviar and roe in 2012—almost a 50-fold increase in volume from the previous year.¹⁸ Pyongyang also imported carpets worth \$448,728, 33 times higher than in 2011.¹⁹ The DPRK imported 661.7 kilograms of silver worth \$653,128 dollars from China this January; observers speculate the regime may have used the silver as presents for Kim Jong-un's birthday on January 8. Kim has also imported scores of Chinese Shih Tzu dogs.²⁰ In 2011, shipments of luxury cars were reported at over \$230 million.²¹ Kim reportedly uses a Mercedes-Benz GL-Class sport-utility vehicle when he goes on his inspection tours throughout the country.²²

In addition to importing luxury items, the North Korean regime has vigorously pursued the construction of recreational and leisure facilities, most likely for Kim's enjoyment purposes. The young leader is an avid sports fan and enjoys throwing parties. Since September 2010, when Kim Jong-un was designated successor to his father, North Korea has been constructing new villas or expanding existing ones. For instance, Kim Jong-un's office “Official Residence Number 15” in central Pyongyang has been torn down and a new building is being constructed in its place. Because the location is where Kim's mother, Ko Young-hui had lived, and also where Kim resided during his youth, it can be inferred that the new building will most likely be intended for



Kim's personal use.²³ North Koreans have also deconstructed Kim Jong-il's personal villa, imported building materials from abroad, and begun constructing a new vacation house that includes banquet halls and villas. In Kim Jong-un's personal villas, he has built docks from which he could sail yachts and go jet skiing.²⁴ Pyongyang has also imported equipment to produce artificial snow for the leader's ski resorts.²⁵ The South Korean press reports that in 2012, North Korea entered into negotiations to acquire some high-end European luxury yachts priced at approximately \$10 million each. Between 2009 and 2010, North Korea imported a dozen Italian jet skis. In Kim's vacation house in Kangdong County, the North Koreans constructed a new banquet hall and horse race tracks, and invited Chinese and Russian architects to build an ice rink and indoor gym. Recently, North Korea has imported dozens of special Russian horses for Kim. Pyongyang has also imported sauna equipment from Finland and Germany, possibly to "help him beat hangovers and fatigue" from late night partying.²⁶

An Instrument to Solidify Kim's Power Grip

In the case of Kim Jong-il, luxury goods were acquired to satisfy Kim's decadent lifestyle, construct monuments idolizing the leadership, reward his supporters, and fund the country's weapons programs. What about his son, Kim Jong-un?

With barely two years of experience leading the country, the 30-year-old Kim, is young and lacks credible experience as a leader. Though he is the de facto leader of North Korea, Kim most likely relies on some of the officials from Kim Jong-il's rule for support and guidance. The majority of the North's old guard is several decades older than the young Kim; many of them are contemporaries and colleagues of his father. As a result, there is a generational gap that separates Kim and the Party and military elites ideologically and practically. Kim has also had exposure to the outside world in his formative years, which, to a certain extent, may have shaped his views on his country, its people, and relations with foreign countries. In any country, it is important for the leader to maintain a close network of supporters and affiliates to assert his leadership and ensure success of his policy goals. In North Korea, where allegiance to the leadership is crafted around a cult of personality, dissent is not tolerated, and the leader wields absolute, seemingly undisputed control, the support of his cronies and the top echelons of the Party, military, and government is especially important to the leader's longevity

and maintaining of power. And for Kim Jong-un, a young and inexperienced leader, loyalty from the top ranks in the Party and military is particularly crucial to ensuring a strong grip of the country. He may therefore place greater emphasis on securing his leadership in the first years of his rule by way of "buying off" the support of the older, more experienced high-ranking Party and military officials with expensive gifts.

The Kim Jong-un regime imports luxury goods for Kim's personal use, just as his father Kim Jong-il did during his rule. However, given Kim's recent assumption of rule and the lack of a solid power base around him, it is likely that luxury goods are of political import for the new leader. Kim is using these expensive items as gifts for the country's elites. One foreign official who visited North Korea in April 2012 said the regime appeared to be focusing more efforts on pampering the elites, with luxury items from Japan and the construction of high-rise condominiums for the privileged classes.²⁷ Kim has also spent money on parties for the North's high-ranking officials and purchased expensive products to buy their loyalty. For example, Kim gave Yamaha electronic violins and cellos to the North's all-female Moranbong Band.²⁸ Elite support had been an important fixture to regime survival during both Kim Il-sung and Kim Jong-il's rules, but it is even more important for Kim Jong-un, as he tries to show both the international community and the North Koreans that he is in charge of the country.

Dealing with North Korea Through Sanctions

The international community is well aware of the North Korean leadership's predilection for luxury items and the regime's dependence on these goods to encourage elites to remain loyal and supportive of the Kim leadership and generate revenue that is used to finance Pyongyang's illicit activities and programs. It understands both the tangible and political value luxury items hold for North Koreans and the Kim Jong-un leadership – no matter how dismal the national economy may be, the upper echelons of North Korean society will be able to access and obtain these expensive items. So long as Kim intends on securing and maintaining his power grip of the country and preventing an outbreak against his leadership, he will continue to rely on the support and loyalty of the North's Party and military elites, and he will obtain their support by lavishing them with gifts and rewards. Luxury goods will remain an important fixture to the Kim regime's survivability.



The United States and the United Nations are at the forefront of promulgating punitive, restrictive measures against the Kim regime in the form of sanctions. These sanctions are the international community's responses to the North's provocative behavior, namely, the Kim regime's nuclear and missile tests. The United Nations Security Council Resolution (UNSCR) 1718, for example, was passed following the North's October 2006 nuclear test. As demonstration of the international community's condemnation of the nuclear test, the resolution prevented an enumerated list of goods from entering and leaving the DPRK, imposed an asset freeze and travel ban on individuals related to the nuclear program, and prohibited the provision of large-scale arms, nuclear technology and training, and luxury goods to the communist country.²⁹ Similarly, the UNSC responded to the North's May 2009 nuclear test, December 2012 satellite launch, and February 2013 underground nuclear test with tightened sanctions aimed to put a chokehold on any activities and transactions funding North Korea's illicit behavior or strengthening the Kim regime.

Most recently, the UN in March 2013 approved Resolution 2094, which, much like the preceding resolutions, condemned the North's nuclear test but also included tougher financial measures in an attempt to curb Pyongyang's nuclear activities. UNSCR 2094 imposed travel bans and asset freezes on individuals and entities responsible for exporting goods and equipment related to ballistic missiles and conventional weapons and the research and development of advanced weapons systems.³⁰ The resolution increased the number of individuals and entities subject to these travel bans and asset freezes and for the first time established a common definition of "luxury goods" by providing examples of banned items, including yachts, racing cars, expensive automobiles, and several types of gems and jewelry.³¹ Prior to the passage of UNSCR 2094, each country was responsible for deciding its own definition of luxury items that were banned to North Korea.

Efficacy of Sanctions in Curbing the North's Behavior

For all intents and purposes, sanctions are penalties enforced by the international community to provide incentives for the state or entity to obey international norms and regulations. In the case of North Korea, international sanctions are designed to restrict the country's access to funds and goods that enable the regime to maintain stability, pursue, develop, and proliferate weapons

of mass destruction, and encourage the extravagant lifestyle of the leadership. Declaring and enforcing sanctions on Pyongyang have been the routine practice of the United States, United Nations, and other states that have an interest in safeguarding international security conditions and preserving peace.

Though sanctions send a message of disapproval vis-à-vis North Korea's chosen behavior, their efficacy as an instrument to curb or prohibit Pyongyang from perpetuating its actions and incentivize the regime to abide by international norms has been debated among North Korea watchers. Through loopholes, North Korea has been able to circumvent these punitive measures. A June 2011 visit to Pyongyang by a group of US-based researchers found that despite the imposition of the 2009 sanctions on the DPRK, North Koreans had no trouble acquiring luxury items and electronics. The visitors remarked on the number of luxury foreign cars traveling on the roads in Pyongyang—including BMWs, Mercedes-Benz, and Lincoln Continentals—as well as their newness.³² Several new Hewlett-Packard and Dell computers were seen in the country's academic and research institutions, and factories were using modern machinery and equipment imported from Europe and Japan.³³

Furthermore, sanctions do not appear to have had much negative impact on North Korea's trade with foreign countries. According to Chinese customs data, Beijing in 2012 exported \$77.5 million worth of pearls, precious metals and coins to Pyongyang, and \$266.9 million worth of sound and television equipment—more than triple the amount it exported in 2007.³⁴ The European Union's exports to North Korea totaled approximately 45 million euros in 2012, up from 42 million euros in 2011.³⁵

The adoption of UNSCR 2094 was initially speculated to deal a substantial blow to the North Korean economy. The resolution, by obligating UN member states to crack down on the North's financial transactions and inspect cargo suspected of carrying prohibited WMD-related items, was expected to inflict damage on Pyongyang's trade relations and weigh on its missile and nuclear ambitions. Yet international media reported the sanctions having little adverse impact on the North's financial transactions and access to luxury goods from abroad. In late March, shortly after the adoption of UNSCR 2094, international press reported the extent of shopping by North Koreans in Beijing. It indicated that North Koreans—the elites, in particular—did not have any difficulties acquiring televisions, cameras and perfumes from stores near the North Korean embassy in Beijing.³⁶ Sources living close to the North Korea-China border said they had not



observed or heard of tighter measures on the North's access to luxury goods since the sanctions were announced.

The actual effectiveness of sanctions in changing the North's behavior or cutting off the regime's access to luxury items may not be apparent or significant, but it is one way for the international community to convey a message of disapproval and attempt to gradually change the course of Pyongyang's actions. The international community may not be able to alter North Korea's calculus through these sanctions and restrictions within an envisioned timeline – sanctions are not a short-term solution for the North Korea dilemma. However, there is an understanding that sanctions on luxury items demonstrate the community's awareness of the value the regime places on these goods to fund its illicit programs and strengthen Kim's power base. As long as the regime depends on these goods for survival, the international community will most likely go after Pyongyang's avenues for accessing these products.

Beijing's Stance Matters

The international community's concerted efforts to restrict North Korea's access to financial assets and luxury items are, without a doubt, necessary in sending the DPRK an unequivocal message of intolerance toward its behavior and chosen policy path. The United States and the UN have been at the forefront of imposing these sanctions and punitive measures against the North, but what about China's stance? Clearly, as much as the efforts of the US and UN have helped mobilize a collective, unified approach with Pyongyang, and as much as their involvement is crucial to sending a clear message to the DPRK, China also has an important role to play in negotiating with the Kim regime. For one, China and North Korea share an intimate bond since the Korean War days. Beijing-Pyongyang ties are so close, the two countries frequently allude to the relationship as being intimate as "lips and teeth." Despite small ruptures in bilateral relations in recent years, North Korea still regards China as its biggest economic and political support. Beijing supplies Pyongyang with almost all its fuel and more than 83 percent of its imports, ranging from heavy machinery to grain and consumer goods.³⁷ It is North Korea's largest trading partner, with DPRK-PRC two-way trade totaling approximately \$1.3 billion in the first three months of this year.³⁸ In 2012, trade between the two countries totaled around \$6 billion.³⁹ Trade with China makes up almost 62 percent of North Korea's imports.⁴⁰

Pyongyang manifestly reaps economic and political benefits by maintaining close ties with Beijing. China, too, has political interests in backing the Kim regimes. For one, China's support for the DPRK serves as a bulwark against US and South Korean political interests. As China views the US as its archrival, it will have a political, economic, and security interest in balancing or thwarting US influence in the East Asia region by propping up the North Korean regime. Additionally, it is in Beijing's interest to maintain regional stability; the enforcement of strict policies toward the North could potentially induce Pyongyang to pursue provocative, destabilizing means to get what it wants. China has, for the most part, nominally echoed international voices condemning North Korea, but it has stopped short of imposing practicably harsh sanctions and punitive measures against Pyongyang. Beijing's hesitation to fully cooperate with world efforts to handle the North has been a perennial issue of criticism by the international community. For instance, China had been criticized for failing to publish a list of items it sanctioned under the UNSCR 1718 in 2006 and for a lax implementation of the sanctions compared with other countries. Beijing will notionally agree with the Security Council's decisions, but do nothing to actually implement the sanctions.

China's response to the North's December 2012 nuclear test, however, runs counter to its usual practice of extending nominal support for international punitive measures against Pyongyang's bad behavior, suggesting it is sincere in meeting its commitments to cooperate with the international community's efforts to be less tolerant of the DPRK's actions. In addition to supporting UNSCR 2094, China began cracking down on the North shortly after the passage of the resolution by cutting back on exporting seafood to Pyongyang and the number of freight forwarders for cargo passing into North Korea through Dalian from around twenty to two.⁴¹ The reduction in freight forwarders shrank the number of cargo ships that enter North Korea from Singapore from seven to three. Chinese authorities also attempted to curb the North's illegal money laundering activities by putting the brakes on the operations of the Beijing and Dandong offices of several North Korean banks.⁴² In May, the state-run Bank of China announced it would be ending all dealings and shutting down its account with North Korea's Foreign Trade Bank.⁴³ In September, China published a list of weapons-related technology and products banned from export to North Korea because of the potential for these materials to be used in building nuclear, chemical and biological weapons as well as long-range missiles.^{44,45} The



US, South Korea, UN, and other parties intent on changing the course of North Korean behavior have viewed the change in China's stance with cautious optimism.

Recommendations

Patently, North Korea's unwillingness to cooperate under international norms and access to luxury goods and assets to sustain the Kim regime cannot be curbed or discouraged through one swift action or policy, no matter how concerted the efforts of the involved parties may be. It should be underscored that the international community's handling of the DPRK's luxury goods issue yields repercussions on other North Korea-related issues, ranging from Pyongyang's leveraging power vis-à-vis contentious foreign policy dilemmas such as its nuclear and missile programs, to the viability and stability of the Kim regime and the DPRK's economic conditions. Devising economic sanctions and other punitive measures that successfully tighten the North's access to luxury goods may therefore help to weaken the Kim regime, as it runs low on funds and high-quality items with which it could bribe officials and reward those who have successfully accomplished the North's foreign policy and security goals. The weaker and lackluster the elite support for Kim, the less maneuverability the young leader has in both pushing forward his domestic and foreign policy objectives. On the other hand, ineffective handling of the issue would not only create loopholes for the DPRK and do very little to curb the regime's bad behavior, but it could also bolster Kim Jong-un's confidence to play in the international field on his terms.

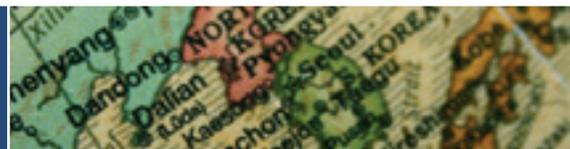
The efficacy of economic sanctions in punishing the North is demonstrably debatable. On the one hand, sanctions send Pyongyang a message that the international community disapproves of its behavior and to a certain extent incentivizes the regime to moderate its aggression. As symbolic and nominal the actual effects of the sanctions are, they do contain a messaging value. On the other hand, sanctions appear to be more effectual at certain points than others. For instance, a clear definition of prohibited luxury goods denies Pyongyang access to specific items. Specifying the items banned to the North and individuals and companies to be boycotted not only makes the sanctions more palpable to the regime, but it also sends a message to the DPRK of the international community's seriousness in its intent to punish the North's bad behavior and illicit practices. Furthermore, member countries should go beyond nominally

supporting international sanctions against Pyongyang, but, as the United States and in recent months China has done, take direct, concrete steps to targeting specific behavior, individuals, and entities. The more palpable the effects of the sanctions are to Pyongyang, the more seriously it will take these international condemnatory measures.

The international community should take both multilateral and bilateral approaches to condemn the North's behavior. A multilateral approach combines the strengths and interests of numerous countries to send a powerful message to Pyongyang that it is not a single country that is refusing to condone the DPRK's actions, but rather a bevy of like-minded states and entities intent on changing the North's behavior. Bilateral approaches, on the other hand, indicate that the individual country disapproves of Pyongyang and will take direct, confrontational measures to punish the North.

China's role is clearly important in this. As the North's longstanding ally and source of political and economic support, Beijing's policy vis-à-vis Pyongyang could determine dramatically different outcomes. Should China decide to take a weaker approach with the North by nominally supporting international efforts to punish Pyongyang, the Kim regime may become more emboldened, as it interprets Beijing's actions as a tacit sign of support or approval. But if Beijing takes a clear stance in echoing the international community's stern approach by taking concrete measures to curb North Korea's provocative acts, Pyongyang could perceive its biggest ally as withdrawing support for the Kim regime. This is not to say that China is North Korea's single viable ally; however, as Pyongyang's biggest and most reliable neighbor, Beijing's refusal to tolerate the North's policies and illicit activities could send a strong message to the latter to reconsider taking the path that would further isolate the regime.

In view of the fact that there is no one-stop, end-all solution to the North Korean dilemma, the US, UN and the international community should continue to pursue multilateral and bilateral solutions and send a clear, direct and stern warning of punishment to the North with palpable consequences to its political and economic future. Furthermore, as China's close relationship with the DPRK is of import in determining Pyongyang's response, the international community should make concerted efforts to encourage Beijing's greater participation in these efforts.



Definition of Luxury Goods

	“Luxury Goods” defined as...	Source
United Nations Security Council Resolution 2094	pearls, gems, precious and semi-precious stones, jewelry of precious metal or of metal clad with precious metal, transportation items, including yachts, luxury automobiles and motor vehicles to transport people, station wagons, and racing cars	Security Council Resolution 2094. United Nations Security Council. 7 March 2013. Accessed 2 December 2013.
United States Code of Federal Regulations	luxury automobiles, yachts, gems jewelry, luxury watches, fashion accessories, cosmetics, perfumes, furs, designer clothing, rugs, electronic entertainment software and equipment, recreational sports equipment, tobacco, wine and other alcoholic beverages, musical instruments, art, antiques and collectibles	Electronic Code of Federal Regulations. Title 15. Commerce and Foreign Trade, Part 746: Embargoes and Other Special Controls. http://www.ecfr.gov/cgi-bin/text-idx?SID=ba72db1459378288126c85af43a7b7d8&node=15:2.1.3.4.30.0.1.4&gn=div8 , 2 December 2013. Accessed 4 December 2013.
Canada’s Special Economic Measures Regulations	jewelry, gems, precious metals, and watches, cigarettes, alcoholic beverages, perfume, designer clothing and accessories, furs, sporting goods, and private aircraft, lobster and gourmet foods and ingredients, computers, television and other electronic devices	Regulations Implementing the United Nations Resolutions on the Democratic People’s Republic of Korea (DPRK). Government of Canada Justice Laws Website. http://laws-lois.justice.gc.ca/eng/regulations/SOR-2006-287/FullText.html , modified 22 November 2013. Accessed 2 December 2013.



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