

NORTH KOREA'S STRATEGY IN 2018

What does North Korea seek at a time of unprecedented sanctions and pressure against it and suddenly developing opportunity, as South Korea and four great powers explore diplomatic overtures? This set of four chapters completed at the height of anticipation for summits in 2018 approaches Pyongyang's strategy from diverse angles: public relations—how it is striving to shape images of itself, beginning by taking advantage of the Pyeongchang Winter Olympics; diplomacy—how it is engaging one state after another to forge an ideal diplomatic environment for securing maximum concessions; economy—how it is coping with sanctions and preparing to realize *byungjin* by boosting the economic side while deriving credit from the military side; and military—how it continues to develop threat capacities and prepare for contingencies. There is a lot that is unknown about what is driving Kim Jong-un's behavior with some accentuating the strength achieved by building his threat capacity and others emphasizing the weakness exposed by draconian sanctions. These chapters explore the drivers behind his moves through the lens of strategic objectives, recognizing that the North Korean leader sees a mix of opportunities.

This volume covers well into the spring of 2018—including the New Year's Day address by Kim Jong-un that opened the door to a public relations blitz, the delegations sent to South Korea to kick-start "smile diplomacy" against the backdrop of the Winter Olympic Games, the personal diplomacy by Kim with South Korean officials followed by his outreach to Donald Trump and then a hurried visit to Beijing to meet Xi Jinping, and finally the Panmunjom summit with Moon Jae-in in the last week of April. This whirlwind of public relations and diplomacy against diverse interpretations of their economic and military background captured the world's attention. Yet, Kim's strategic intentions largely remain a mystery. Does he expect to retain his missiles and nuclear weapons and be recognized as one of the nuclear powers on essentially equal footing with the world's great military powers? Does he seek to cut a grand bargain, eliminating these threatening weapons in return for acceptance in the international community with guarantees of security and bountiful economic assistance? Is Kim Jong-un playing a multi-stage game with long-term objectives hidden as he capitalizes on differences among five countries to maneuver in ways still difficult to fathom? Much remains unknown, as we delve into his strategic choices.

Eun A Jo, "North Korea's Public Relations Strategy, 2018"

In her chapter Eun A Jo notes that Kim devoted a considerable segment of his New Year's Day speech to calling for improved inter-Korean relations. The Pyeongchang Olympics presented him a timely opportunity to remake the regime's flailing image at home and abroad. As the Olympics approached, North Korea was in dire need of a public relations make-over. Externally, the regime's image had deteriorated significantly. Kim needed to reshape his image as his reputation plummeted, hardening the international community's resolve to punish the regime. He also needed to buy time and diffuse tension as Trump's threats of a "bloody nose strike" appeared bafflingly genuine. The Olympics proved a fitting occasion to extend an olive branch without appearing too eager for appeasement, particularly given Moon Jae-in's efforts to resume contact with the North through what he had dubbed the "Peace Olympics."

The "charm offensive" in Pyeongchang makes for an interesting case study, because it features both the old and new aspects of Kim's public relations strategy. Among the most

notable elements of the campaign include: 1) hosting a military parade before the Olympics to juxtapose his peaceful intentions with formidable capabilities; 2) showcasing the Wonsan tourist area to establish an alternative source of income and promote an image of prosperity; and 3) sending his female envoys to give the reticent regime a human face—one of glamour and grace. Kim promoted the Wonsan tourist zone, in particular the Masikryong ski resort, where he negotiated with the South to hold joint ski training ahead of the Olympics. Since its opening in 2013, it has been a symbol of prosperity and a propaganda tool: Built amid intensifying sanctions and isolation, the resort symbolizes resilience, indicating that “North Korea is preparing for a future despite its isolation—or perhaps for an end to the isolation altogether.”

Kim’s public relations campaign is designed to support his strategic agenda at the Olympics: breaking free from the debilitating economic pressure and political isolation by holding hands with South Korea. Promoting an image of North Korean modernity and stealing the symbolism of the Olympics, Kim brands both himself and the country as open and peace-seeking. This gesture of goodwill helps soften the international community’s resolve to stifle the North and thwart the United States from resorting to force. Kim actively promotes an image of youth and modernity: 1) he is more concerned with how he and the country is perceived externally and encourages the public to be more globally aware; 2) he highlights a previously overlooked aspect of “*juche*”—economic self-sustenance—and endorses an emerging consumerist culture; and 3) he involves women in image-making operations to present a softer, more inclusive picture of the regime. This image of modernity is bolstered by the “feminine touch” in public messaging. The involvement of his wife and sister in public relations helps mollify Kim’s image, to transform the regime’s image-making methods to reflect supposed modernity and openness.

Under Moon’s progressive leadership, Seoul is most likely to reciprocate Kim’s peace initiative with immediate rewards, providing the regime with much-needed relief; and 2) the image of inter-Korean reconciliation will bolster Kim’s message of peace and prompt the international community to reexamine its pressure tactics. Though Kim’s intentions behind the Olympics gambit remain difficult to specify, his peace gesture allowed him to humanize the North’s image ahead of its real diplomatic tests—namely, what comes after the “Peace Olympics.” For now, that Kim earned a chance to meet with a sitting U.S. president, without appearing to commit to denuclearize as a precondition, indicates that his public relations efforts have worked favorably toward his overarching strategic objective—staying in power. What remains unknown is the staying power of this image makeover in the uncertain months ahead in 2018.

Mark Tokola, “North Korea’s Diplomatic Strategy, 2018”

After six years in isolation from the world community with virtually no diplomacy of any note, Kim Jong-un emerged suddenly in the limelight from the beginning of 2018. While 2017 was marked by provocative weapons tests and threats of war from both North Korea and the United States, 2018 has begun with an apparent thawing of relations and re-energized diplomatic efforts on all sides to diminish tensions on the Korean Peninsula. Kim highlighted the auspiciousness of 2018 as the 70th anniversary of the founding of the DPRK as well as the year in which South Korea hosts the Olympic Games, presenting an opportunity to

“improve the frozen inter-Korean relations and glorify this meaningful year as an eventful one noteworthy in the history of the nation.” He called for easing military tension and for the promotion of “bilateral contact, travel, cooperation and exchange on a broad scale to remove mutual misunderstanding and distrust and fulfill their responsibility and role as the motive force of national reunification.” The “Olympic Peace” served both sides’ short-term interests. South Korea received assurance that North Korea would not attempt to disrupt the Winter Olympics. North Korea was able to demonstrate that it was not isolated within the international community and received 600 all-expense paid vacations for Kim loyalists to attend the games and to visit South Korea.

After the end of the Winter Olympics, North Korean and South Korean negotiators held a series of working-level meetings, culminating in the announcement that the third inter-Korean summit will be held on April 27 at the border village of Panmunjom. The March 5-6 inter-Korean meetings, held in Pyongyang at the headquarters of the Korean Workers’ Party with a high-ranking delegation, was significant for being the first known instance of Kim Jong-un meeting with South Korean officials, and the first high-level South Korean visit to North Korea in a decade. After Kim invited Donald Trump to meet and plans for the summit were set in motion, he made a visit to Beijing, his first known trip outside of North Korea since he took power in December 2011. There are several possible reasons for why the North Korean regime might have felt that a visit to China was necessary. First, as with the meetings with the South Korean and U.S. presidents, the meeting with Xi Jinping plays into Kim Jong-un’s push to present himself as a world leader—advantageous both at home and abroad. It would have seemed bizarre to have met with Trump before he met with Xi Jinping. Second, Xi has met with Trump, and may have advice on how to handle a meeting to maximize North Korean gains. Third, China is North Korea’s only ally and its largest trading partner. It is in North Korea’s interest to create the appearance that it has China’s backing before going into a meeting with South Korea and the United States. Fourth, Moon Jae-in has been pursuing a trilateral meeting between South Korea, Japan, and China. Having Moon meet Xi and not having Kim meet Xi would have set North Korea at a diplomatic disadvantage. Fifth, Kim Jong-un may also have been looking for an assurance from Xi that North Korea would not face tougher sanctions were talks with Seoul and Washington to collapse and North Korea resume its missile and nuclear tests. The summits with South Korea and the United States presented Kim an opportunity to reset relations with China.

Three categories of diplomatic objectives are seen: 1) the status of the Kim regime, 2) the end of “hostile acts” from the United States and South Korea, and 3) the settlement of long-standing issues. The last includes: regime survival, legitimacy, and recognition as a nuclear state—to be taken seriously by the international community, and to be regarded as a peer of the larger nuclear powers, rather than as what it is in reality—small, isolated, and poor. What Kim considers acts of hostility may range from specific economic sanctions, to joint U.S.-South Korean military exercises, to criticism of North Korea’s human rights record. Leaving a cessation of “hostility” loosely defined would likely give the North an excuse to claim, at a future point of its choosing, that the U.S. had violated whatever settlement may emerge from negotiations. The deal North Korea may be seeking would involve a long term—perhaps a *very* long term—commitment to eventual denuclearization but temporary, *de facto*, recognition that it is a nuclear power. Kim’s vision seems to be one of the two Koreas growing together organically through trade, investment, and people-to-people ties. The process seems similar to that of European integration, a slow, practical melding until unification is achieved at some barely-perceived point in the process.

Yet, summitry without deep preparation poses high opportunities and high risks. The risks are threefold: 1) if the inter-Korean summit goes well but the Kim-Trump summit goes badly, even at a second stage, it could drive a wedge in the alliance—the U.S. side might appear to be the obstacle to progress being made between the two Koreas; 2) in their haste to achieve a deal quickly, Kim Jong-un and Trump may rush into an unsustainable or destabilizing agreement. However, the United States may have little choice other than to negotiate now that North Korea has extended the invitation. The point of U.S. “maximum pressure” and isolation was to lead North Korea to the negotiating table. If they have agreed to negotiate, is this not what success is supposed to look like?

William Brown, “North Korea’s Economic Strategy, 2018”

Not since the famine of the mid-1990s has North Korea faced a more challenging economic environment. The situation is not near so dire for the populace as it was in that period, but it is more complicated for the regime and involves much more political and financial risk. In the past, poor decisions meant people would starve and industries would close, but the regime, secure behind its command, or slave-like, economy, could hold fast. Now, poor decisions could bring the weakened socialist system to collapse. Good decisions, in contrast, could move the economy well on the path to economic revitalization and reform. Kim must be facing very high tensions.

Exports in the early months of 2018 to China, North Korea’s only significant trade partner, fell 85 percent from year-earlier levels and imports began what looks to be a similar slide, down 30 percent in February. Imports of vital products, such as all petroleum products, grain, all electrical and non-electrical machinery, and vehicles, have fallen to zero. Imports of consumer goods are down sharply as well. Except for petroleum products, North Korean imports are generally not sanctioned; so, the falls indicate a combination of even tougher action by China than required or a loss of hard currency by North Korean importers. Falls of this magnitude cannot help but cause large reactions within the domestic economy and create jarring decisions for the government, for example on how to re-employ hundreds of thousands of textiles workers and miners.

Economic authorities must prevent: a collapse of the won currency, leading to hyperinflation and popular unrest; a cutoff in Chinese crude oil deliveries that would strangle transportation; and a bad harvest that would lead to vast needs for imported grain which the country cannot afford. They must work rapidly to defang UN and especially Chinese trade sanctions that are now aimed at crippling the general economy. Ironically, to relieve growing pressures on the “command economy” decisions made by the cabinet may lead to much more liberalization, freeing large elements from the planned system. The sanctions may thus be showing the way for the ultimate end of the regime’s socialist system and the advance of economic reforms that may save the country. The regime will try to avoid that choice, hoping to garner aid from China, South Korea, and the United States in return for slowing the nuclear drive. Such aid could forestall economic reform for years but is unlikely to do more than patch the crevice in the failing state system.

Budget management poses difficult trade-offs: raise taxes and fees to try to create a state surplus; reduce state spending to the bone, including for the military; cut more state enterprises out of the system, forcing loss-leading enterprises to go off budget and off plan; sell important state assets (the state, in effect, owns the whole country), and allow state enterprises to sell or privatize theirs, to pull in money. This will be the most attractive option to many, and is already being done on the margins, but also has unmistakable connotations of beginning Chinese style reforms.

Despite talk of markets, North Korea still has a planned economy and the planning commission must try to allocate goods, services, and labor among state enterprises and the government. Perhaps half the country relies on this system as does the entire public for essential products and services, including much of the food supply, fuels, electricity, heavy and some light industry, mining, general infrastructure, social services and education, and of course the huge military. Given the sanctions related drop in exports, the plan will have to scramble to reallocate inputs and outputs, and one can imagine a highly contentious process. If, for example, hundreds of thousands of textile workers are not producing for export, what are they supposed to be doing?

North Korea's food supply appears barely adequate at present, despite a somewhat poor harvest last fall and a complete fall-off of cereal imports. A major liberalization program would dissolve the collectives, as occurred in Deng's China, and generate a huge boost in productivity, but no evidence of such a far-reaching decision is available. In this difficult economic environment, the regime will be hard pressed to maneuver foreign powers to reduce sanctions or to provide aid that offsets some of the negative results. The economy's problems began long before sanctions and are unlikely to be resolved by their removal, although they would give the system a little life.

Chun In-bum, "North Korea's Military Strategy, 2018"

Perhaps, the hardest strategy to predict due to its dependence on the outcome of diplomacy is in the military sphere. Those who anticipate that the talks will be rather inconsequential for limiting the North's military advances see considerable continuity. Others see some room for reductions and confidence-building measures. In this article the forces of continuity receive the main stress. Those are summarized in this introduction as we await further signs a breakthrough is possible.

Since taking power, Kim's regime has fired close to one hundred missiles of wide variety and range compared to thirty-one for his father and grandfather combined. He has also conducted nuclear tests, boasting of a thermal nuclear capability. During his 2018 New Year's address, Kim proclaimed that the DPRK had perfected its nuclear and intercontinental missile capabilities, supporting North Korea's constitutional claim to be a nuclear power. Despite an upsurge in diplomacy after this address, we should keep our eyes on North Korea's military advances.

The assumption is that strategic thinking will prevail for gaining the maximum time to develop the capacity to extend the North's military threat. At present North Korea needs time to perfect its nuclear strike capability. It has been very successful in developing missile capabilities, but it needs additional time to achieve its goals. With the North-South engagement of March 5, 2018, the DPRK has just gained what it needs most: time. For an extended period in 2018, as diplomacy proceeds, we should expect a subdued approach not flaunting its nuclear weapons and missiles, while striving to boost capabilities for the struggle ahead. It is unlikely that we will see another spate of nuclear and missile tests in 2018 even as secret development persists. Emphasis will probably be placed on improving accuracy and re-entry capability. Thus, there should be no surprise when the North's next nuclear and missile provocation involves an atmospheric test, a thermal nuclear capability, or a 10,000 km plus range test with unquestionable re-entry capability.

Of all the capabilities that North Korea possesses, the cyber threat is probably the most potent and threatening for 2018. With the difficulties in attribution and often non-kinetic impact, North Korea can seek to retain plausible deniability with respect to any particular attack but its focus on cyber warfare is increasingly obvious. As North Korea faces economic sanctions it is more likely to utilize cyber theft to compensate for the loss of income. A little-known area for the DPRK is Electronic Warfare (EW) capability. Attempts to disrupt friendly GPS signals continues. If successful, this would affect friendly precision bombing capability.

For the time being the North Korean People's Army will support the peace effort by being discreet in its activities to improve existing capabilities and to develop new abilities. The focus of improving existing capabilities will probably be towards missile accuracy and re-entry, a greater nuclear warhead yield and some of its conventional forces. New abilities will be towards cyber, submarines, electronic warfare and unmanned drones. Its message that its nuclear weapons are only for defense will deflect a limited military option by the United States or the alliance. North Korean cyber units will play a critical role by infiltrating South Korean social networks to create and form public opinion. False news as well as raising enough suspicion to plant doubt will be easy against an open society like South Korea.