

# Economic Security and U.S.-China Competition: The View from North Korea

By Rachel Minyoung Lee

## Introduction: Economic Security and U.S.-China Competition: The View from North Korea

“Economic security” has become something of a buzz phrase since the Trump administration first incorporated it into the 2017 National Security Strategy, later reintroduced by then White House trade adviser Peter Navarro in this famous line: “Economic security is national security.”<sup>1</sup> The line between security and economic issues has become even blurrier in recent years: economic security, though almost never called by that name by the Biden administration, continues to dominate its national security agenda amid intensifying U.S.-China competition, rising geopolitical uncertainties, and challenges to global norms of innovation and trade. Disruptions to supply chains during the global pandemic and in the wake of Russia’s invasion of Ukraine have underscored vulnerabilities in the global economy and their potential for security risks.

The dilemmas and opportunities that multidimensional U.S.-China strategic competition poses to key players in matters related to global economic security, namely Japan, South Korea, Taiwan, and the European Union, are well chronicled. One country is conspicuously missing from existing literature concerning economic security or U.S.-China strategic competition and relevant stakeholders’ attempts to adjust to the reshaping of the geopolitical and geoeconomic global order: North Korea. North Korea is an interesting piece of the puzzle because it is certainly not a key player in the regional or global economy. It is not part of the global market system. Quite unlike its neighboring states, North Korea’s place in global supply chains is minimal at best. Yet, North Korea remains important because it is a major player in the Northeast Asian security landscape. Any key political and economic decisions this nuclear-armed state makes in the region, where major power interests intersect and some of the world’s crucial supply chains run, will have profound implications for the security and economy of the world. And Pyongyang’s views of U.S.-China

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competition and its economic and political fallout will be a central component of its near- to long-term calculus. Also of relevance is how the North sees the Russia factor in U.S.-China competition and the shifting global order.

Against that backdrop, this paper examines how North Korea perceives economic security and U.S.-China strategic competition; how Pyongyang's views of U.S.-China relations and the changing global order have reshaped its foreign and economic policy; and the opportunities and challenges that U.S.-China competition poses to Pyongyang.

### **“Economic Security” Narrative in Pyongyang**

North Korea does not use the term economic security in a domestic context and has no established definition. Yet, the linkage between the economy and national security features regularly in the country's propaganda, instilling in the people the concept that the two realms are inextricably intertwined. The following line from a prominent first-page article in the country's most authoritative daily, *Rodong Sinmun*, is one such example:

Further strengthening the self-supporting foundation of the economy is a fateful matter of importance on which the existence and life-and-death of the state and people rest. That is because today's economic construction is a serious political struggle and class struggle for defending the dignity and sovereignty of the people.<sup>2</sup>

Sometimes, particularly when it needs to justify increased defense spending, North Korea uses the opposite logic—that strong national security ensures economic development:

We have overcome harsh trials and difficulties and equipped ourselves with powerful national defense capabilities and war deterrent not to threaten other countries but to safeguard the peace and stability of the Korean Peninsula and create a favorable environment for the construction of an economically powerful state by preventing the imperialists' aggression and war and completely ending [their] military threats.<sup>3</sup>

Despite being largely disconnected from the global economy and emphasizing self-reliance day after day, North Korea has shown interest in issues related to economic security and related matters in external contexts, namely, to ridicule South Korea's deepening economic dependence on the United States and criticize its enhanced partnership with Washington and Tokyo, or support Beijing's position on U.S.-China competition. This indicates that the country

understands economic security is a part of the deepening U.S.-China standoff and is concerned about the ramifications of U.S.-China relations for the region and world, including the increasingly clear geopolitical blocs.

### **Worry Over South Korea's Pivot to the United States and Japan**

Though the term economic security had been used widely in other parts of the world for some years, North Korea started mentioning it only at the end of May 2022—in the wake of South Korean President Yoon Suk-yeol and U.S. President Biden's first summit, where they discussed economic security as a main agenda item—and has since regularly reported or commented on related issues.<sup>4</sup> Yoon, a conservative who was elected in March 2022, had promised a foreign policy that was clearly more aligned with the United States than his predecessor Moon Jae-in. Almost all North Korean articles critical of South Korea in connection with economic security have been carried only in the Korean language by the country's external propaganda websites that primarily target South Koreans.<sup>5</sup> The timing of these North Korean articles' appearances, as well as the sources hosting such articles, suggests Pyongyang was concerned about the geopolitical implications of the Yoon administration's pivot to the United States and Japan and was attempting to influence South Koreans' opinion about Yoon's U.S. policy. Furthermore, the increasingly close cooperation among the three nations almost certainly reinforced the North Korean leadership's tendency toward realignment with China and Russia, which was already in full swing.

In the wake of a Japan-South Korea-U.S. summit in November 2022, North Korea criticized the expanding three-way partnership's potential implications for Pyongyang:

The objective of traitor Yoon Suk-yeol's actively taking part in the U.S.-led "economic security dialogue" lies in using its "economic alliance" with the United States and Japan as the link to achieving "military security" and attempting to intensify the anti-Republic confrontation dynamic based on U.S. "extended deterrence" and Japan's "military assistance."<sup>6</sup>

Following Yoon's visit to the United States in April 2023, North Korea stepped up its criticism of Japan-South Korea-U.S. relations, specifically mentioning the likelihood of their increasing tensions with China and Russia. It cited South Korea's left-of-center daily Hankyoreh, which tends to support engagement with North Korea, as saying:

... the most fatal part of the recent talks is that the Yoon Suk-yeol “government” has been incorporated into three-way cooperation or a quasi-alliance among the United States, South Korea, and Japan ...

Not content with his one-sidedly hardline “policy toward the North,” Yoon Suk-yeol is provoking China and Russia and stoking uncertainties by putting forward his so-called “values-based diplomacy,” which is said to be aligned with the United States....<sup>7</sup>

The string of articles and commentaries deriding Seoul's increased economic cooperation with the United States is consistent with Pyongyang's anti-South Korea propaganda. What is notable is that Pyongyang expressed wariness at—usually by introducing foreign commentators' or media's views—the strengthening and broadening of Japan-South Korea-U.S. cooperation and its implications for North Korea's security environment.

### **Siding with China**

North Korean media have covered U.S.-China trade relations since at least early 2017.<sup>8</sup> It was only in August 2022, however, that North Korea started to conduct a closer review of U.S.-China competition in the economic realm and its implications for the geoeconomic order.<sup>9</sup> It should be noted that North Korea used the website of its Foreign Ministry to support China's position on various issues connected with economic security, usually by introducing the Chinese Foreign Ministry's or media's comments or hosting articles written by North Korean “researchers” echoing China's line. These articles discussed U.S. “pressure” on China in the name of “competition”; U.S. moves to exclude China from global supply networks and “hinder” China's economic and technological advancements; and the destabilizing impacts of the deepening geopolitical divide.<sup>10</sup>

The North Korea Foreign Ministry started commenting on a shifting global economic order—usually by promoting BRICS—at the same time that it began to track China and economic security issues, indicating Pyongyang viewed the changing world economic order in connection with U.S.-China competition. A report on a BRICS summit noted:

He [The Ugandan president] also stressed that the African countries, in the future, should tide over their economic difficulties in cooperation with those countries like China and Russia....

It is an irresistible trend of the development of history and only a matter of time that the old uni-polarized international economic system dominated by the U.S. and the West collapses and a new multi-polarized international economic system, equal and fair, emerges.<sup>11</sup>

The North Korean Foreign Ministry website's support for China on economic security is consistent with its handling of China since August 2021, when it started to host a regular stream of reports and articles backing China's (and Russia's) views and positions on various international and foreign policy issues.

### **U.S.-China Competition and North Korea's Foreign Policy**

The North Korean Foreign Ministry website's sudden rush of support for China in August 2021 did not come about in a vacuum: it reflected North Korea's reassessment of the changing global order and its relations with China and the United States, and later Russia. In the backdrop of this foreign policy review was what Pyongyang perceived to be the Biden administration's—and successive U.S. administrations'—continuation of “hostile policy” despite the joint statement from the first U.S.-North Korea summit in Singapore, which pledged to improve relations and work toward denuclearization.<sup>12</sup> This appears to have generated serious skepticism within the North Korean leadership circle about the fundamentals of the country's three-decade policy of nonalignment with China and Russia and, as a buffer against these two great-power neighbors, the eventual normalization of political and economic relations with the United States by working toward denuclearization.

#### *Welcome to a “Multipolar World”*

Multipolarization and a “new Cold War” are not new concepts in North Korea: they have been regular themes in state media since the mid-2000s. However, it was not until September 2021, in the wake of the North Korean Foreign Ministry's support of China and Russia, that changes in the global order seem to have started figuring into North Korea's policy thinking. Kim, in his policy speech to the parliament, the Supreme People's Assembly (SPA), for the first time characterized the global order as a new Cold War. He said:

... the current international situation is mainly characterized by the fact that it has got more complicated as the structure of the international relations has been reduced to the structure of “neo-Cold War” due to the U.S. unilateral and prejudiced bloc-forming style external policy.<sup>13</sup>

It was almost certainly not by chance that in this same speech, Kim criticized the Biden administration's North Korea policy in public for the first time. He claimed that the “new administration” had employed “more cunning ways and methods” in “posing military threats and pursuing hostile policy toward the DPRK” and called for more thoroughly analyzing the “present U.S. administration's” policy on North Korea.

In a speech to the SPA in September 2022, Kim went beyond criticizing the United States for a “new-Cold War” global order and for the first time made public his assessment that a U.S.-led “unipolar” world was transitioning to a “multipolar world”:

**The present international situation shows that the contradictions between justice and injustice and between the progressive and the reactionary, especially the power structure surrounding the Korean peninsula, have become obvious and the change from a unipolar world advocated by the US into a multipolar world is being accelerated significantly.<sup>14</sup>**

Kim's assertion that the shift in the global order was being “accelerated significantly” likely was triggered by a China-Russia joint statement in early February 2022 declaring “no limits” in friendship, and Russia's invasion of Ukraine later that month.<sup>15</sup> North Korea has had a tendency to view China and Russia together forming one anti-U.S. “pole” in a multipolar or bipolar world.<sup>16</sup> In that vein, the developments of February 2022 could have convinced the North Korean leadership that the China-Russia partnership may effectively counterbalance the United States and the West, U.S. leadership on the world stage would be significantly weakened, and therefore North Korea had been right in its decision to realign with China and Russia.

### *Recalibrating Policy on Washington and Beijing... And Russia*

The takeaway for Kim Jong-un from his three meetings with Trump appeared to be twofold: that North Korea was in for a “long-term confrontation” with the United States, and it needed to be prepared accordingly. “Long-term confrontation” has been a constant theme in Kim's public remarks since he first introduced it in his policy speech to the SPA in April 2019, one month after the collapse of the Hanoi summit.<sup>17</sup> Such thinking was reaffirmed during a North Korean Party Political Bureau meeting in January 2022:

Assessing that the hostile policy and military threat by the U.S. have reached a danger line that can not be overlooked any more despite our sincere efforts for maintaining the general tide for relaxation of tension in the Korean peninsula since the DPRK-U.S. summit in Singapore, the Political Bureau of the Party Central Committee unanimously recognized that we should make more thorough preparation for a long-term confrontation with the U.S. imperialism.<sup>18</sup>

Though its stance on the United States hardened after the collapse of the Hanoi summit, Pyongyang had not quite ruled out denuclearization from its public narrative. There were signals, however, that a major U.S. policy reorientation was under way: the North Korean Foreign Ministry website's support for China and Russia in August 2021; Kim's public recognition of a changing global order and public denunciation of the Biden administration's North Korea policy in September 2021; the Party Politburo's hint at lifting its self-imposed moratorium on longer-range missile and nuclear tests in January 2022; and in March 2022, the North's resumption of intercontinental ballistic missile (ICBM) testing.

These signs of a policy change were confirmed in September 2022, when Kim in his speech to the SPA implied Pyongyang in effect had shifted away from its three-decade policy of normalizing relations with the United States by working toward denuclearization.<sup>19</sup> He said:

There will never be such a thing as our abandonment of the nuclear weapons or denuclearization first, nor will there be any negotiations to this end or bargaining chip in these processes. . . . We have drawn the line of no retreat regarding our nuclear weapons so that there will be no longer any bargaining over them.<sup>20</sup>

If Kim's September 2022 speech was not clear enough on North Korea's U.S. policy, he put the nail in the coffin in his speech to the SPA in September 2023:

As long as our Republic exists as a socialist state and as long as the tyrannical nuclear weapons of the imperialists trying to stamp out independence and socialism exist on the earth, we must neither change nor concede the present position of our country as a nuclear weapons state, but, on the contrary, continue to further strengthen the nuclear force. This is the serious strategic judgment made by our Party and government.<sup>21</sup>

This was a considerable change from Kim's last public reference to denuclearization at the end of 2019, when he said denuclearization was impossible "if the US persists in its policy hostile towards the DPRK," thereby leaving the door open for denuclearization talks, however little.<sup>22</sup>

North Korea's changing calculus vis-a-vis China appears to have shaped, or at least provided impetus to, its recalibration of U.S. policy. Xi Jinping's visit to Pyongyang in June 2019 seems to have marked a watershed in North Korea's thinking on China. The event was notable for North Korean media's unusual emphasis of the socialist bond between the two countries, a theme that would become a recurring point of emphasis in the country's messaging toward China.<sup>23</sup> North Korea's support for China increased significantly after Xi's visit to Pyongyang, most notably the Foreign Ministry's unusual public backing of China on Hong Kong in August 2019 and the Party's rare statement implicitly endorsing China on Taiwan in June 2020, both thorny issues on which the North had previously refrained from commenting.<sup>24</sup> These moves culminated in the North Korean Foreign Ministry's shift to a pro-China stance in August 2021.

Kim's summit with Putin in April 2019 provided good fodder for leadership propaganda at home, but it did not achieve much in advancing bilateral relations in any substantial way. North Korea's pivot to Russia in August 2021—at the same time that the Foreign Ministry website started to carry articles and commentaries supporting both China and Russia—suggested it occurred as part of Pyongyang's broader foreign policy change to realignment with China and Russia. North Korea's support for Russia became more frequent and pronounced after Russia's invasion of Ukraine, as evidenced by North Korea's implicit support for Russia in the wake of the invasion, and subsequently its official recognition of the two Ukrainian breakaway provinces.<sup>25</sup> Kim Jong-un's letter to his Russian counterpart in June 2022 mentioned “strategic and tactical cooperation,” a term that typically had been reserved for North Korea's relations with China, in effect raising North Korea-Russia relations to new heights.<sup>26</sup>

## **North Korea's Changing Worldview and Implications for Economic Policy**

There appears to be a strong correlation between North Korea's pursuit of diplomacy and a desire for its version of economic reform, in short, adopting some elements of the market economy within the confines of its planned economy, such as prioritizing material incentives to workers and devolving greater management responsibilities to individual economic units, in short decentralization. This connection between foreign and economic policy was evident in North Korea's efforts to improve diplomatic ties with the United States, South Korea, and Europe in the lead-up to Kim Jong-il's launch of economic reforms in July 2002, and with China, South Korea, and the United States in early 2018, as it transitioned from *byungjin*, or a policy of parallel development of the economy and nuclear forces, to a policy of fully concentrating on the economy.<sup>27</sup> Pyongyang has historically believed that a favorable external



environment, mainly a reference to an improved relationship with Washington, was necessary for economic development. That was a key driver of its policy of normalizing relations with the United States. It stands to reason, then, that North Korea's changing worldview and apparent fundamental shift in foreign policy have had major implications for the country's economic policy.

### *The China Opportunity*

North Korea's move toward greater centralization of the economy, hinted at during the Party plenary meeting in December 2019 and cemented at the Eighth Party Congress in January 2021, is consistent with the country's shift to conservative policies across all sectors since the collapse of the Hanoi summit, including in the foreign policy realm. It has not altogether reversed Kim Jong-un's economic reform policy: the country's media continue to mention "economic management methods," a code word for his economic reform initiatives.<sup>28</sup> North Korea, however, appears to have slowed down on such measures, reflective of its efforts to reinforce central control over the economy. North Korean media since early 2022 have de-emphasized Kim's hallmark agricultural and industrial reform initiatives. We should recall that January 2022 also marked a key milestone in North Korea's U.S. policy: it hinted at lifting the moratorium on longer-range missile and nuclear testing, after signaling for some months that a broader shift in foreign policy was under way. In March, it resumed ICBM launches. In between, the Chinese and Russian leaders adopted their "no limits in friendship" statement, and Russia invaded Ukraine.

North Korea's downplaying of economic reform measures since early 2022 further underscored the correlation between North Korea's foreign and economic policy, and it suggests that North Korea's weakened will to reform the economy was due at least in part to the space created by its improved relations with China and the rift in U.S.-Sino relations. China's vetoes of additional UN Security Council sanctions against North Korea since its resumption of ICBM test-launches in 2022 have been widely reported. Furthermore, China has repeatedly failed to enforce, and even hampered the monitoring of, international sanctions against North Korea since 2018, owing to its improved relations with Pyongyang and deteriorating relations with the United States.<sup>29</sup>

These are the immediate and obvious gains from the space offered by Beijing, when Pyongyang has no intention of improving ties with Washington, at least not for the foreseeable future. The more important questions are Pyongyang's intentions toward economic development and, if its ultimate goal is to give impetus to economic reform again at some point and fundamentally improve its economy, how it intends to create an external environment conducive to reform.

It appears unlikely that Kim Jong-un will completely abandon economic reform. He reportedly presented broad guidelines on economic reform at the end of 2011, presumably as soon as he ascended to power following his father's death, which shows that economic improvement was a top priority for Kim then and may again become one someday.<sup>30</sup> In fact, North Korea has a history of going back and forth between reformist and conservative economic policies, as exemplified by Kim Jong-il's launch of economic reform measures in 2002 and their reversal starting in the mid-2000s.<sup>31</sup> If Pyongyang's plan is to resume economic reform at some point, it will seek to build a favorable external environment either by improving ties with the United States, or by relying on China, its long-time economic benefactor. Given the changes in North Korea's foreign policy, the China option appears more likely.

Though with less frequency and at lower levels, North Korea continues to refer to reform despite its apparent reversal of policy on normalizing relations with the United States through denuclearization. This suggests Pyongyang thinks it can make reform work without U.S. cooperation, possibly a modified version of what Kim originally intended, and may view China as the viable stand-in. Despite failed past China-North Korea economic projects, such as the Sinuiju Special Administrative Region, Pyongyang has continued to turn to China for investment.<sup>32</sup> For example, North Korea reportedly attempted to attract Chinese investment in the Kaesong Industrial Complex, an inter-Korean economic project vacated by South Korea.<sup>33</sup> Irrespective of which economic policy scenario Pyongyang chooses, it needs a lifeline from China.

### *De-Risking from China: Paradox of “Self-Reliance” with Reliance*

Although Kim's emphasis of “self-reliance” in his policy statement in April 2019 was understood to be a reaction to his failed summit with the United States, the North has also used this theme to reduce dependence on China.<sup>34</sup> The UN Panel of Experts assessed that North Korea's trade with China accounted for approximately 96 percent of its total trade volume in just the first three quarters of 2022.<sup>35</sup> It is no wonder, then, that Pyongyang is wary of over-dependence on China, particularly given its complex history with its great power neighbor.

The country's three-plus years of self-imposed lockdown to prevent a COVID outbreak not only helped it to regain central control over the economy, but it also justified the leadership's repeated calls for domestic production and recycling in the name of “self-reliance” and reduction of “dependence on imports.”<sup>36</sup> This almost certainly targeted Pyongyang's top trading partner, China. Neither domestic production nor recycling was a new theme in North Korea. North Korea's domestic production and recycling campaign, however,

did not peak until 2021, following North Korea's adoption of a recycling law in April 2020 and Kim's speech to the Eighth Party Congress in January 2021, where he mentioned domestic production, recycling, and reducing dependence on imports.<sup>37</sup> North Korea instituted a border lockdown in early 2020 and it was in the midst of heavy COVID restrictions by 2021. It would be reasonable, therefore, to conclude that the Kim regime used the self-isolation period to maximize, perhaps even test, domestic resilience and minimize dependence on China.

North Korea's "self-reliance" campaign climaxed at the year-end Party plenum in 2022, when it condemned the "outdated idea of trying to bargain the principle of self-reliance, not abandoning dependence on the technology of others."<sup>38</sup> This stigma of "depending on the technology of others" essentially reversed Kim's previous position that introducing foreign technology was acceptable.<sup>39</sup> This Party plenum was followed by a spate of North Korean media articles warning against assistance from the outside, which theoretically could include China.<sup>40</sup>

Despite this official line, an article in North Korea's leading economic journal, *Journal of Kim Il Sung University (Economics)*, explained the importance of technology trade and importing foreign technology for economic development. It said:

It is difficult, however, for every country and every individual enterprise to develop and advance on their own all the science and technology necessary for their own development. That is because scientific and technological research is becoming more advanced and comprehensive and the cost of developing new technologies is increasing by the day. For this reason, many countries and enterprises are trying to acquire cutting-edge technologies necessary for their own development through the technology trade market....

If [we] actively increase the proportion of technology trade in the country's trade structure, [we] can introduce, in a timely manner, cutting-edge scientific and technological achievements and technical equipment created in other countries and create favorable conditions and environment for economic sectors and production units to smoothly make technological advances.<sup>41</sup>

This article, published three months after the Party plenum, and almost certainly after a vetting process, runs directly counter to the Party directive and shows the dilemma that North Korea faces beneath the veneer of the tough official policy. Kim Jong-un's visit to Russia, apparently driven in part by

economic gains and the acquisition of Russian military technology, is another vivid example of North Korea's dilemma between the ideal of self-reliance, and the reality of exchange and cooperation with other countries.

### *De-Risking from China: Cozying up to Russia*

North Korea has already started taking steps toward China “de-risking,” despite all the benefits of its pivot to China. Kim and his associates likely do not view Beijing as a completely trustable partner in the “common cause” of socialism, which was a recurring theme in Kim’s messages to Xi until the Armistice Day celebrations in July 2023.<sup>42</sup> China is trying to manage, rather than escalate, its competition with the United States, as evidenced by the Xi-Biden summit on the sidelines of the APEC summit in November 2023.<sup>43</sup> It wishes to be viewed as a responsible global power. The lower-level delegations China sent to North Korea in July and September 2023 to mark the Armistice Day and the state founding day, respectively, likely reflected Beijing’s reluctance to go all in on its relations with North Korea, or to be associated with growing military ties between Pyongyang and Moscow.

And so enters Russia. Although North Korea likes to group China and Russia in the same “pole” to counteract the United States when doing so serves its purpose, it knows better than to overlook the complexities of Sino-Russia relations: Pyongyang has had a record of deftly navigating this complicated relationship during the Cold War to maximize its own national interests.<sup>44</sup>

One might argue that North Korea's invitation of Russian Defense Minister Sergei Shoigu to the military parade marking the Armistice Day in July was a message of sorts to Beijing: the Armistice Day has traditionally been an occasion for paying tribute to the Chinese People's Volunteer's Army. Kim's decision to make Russia his first foreign travel destination after the country's reopening of borders also was a testament to his policy priorities.

Consistent with these moves, North Korea at the highest levels has dropped subtle yet significant signs since the Armistice Day anniversary—almost certainly intended to be noticed by both Beijing and Moscow—that it may be rethinking the China factor in its anti-U.S. policy. In North Korea's readout of Kim's meeting with the Chinese delegation in September, there were no longer the typical references to “strategic and tactical cooperation” or a North Korea-China joint response to the international situation.<sup>45</sup> In the meantime, North Korea has consistently used such language in its reports on Russia since Shoigu's

Pyongyang visit.<sup>46</sup> Additionally, Kim's message to Xi on China's state founding anniversary in early October, while recognizing socialism as important for both countries, carefully avoided characterizing it as a common cause, a contrast to the corresponding message in 2022, which explicitly described it as such.<sup>47</sup>

## Conclusion

Though North Korea does not discuss "economic security" in domestic contexts by that name or have an established definition of the term, it thoroughly understands that the economy and national security are inseparable. As unconnected as North Korea is to the global economic system, it is therefore essentially untouched by the typical *economic* issues that many major economies are grappling with in relation to economic security. However, it, like other countries, has closely tracked economic security developments and deepening U.S.-China strategic competition for potential political fallout and what opportunities and challenges that may generate.

U.S.-China strategic competition has offered unique opportunities to North Korea. The immediate benefits are obvious. Politically, China has overtly taken sides with North Korea for its missile launches and provided political cover on the UN Security Council against additional sanctions. Economically, China has turned a blind eye to, if not helped, North Korea's widespread sanctions evasions; it is also known to offer considerable economic assistance to the country.<sup>48</sup> More significant, however, is that it has given Pyongyang the bandwidth to consider alternative paths on the foreign policy and economic fronts. Notwithstanding the complex history between North Korea and China and the former's continued efforts to curb the latter's influence, the U.S.-China rift almost certainly facilitated North Korea's decision to shift away from its three-decade policy of nonalignment with China and normalization of relations with the United States through denuclearization. China appears to be a key factor in North Korea's economic policy: whether as temporary life support until it can figure out how to improve the economy without mending ties with the United States, or as the new favorable external environment for some modified form of economic reform. Although its closer ties with Russia will generate some economic benefits for North Korea, for example through weapons exports, they will be short term; without international sanctions relief and improved ties with the United States, any outside funding necessary to ameliorate the North Korean economy over time will almost certainly come from the Chinese and not the Russians, as historical data confirm.<sup>49</sup>

Intensifying U.S.-Sino competition and what North Korea perceived to be weakening U.S. leadership on the world stage and an increasingly fragmented global order incentivized Pyongyang into rekindling of ties with Moscow as well as with Beijing. It is hard to assess whether Russia is a tactical goal or a part of Kim's longer-term, strategic calculus. Notably, however, Kim told the parliament that his decision to codify the nuclear law in the constitution was a "serious strategic judgment" that went beyond "the analysis and study of the current ever-aggravating situation only."<sup>50</sup> It was almost certainly not by chance that these comments were made just weeks after his visit to Russia.

Despite the opportunities presented by the U.S.-China divide, North Korea clearly understands the importance of hedging against external variables that could negatively impact its economic security. These external variables are not limited to North Korea's hostile relations with the United States or uncertainties in the regional security environment. Rather, dependence on outside powers for survival, mainly China, on which North Korea is heavily reliant economically, is a key external risk. The countless North Korean commentaries bashing "the imperialists'" offers of assistance or reliance on outside powers can easily be applied to China, and they probably do in the minds of the North Korean leadership.<sup>51</sup> In that vein, North Korea's daily calls for self-reliance are not merely a reflection of its lack of interest in engaging Washington—they are equally the country's sounds of alarm against dependence on China and its efforts to build economic resilience at home. It is perhaps fit to describe Pyongyang's campaign against imports and for domestic production and recycling in recent years as an attempt at ensuring economic security.

History has taught North Korea that neither China nor Russia can be fully trusted. That eventually led Kim Il-sung to reach out to the United States to be the buffer against its two great-power neighbors 30 years ago, which resulted in the now-defunct 1994 Agreed Framework. As improved relations with Washington are not in Pyongyang's cards for the foreseeable future, the only viable option for filling that void may be self-reliance on both the foreign and economic policy fronts, with some balancing act between Beijing and Moscow—as shown by North Korea's somewhat cooler handling of China and its proportionately warm treatment of Russia since the Armistice Day celebrations. Only time will tell how Kim Jong-un's North Korea navigates regional and international security dynamics, made increasingly perilous and uncertain by ongoing economic security developments and U.S.-China competition.

## Endnotes

- <sup>1</sup> “Economic Security as National Security: A Discussion with Dr. Peter Navarro,” Center for Strategic and International Studies (CSIS), November 13, 2018, <https://www.csis.org/analysis/economic-security-national-security-discussion-dr-peter-navarro>.
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