

The Strain Policy vs. the Sunshine Policy: Which will be  
a short –cut to Korean Reunification?

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by Eui-Gak Hwang

## Abstract

Korea has divided for more than sixty years since its liberation from Japan in 1945. Korea is the only country still in ideological conflict between the North and the South, while in the communist *juche* state in the North more than three millions have in recent years starved to death in spite of huge economic aids from its rich Southern brethren during the decade. The North leadership uses *butter to produce guns*. This paper argues which is a short-cut to reunification, the sunshine engagement policy and “malign neglect” policy, once the former has been proven a failure.

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## **1. Introduction**

Two Koreas have gone their respective ways for more than sixty years since both established their respective sovereign governments in 1948: from the start line the South grounded on “the free democratic and capitalistic system” while the North lifted up with “the people’s democracy (that is, socialist) and red flag” The U.S.-backed Republic of Korea (ROK) was officially proclaimed in the South on August 15, 1948. The Soviet-backed Democratic People’s Republic of Korea (DPRK), in the North, was proclaimed on September 9, 1948. The South inherited a larger population and more of the agriculture and light industry. The North had more of the heavy industry, electric power and other industrial basis with mineral resources. Nevertheless, initial inherited industrial structures went to complete ashes in the three years of Korean war (1950-53).

Following the Korean War armistice in 1953, each antagonistic regime still continued to claim sway over the entire peninsula. Each regime has unsparingly consumed its respective capacity and energy only with eyes to dump out and to win over the other puppet regime. Due to the division with ideologically different mind sets, two Koreas have grown to hate one another in spite of the fact that both people are same brethren with one blood. Each has lived up to believe that it is O.K to lose the world if and only if its party gets rid of the other. This deep antagonism and mutual distrust still persist today even if some appeasement gestures have been seemingly made on both sides in “on-and-off mode” during the last one or more decades.

In terms of economic competition, North Korea had apparently achieved higher growth in the first two post-war decades thanks to her strong order-down way of organizing workers in its hierarchical communist system. The North had not yet faced the problem of diminishing return to capital availability. “Achieve assigned work load or perish” type policy could only have been effective until every workers came to learn that the egalitarian society with chronic short-supply did not discriminate in the distribution process between hard-workers and less-hard-workers. High “quantity target” often assigned beyond one’s ability made workers learn how to achieve it only by neglecting the “quality aspects” of

what they had to produce under the given conditions of limited and aging fixed capitals. Once the devastating process of such adaptation was nearly infatuated with the society in more or less two decades, the North's productivity began to erode rapidly, starting from around the mid-1970's.

While the socialist way of per capita output in the North exhibited decreasing return to scale of labor inputs, the incentive-based market economy in the South began to bypass the sluggish North. This switch occurred around 1975-76 period as shown in the Table 1.

**Table 1. A Comparison of Income between North Korea and South Korea**

Year	North GNP US \$ million	North Per Capita GNP US \$	South GNP US \$ million	South Per Capita GNP US \$
1953	388	46	1 353	67
1960	1 913	177	1 948	79
1965	3 001	248	3 006	105
1970	4 217	304	8 105	252
1975	11 906	751	20 795	590
1976	12 601	775	28 550	797
1980	20 935	1161	60 327	1589
1985	19 933	978	89 695	2194
1990	26 401	1031	237 900	5569
1993	20 500	969	361 390	8177
1995	22 300	1034	515 511	11432
2000	16 800	757	509 606	10841
2005	24 200	1056	790 101	16413
2006	25 600	1108	888 709	18401
2007	26 718	1152	971 310	20045

Sources: From 1953 to 1990, current GNPs were copied from Eui-Gak Hwang, The Korean Economies: A Comparison of North and South, (Clarendon Press- Oxford, 1993). From 1993 to 2007, current GNIs were obtained from The Bank of Korea, Principal Economic Indicators (2008. 5). Note that in terms of nominal values, GNP is equivalent to GNI in concepts. But nominal GDP (gross domestic product) is equal to nominal income (GNI=GNP) minus nominal value of net factor income from overseas. As regards to the exchange rates for conversion of North Korean GNP estimates for the period of 1953-90, refer to the above book by Hwang.

By the mid-1970s, the North's *Juche* (*self-independent*) economy began to fall behind. North Korea's gross national income had quadrupled between 1965 and 1976, a highly creditable performance for the near zero inflationary developing economy. But at the same time, South Korea's inflation adjusted real GNP more than tripled enough to pass the North in per capita GNP in 1976 for the first time since the division of the country. Ever since then, North Korean economy could not get out of sluggish trap which was in part attributed to its very heavy spending for military purposes as well as to its autarkic *Juche* (*self-reliance*) policy. The North's autarky has only contributed to shy off its imports of badly needed advanced technology from outside world.

From the mid-1960s to the mid-1970s, the North devoted an estimated 20 to 25 percent of its economy to its military, while the South spent an average of 5 percent of GNP on its defense budget. .

The wild wind blew to further change unfavorably against North Korea toward the end of the 1980s. First of all, the Soviet Union was just to dissolve its communist bloc under Gorbachev's brave choice for *Glasnost and Perestroika*. The Soviet Union had been North Korea's main source of external economic support since the creation of the DPRK.

Any internal and external policy shift in the Soviet Union meant a big effect, good or bad, on North Korea, regardless of the ups and downs of political relations between the two countries. In 1989, a dramatic change in the internal and external relations, namely *Glasnost and Perestroika*, of the Soviet Union was brisked up to bring about dramatic events in the landscape of the hitherto cold-war ridden world. The Union of Soviet Socialist Republics (USSR) went swiftly solvent. Following the fall of the Berlin Wall in late 1989, many Soviet satellite states and bloc countries proclaimed their independence and sovereignty, and took their economic and social reform policies in years of early 1990s.

The fundamental change in the communist bloc has ever since been a big blow to the change-resistant *Hermit Kingdom* in Pyongyang. For the North had to lose most of its friendly trade partners as well as political supports.

To make matters worse, for the decade of 1990s, bad weather conditions with yearly switch of a drought and a flood continued to downgrade North Korean economy.

Economic growth rates of North Korea for the decade starting from 1990 recorded minus in almost every year except for plus 6.2% in 1999, thus reducing per-capita income over time. Again in both 2006 and 2007, its growth rate turned out to be negative with -1.1% and -2.3% respectively.

Mikhail S. Gorbachev's rise to the summit of the Soviet government and the changes he had instituted in the communist bloc and international relations since 1986 gave a rise to the opening of the *Nordpolitik euphoria* in the South Korea, while the diplomatic and economic environments of North Korea further deteriorated from all fronts. Where a long-standing prohibition on 'cross-recognition' had isolated Seoul from Pyongyang's allies and Pyongyang from the West, the 1988 Summer Olympics (the twenty-fourth Olympiad held on September 17-October 2) in Seoul also gave South Korea a valuable opportunity to come across the Socialist countries soon seeking for transition.

South Korea's move toward relations with Pyongyang's communist allies in Moscow, Beijing and other central and eastern Europe and Africa was an increasing turn for the worse in North Korea's relations with them as well as in its economic isolation away from the rest of the world. In response to such changing winds, North Korea could well utilize the chance to pursue its policy shift toward improving relations with the United States and other western countries. In fact, following the Seoul Olympic that resulted in Seoul's policy reversal, the United States moved to open a modest initiative to approach North Korea with a new policy not only of encouraging unofficial, nongovernmental visits by North Koreans to the United States, but also of permitting limited commercial export of American humanitarian goods, such as food, clothing, and medicine, to North Korea. These U.S. moves, though refrained, would offer North Korea to trigger a "positive, constructive response". The door was literally open for the DPRK to pursue an improvement of relations with the United States, if the DPRK abandoned belligerence, confrontation and terrorism in favor of dialogue. The diplomats meetings between two countries to search for one another were subsequently made in Beijing, in which messages were passed across the talk table but for little progress, between December 1988 and September 1993. Amid of new conflicts between North Korea and the United States on the

issues of both the kickoff of the ROK-US joint Team Spirit exercise and the demand for the “IAEA special inspections” on the North nuclear projects, North Korea’s angry announcement of its intent of withdrawal from the Nuclear Non-Proliferation Treaty (NPT) came on March 12, 1993. When it became effective on June 12, 1993, North Korean action would be the first withdrawal by any nation from the NPT.

The world reacted with shock and dismay, while North Korea’s nuclear program suddenly became the top issue of the international agenda. To stop the North’s withdrawal, busy negotiations quickly emerged in an effort to persuade the North to remain in the NPT in exchange of key points on the American security assurances, an agreement to continue their official dialogue and in return, North Korea’s suspension of its withdrawal “as long as it considers necessary”. The US-DPRK talk was, however, not to solve the abandonment of the North’s nuclear program.

Since the early 1993 encounter, DPRK had been using its nuclear card as a bargaining chip to trade for security and economic benefits from the United States and South Korea. “The isolated trouble-maker *had become skilled at brinkmanship, increasing its leverage by playing close to the edge of the precipice; the problem was that it wasn’t always clear just where the edge was*”<sup>1</sup>. The North nuclear card gambling brought about the U.S. and its allies backed UN Security Council economic sanctions against Pyongyang in 1994. North Korea repeatedly declared that “sanctions are a declaration of war”. And *with smoking* from its indigenous 5-megawatt reactor at Yongbyon, since then, the *Juche (self-reliant) Kingdom* has chosen inevitably or voluntarily not to regain its chance to assimilate with the west. Nor has the North’s deteriorating economy reversed. Nevertheless, it became increasingly evident that political and economic sanctions were not effective to force the ideologically armed North Koreans to reverse course: the *isolated Juche country* was relatively invulnerable to outside pressures, since it had so little international trade and few important external deals of any sort. Therefore, they have little fear of sanctions from the UN Security Council, quite contrary to their rhetoric that ‘*sanctions are a declaration of*

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<sup>1</sup> Don Oberdorfer, *The Two Koreas: A Contemporary History*, (Basic Books, 2001), p.305.

war”. Regarding their mounting starvations as being caused by plots of both the American imperialist and its puppet allies, the North appeared only to have “*an option to either starve or get killed in a war*” around mid-1990s. Being forsaken by everybody, North Korean leadership was about to choose “*to get killed in a war if necessary*”- a desperate situation.

At that time the big rescue hands from liberal politicians and cheap humanitarians in the South was extended to tame and to help the forlorn brethrens trapped in the self-imposed nuclear curse. Those newly emerged liberal politicians led by both former Presidents Kim Dae-jung and Roh Moo-hyun, in succession, came up aggressively to defend for the North’s stance, while looking upon the North’s nuclear program as *self-defensive necessity*.

## **2. How Long Will the Red Flag Fly with the South’s Subsidy?**

During the last decade starting from the mid-1990s through the mid-2000s, it is reported that more than one million North Koreans have either starved to death or fled out of the country in search for foods. From 1996 to 2006, a total of 8,675 out of unknown numbers of North Korean exodus had been officially received by South Korea<sup>2</sup>, while many unsettled defectors are still either in hide-outs or being kept in custody elsewhere in China, Vietnam, Thailand, and other countries. Most defectors said they risked their life to escape from poverty as well as human right suppression. Majority of grassroots except for some chosen elite class in the North are poor. The political art of the state is undemocratic, and badly governed for more than a half century, which means in normality that the state is likely to invite internal rebellion and violence. In spite of the known fact that many impure elements are being placed in either isolated prison camps or forced labor houses, the North Korean seems to have sustained “quiet and undisturbed”. In midst of rumors that they are starving, however, North Korea managed to rank No. 33 (with 2 gold, 1 silver and 3 copper medals) out of 202 participating countries in the 29<sup>th</sup> World Olympiad held in Beijing in

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<sup>2</sup> Official numbers are 56 (in 1996), 312(in 2000), 583 (in 2001), 1,139 (in 2002), 1,281(2003), 1,894 (in 2004), 1,387(in 2005) and 2,023 (in 2006). Some unidentified numbers among them are suspected to come to the South in clothes of disguised defectors for the purpose of espionage mission in the South, as evidenced in the case of 34 years old young woman named Won Jung-hwa, who was caught by the South police in August, 2008, on the account of spy activities covering mainly the South military camps since she officially defected to the South in 2004.



August 9-24, 2008.<sup>3</sup> Instead of wreaking havoc on its economy and politics where everything is in short supply, the North has been mobilizing all means not only to show up to outside world but also to develop nuclear and war weapons. What are behind such riddles? What do we need to know in order to unravel the mysterious state? How long will the *Juche red flag* fly at all?

One of riddles may be found from an old saying that “*one will stick at nothing if cornered*”. Once the people know that they are unintentionally in a fix, they tend to stand up to tackle the matter of either life or death only open to them. This kind of individual and social gut and ethos, if not yet everybody was grown desperate, makes the remnants unite to the last. Those remnants who still do not give up their dim hope and dream are usually those and descendents of those who have already gone through their past hard life full of tears, pains, and poverty. Many have no alternative options for survival but for sticking with the system even if they are aware that they are still being misguided by their leaderships who have been in short capability. On the divide between life and death, they have no alternative but for doing anything imposed on their shoulders if needed to survive. These hard-core mind-sets are indeed the pillars that support North Korea to remain yet on the world atlas. The most people may have no outlets to get out of their trap tied up with their own fate and families. Some others may still seek to exodus out of *the hell* at the risk of their own and family’s life.

Many people are still being starved to death. Nevertheless, the North’s regime appears to mobilize all resources to have its red flag fly over in Beijing Olympic stadium and the United Nation plaza in New York. As such the North leaderships are also doing their last breath to win over the nuclear bargaining table with American imperialists, while keeping *bluffing* to cover the South with *sea of fire* if the South ceases to please the North’s nerves.

The North can be understood from the angle that its vitality for survival flows from inside out that is possible only when it keeps in mind the wrath on the very existence of its half brother in the South. The North Korea has its *raison d’etre* because it confronts its

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<sup>3</sup> South Korea ranked No. 7 with 13 gold, 10 silver and 8 copper medals at Beijing Olympic.

deep-rooted enemy in the South. The two gutty half brothers have despised against one another for long time that it would be better lose everything if and only if one can get rid of the other. Such antagonism keeps the North go stronger whenever the fire of hatred flares up. Ironically, the South has albeit supported the North's brink economy with dollars and other supports in international affairs.

In between the *Nordpolitik euphoria* and due concerns about the *North's sea of fire threats*, South Korea has positively initiated since late 1980s to solicit the North to accept economic cooperation. The *Special Declaration for National Unification and Prosperity* made by the South Sixth Republic President Roh Tae-woo on 7 July 1988 was the first aggressive gesture made to North Korea. In fact, changes in the Soviet Union, China, and Eastern Europe and South Korea's economic miracle and enhanced national confidence could give rise to South Korea's initiatives to seek building mutual trust by promoting contacts and dialogues with North Korea. But actual pouring money into the North had not occurred until liberal President Kim Dae-jung took office in 1998 with his priority on namely *the sun-shine policy* . The officially book-recorded value of inter-Korean cooperation in 1998 was 221.9 million US dollars which rose to 1,797.9 million dollars in 2007. During past decade (1998-2007) when two liberal Presidents Kim Dae-jung and Roh Moo-hyun reigned in the South, two Koreas were seemingly in the state of harmony. The inter-Korean economic cooperation which is officially equal to the intra-trade balance plus commission-based processing revenue accrued to North Korea is roughly estimated to account for about 2 to 3 percent of North Korean GNI annually in the 2000s. In terms of North Korean total trade, its shares rose from 13% in 1999, to 26% in 2005 and to 61.2 % in 2007. If various NGOs and private transfer of money as well as undisclosed monetary trade involving high level of political deals could be accountable in addition to the official trade windfalls gone to the North, the figures would probably have reached to astronomical numbers.

This money from the South might have helped the North sustain its political system, develop nuclear projects, and test inter-continental ballistic missiles, and feed its army, loyal class people, and help run the money laundry business internationally. Probably the

North has put money aside in fat years like the past decade in order to spend in lean ones—that implies the regime can survive for a couple of more years although prevailing winds now blow against it.

But question is how long the savings will last if nothing happens to change the ruling system. Meanwhile, more grass-roots will be starving unless the economy is not to improve. These grass-roots are in fact reserve forces who will have legitimate grievances to exacerbate latent tensions.

While the North's state budgets and off-budget accounts greatly supplemented with the windfalls from the South's cooperators are unusually opaque as well; this will eventually lead to facilitate corruption in the North and to reduce people's confidence in the state. This can be another dynamite any time in the state. The sure way for the North to keep alive is, therefore, to change its political paradigm and economic system fundamentally. Otherwise, it will soon confront both internal turmoil and hard external pressures. *No one can help it unless it helps itself.* How long can the isolated undemocratic regime in the North keep its longevity without changing its political and economic system into democratic and free market one?

The North Korean leaderships must now learn from the Chinese and Vietnamese policy of openness and reform, pursued since the early 1980s and the mid-1980s respectively. Both ex-communist countries have suffered some up-and-down cycles in the course, but they are not the ones of the past and nothing can stem, let alone reverse, the growing tide of openness and market functions. Both still keep reformed communist political system but they are not the same as were in the cold war era. Change in economic system will result in change in political system, or vice versa.

The problem with North Korean communists can be easily found in what they have incessantly repeated their rhetoric since 1962 propagandizing that their *Juche* (self-reliant) system could only be able to provide people *with rice, meat soup, silk clothes, and tile-roofed house.* In proven failure, they are currently facing a big dilemma either to denounce their proud socialist system or to admit their lies. They have to recognize that they have literally failed in feeding people and providing enough consumer goods to avoid privation.

This should involve their public apology on the results of both failed system and their incompetence, which ought to finish with their suicide if they are still leaders at least of some good hearts and consciousness.

### **3. What for the Sunshine Policy?**

Some overnight wealthy people and left-ideological sympathizers in the South have been pouring money for the North in an effort to save the North leaders' faces and to support the communist regime for the last decade. Their excuse for extending aids to the failing regime in the North is “*to keep peace and national reconciliation*” in the peninsula. Ex-Presidents Kim Dae-jung and Roh Moo-hyun and many political liberalists have pursued this line, insisting that DJ's *sun-shine policy* is the only option to induce North Korea to unclthe her garments. A decade of the *sun shine policy* only teaches us, however, that it has greatly contributed to disarm the southerners instead, while it has not unclthed the northerners at all. A good diorama is the real story that a de-facto woman spy named Won Jung-hwa (34 years old) who has settled down in Seoul with disguise as a legal status of defector from the North was officially employed by ROK army to conduct troop information and education lectures in many South's military camps, and in due course she collected confidential information sometimes in exchange of sexes with a dozen of army officers for several years.<sup>4</sup> Against the South's news report, North Korea's spokesman of the National Peaceful Unification Committee said in its statement on September 3, 2008 that the story is a third class false manipulated by the South.<sup>5</sup> The North denounced her not as North Korean agent but as a human garbage who abandoned her fatherland in seek of indecent sexes, money, and fraudulence in the rotten South. The incident, whether true or not real spy story, is a case illustrating that even military sector has been mentally eroding in the South. Not surprisingly, she is the only espionage case ever investigated in the past 10 years in South Korea.

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<sup>4</sup> Refer to footnote 2 above.

<sup>5</sup> See Meil- Kyung-Jae (daily), September 4, 2008.

When a theatrical drama was performed in 2006-07 in Seoul to picture a lively story of prison conditions well founded in *The Aquariums of Pyongyang: Ten Years in the North Korean Gulag*<sup>6</sup>, not had many people seen the play, quite contrary to the expectation forecasted in the play making stage. This reflects that most South Koreans are no longer interested in the North's human right suppression issues and other bad realities about the North. They do rather look for relaxing at Mt. Keumgang hot spa<sup>7</sup> and watching at North Korean young girl's grandeur mass games occasionally demonstrated at the Kim Il-sung square.

In recent years, virtually every major media outlet has surveyed South Korean young people's opinions on *who-is-our-national-enemy* only to find that more than 60 percent regard the United States of America as "our nation's number one enemy". More surprisingly, nearly one third of freshmen at the Military Academy responded similarly. This reflects a notable shift in the young folks' wonky national security perception that has evolved greatly in recent years. Many innocent young students are surely influenced by fake doctrine teaching of many pro-leftist teachers nesting in secondary level schools. Many adults who are rather indifferent of such new wave of "thought tide" may tend to comfort themselves, thinking that everything is permissible as long as it is not immediately and directly related to their own interests. With their wealth and economic security in hand they may think themselves secure, proud, and great, while the North Koreans and the South's leftists as well look down them as "senseless" dullards and obsoletes. Will it be too much if we say all such actual realities owe more or less to a decade of *sun shine policy*? The South Koreans will, hopefully, change soon with new national philosophy as new leadership takes the right directions for the nation and corrects wrongs made in the former regimes.

The *sun shine policy* has helped, if not all, the red flag keep flagging in the North. Pouring money into the North did surely prolong the life of the recipient. Is the ultimate

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<sup>6</sup> See Kang Chol-hwan and Pierre Rigoulot, *The Aquariums of Pyongyang* (New York: Basic Books, 2001)

<sup>7</sup> Mt. Keumgang sightseeing business is being operated by the South's Hyundai Corporation, but tourists are completely isolated from any North Korea's civilians during their visits. North Korea makes money by the limited opening of sightseeing places to the southerners.

objective of the *sun shine policy*, which is synonym in actual realities of “strengthening inter-Korea economic cooperation”, a realization of dream for national reunification? Then a question arises: which will be better to shorten the life of fading patient or to prolong the patient’s longevity by injection of outside blood into the weak body. Certainly the *sun shine policy* or alternatively inter-Korean economic cooperation attempts to help the other side grow at best or stay intact at worst, by which it is hoped to keep a balance of power and stability in the peninsula. An extreme critical view on this policy is that the *sun shine or strengthened cooperation* intends only to perpetuate two Koreas forever.

So far inter-Korean economic cooperation was gone with lopsided aid from the South to the North. This has only bred North Korea’s demanding mentality. Whenever the North is unsatisfied with the South, it would always come up with *driving-to-the-edge tactics*, sometimes bluffing of making Seoul into *a sea of fire*.

The economic gaps between two Koreas could be much comparable to the situations between two divided Germanys before their reunification in 1989. For illustrations, many foreign banks was reluctant to extend loans to then needy East Germany in early 1980s, because of decreased external creditability and worsened economic conditions of East Germany. The latter faced a serious stability crisis. International political environments were also deteriorating when the Soviet troops invaded Afghanistan, while new conflicts between USA and Soviet Union erupted with the US deployment policy of nuclear missiles to NATO members. West Germany had to accept the NATO’s nuclear weapons reinforcement decision while keeping close contacts with the Warsaw pact members in accordance with earlier line of the Brandt’s *neu ostpolitik (new eastward policy)*. This is so-called the famous West German *Doppelbeschluss (double-decisions)*. However, West Germany began provided the East with a total of 1.95 billion Deutsche mark in terms of grants and loans in 1983 and 1985 under the conditions of payments over five years with interest rate of LIBOR + 1 %.

It must be pointed out that West Germany requested the East not only to ease mutual visits across the border but also to stop shooting by the East guards along the border line, which was the precondition for the grants and loans. Aside such preconditions, the West

demanded the increase of human and communication exchanges between the two Germanys, as well as reopening of talks on environments, culture, and educations pending at that time. Another point among others is that the West insisted the need for the reciprocity principle for promoting the inter-cooperation by constantly suggesting the East to safeguard the freedom and human right of people. West Germany persistently requested the East to release its political prisoners as an implicit price for the West aid provision. The focus of the West was to plant the recognition among East Germans that the West democracy is superior to the East communism in all aspects of life. Such persistent efforts by the West German government could result in effecting the East to accept the reform and change in the inferior communist system. The past inter-German cooperation based on such a *give-and-take approach* is very well contrasted with the lop-sided inter-Korean economic cooperation mainly running from the South to the North until President Lee Myung-bak took office in February 2008.

As of this writing, new government in the South led by Lee Myung-bak appears to be seeking a more conditional and logical approach, which may be new deal on the basis of reciprocity. However, Lee must be at an impasse with his sticks because his two predecessors Kim Dae-jung and Roh Moo-hyun had provided North Korea with carrots only. He must prepare himself to brook strong and lingering defiance and hostility from inside as well as from North Korea.

The inter-German exchange and cooperation based on the spirit of reciprocity did indeed provide both states with effects both in binding them with the cognition of one nation and in learning about the importance of concessions and cooperation for mutual benefits. On the other hand, lop-sided inter-Korean exchange has only led the recipient side to keep thinking as if it well deserves to collect more from the giver. The North has demanded the South should pay more to the North, firstly for the prices of national division and secondary for all evil doings committed by the South to wind against the self-praised egalitarian paradise in the North.

Supporters of *the sun-shine policy* in the South may argue that the haves should help the have-not build the latter's economy. By providing the North with aids as much as

possible, they argue that unification cost would be reduced to the extent that North Korean economy improves. Though this sounds plausible, the theory is just to perpetuate two Koreas. If the North economy gets better with unconditional supports from the South, will the two Koreas approach to reconciliation toward national unification in a way of democratic market economy? It may be possible only if the closed economy takes actual and practical system reform and change, in either big bang or gradually. Unless the North system does not turn up-side down, that possibility is very doubtful. The improvement of the North economy with the South unconditional aids may only assist its incumbent undemocratic regime to sustain for prolonged period to come.

Unless the North changes its *Juche* socialist economic and political system, it will never catch up the South market-oriented economy in terms of per capita income and peoples welfare. Widening gap in per capita income means that the unification cost is getting bigger over time. Then, how long will let the red flag fly in the sky of the North keeping the system intact with the continuing inflows of windfalls from the South's *sun shine policy* supporters? It may depend on many internal and external factors. One of important internal factors is the limit of tolerance about the on-going system on the parts of grass-roots populace in the North, while external factors involve with the conflicting interests shared by China, Japan, Russia and the United States.

But if South Koreans and all the world nations unite to sanction all money against going into the hands of the North leadership, the North's red flag will inevitably pull down. But it is a more desirable albeit less likely option as long as there are still many former communist countries which will not join in such concerted sanctions against North Korea. The option imperative here is to stimulate the North's internal strains to utilize to "out" the regime.

#### **4. What Exacerbates Internal Tensions?**

North Korea's Kim Jong-il has witnessed and learned about how the old Soviet Union went dissolved, how the Berlin Wall opened to the road of the capitalistic West, and how his father's special friend Nicolae Ceausescu, who was maverick Romanian communist



leader, had been overthrown and executed. The roots of the fall of communism in east Europe, and changes in China have long been his major study subjects, from which he might have reached to his own conclusion: *“never allow flies to come into the room for changing air. It is my inheritance unique Juche Kingdom, not China under Deng Xiaoping’s leadership”*.

He is well aware of the differences of social environments between North Korea and China.<sup>8</sup> Kim Jong-il made it clear that the North would never accept both reform and open policy when his friendly South Korean President Roh Moo-hyun made a courtesy visit to Pyongyang in October 2007. Kim Jong-il personally praised highly on Chinese remarkable achievements when he toured Shanghai and other parts of China in January 2005. Nevertheless, he has made it sure that he is not interested in both reform and open policy, fearing that such change will inevitably accompany internal pressures for change.

He is trading off “forgone change” for his personal security. He must be either coward or extreme egoist who does ignore the well-beings of his people for his own sake, or both. Fifteen years after publicly taking over power from his father who suddenly died on July 8, 1994, Kim Jong-il remains yet outwardly in full control of mysterious Hermit Kingdom. He is now reportedly being supported by groups of People’s Army heads and core elites who might feel cornered and understand that unity is only condition for their survival. Thus, they have continued to support him with little regard for the plight of most North Koreans.

But beginning in September 2008, something extraordinary situation surrounding Kim Jong-il’s personal health and his incumbent power structure as well has been spotted by extramural world. Speculation about the Dear Leader Kim Jong-il’s health intensified throughout September after he did not show up at the communist state’s 60<sup>th</sup> founding

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<sup>8</sup> Deng Xiaoping in his proposition of Chinese economic reform and open policy in 1979 said that “flies could be caught once fresh air was introduced”. His famous note paved the way to subsequent growth of Chinese economy through its rapid opening to outside world. Deng was born in Sichuan Province in 1904. Although a dedicated communist and Leninist, Deng was never dogmatic. When China was experiencing economic recovery during the early 1960s following the disastrous Great Leap, Deng said, “It makes no difference if a cat is black or white so long as it catches the mice”. A pragmatist, Deng Xiaoping who advocated the line of profit-in- command, rather than Mao’s dictum of politics-in-command, is now called as “Great Father of Chinese Economic Development”.

anniversary parade held in Pyongyang on September 9, 2008. Subsequent reports, claiming both U.S. and South Korean Intelligence agencies as sources, have described Kim's health to be somewhere between recovering from emergency surgery of a stroke and ready-to-departure from this earthly world. In the past Kim Jong-il would from time to time disappear from public for a while but only to reappear to erase any suspicious rumors about him. But in recent years his open activities have rapidly reduced from 123 times in 2005 , 99 times in 2006 and 86 times in 2007 to only less than one digit number as of October in 2008.

His absence at the North's state founding ceremony adds increasing suspicion about his health, though the Central News Agency of Pyongyang reported on October 4 that Dear Leader Kim attended to watch the North's collegiate soccer game celebrating the 62<sup>nd</sup> founding anniversary of the Kim Il-sung University, but without releasing his presence photo at the game. He has been out of sight from the public or news media for more than 50 days since his last visit to a military compound on August 14. It may be plausible that the North regime would release such news on his robustness to nullify the worsening unrest of populace amid of severe food supply shortage.

Meanwhile, despite loud paeans to *Juche* (*self-reliance*), the North Korean economy has barely survived only thanks to both Chinese and South Korean subsidies and assistances under the name of mutual economic cooperation, just as did it live off thanks to Soviet aids during the Cold War era. So far no much pressure either from Beijing or Seoul is imposed to persuade the North leaders to change system clothes. If they want to usher Pyongyang to adopt reforms as Deng Xiaoping did successfully for China in the late 1970s, it is most likely for Pyongyang to shy away from them.

In fact, China and South Korea have tried to exhort North Korea to open up its economy, by explaining that North Korean economy may take off once she replaces *the Juche* stance with "*economic opening*". Chinese motivation is rather pragmatic. China had poured a few hundred thousand tons of grains and other aids like oils into the inefficient North Korean economy. It advises the North to follow its own style of reform that involves economic opening with limited, gradual political change.

South Korea also hopes to maintain North Korea's stability while encouraging economic growth in order to gradually close the gap between the two Koreas, which has been the main goal of the so-called *sun shine policy or alternatively inter-Korean economic cooperation*. Implicit in this policy is the conviction that narrowing income gaps between the two Koreas should be viewed as an investment in time to reduce the daunting unification costs.

Despite the leverage both countries have with North Korea, neither China nor South Korea has succeeded in persuading the North to change. Nor is it likely to persuade Pyongyang not to resist reform unless a fundamental political shakeup to the regime's domestic status quo is attempted anytime soon in the North.

One possible big bang in the North may come, however, from inside its own power groups when it is widely known that Kim Jong-il is somewhere between vegetable state and death. In such a situation some high-ranking elites and military officers may awaken cooperatively to seek their survival and self-defense way, recognizing further going-with Kim only to end up with demolition of all. The coup within the Pyongyang Kim's palace will be very highly possible, although the mass demonstration against the regime is nearly not imaginable in the immediate North Korea.

Though, there is no assurance that the dissident power seizure group will replace its heretofore socialistic system overnight. Nor the economy can improve better to help the grassroots either in the transition or in the time ahead for many years.

Then what near option is left for bringing fundamental system shift to the North?. People's uprising may be a less likely and high costly option, if not impossible at all, in the North. Once people are cornered in starvation, corruption and suppression, they will be lastly driven to stand up for self-relief, which may take a form of uncontrollable resistance and violence as already evidenced in the Romanian Ceausescu example. If such a day like this comes to the North, the supreme ruler Kim Jong-il, and his faithful followers as well as the remnant communists who might have seized new power by betraying Kim Jong-il will learn one last but important lesson that everything is vain and vain in the world of communism. Following question is, however, what's next? Where will North Korea go

with such an internal upheaval? Will it lead in fact to a new crisis that still threatens the peninsula security and stability?. Will new power elites rule North Korea independently with new paradigm on politics and system? Will it be placed under influence of a third country? Will the two Koreas be united under one flag soon, no matter whatever costs shall be?

The answer to each of the questions above depends on the complexity of both internal and external conditions again surrounding the Korean peninsula. One pukka signal foretells above all things that the Kim Jong-il's empire comes nearing to its end. Kim Jong-il may confront sooner or later his end of power and even life either in illness or due to *the palace coup* within Pyongyang's inner power circle. The first round of regime change may be followed in time by mass uprisings which will eventually bring down the communist system in the North. But the success of mass demonstration against the socialistic system is not to be guaranteed unless South Korea takes very timely and prepared action with full supporting cooperation with its hitherto allies. There will be many entwined games among nations which have stakes in the Korean peninsula.

Under such scenario on expected course of events to develop in the North, what contingency measure should be considered? In 1999, US-ROK military circle formulated jointly so-called *5029 contingency plan*<sup>9</sup> as a measure for the sudden fall of the North Korean regime. The conceptual level of the plan has not further developed since then because of strong opposition from the then leftist President Roh Moo-hyun in the South. The contents of the discarded plan documents have been strictly embargoed yet to the public with the label of "confidentiality".

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<sup>9</sup> South Korea and USA military sectors jointly formulated the so-called 5029 concept plan in 1999 as a contingency measure against any possible developments of five emergency situations to occur in North Korea. The five situations assumed (1) coup d'état or uprisings of armed civilians that would fire up an internal war in the North, (2) uncontrollability of fatal weapons management, (3) mass exodus of people, (4) hostage problem of South Koreans and foreigners, and (5) natural disasters such as droughts, floods, and earthquakes. It is just nothing but a conceptual plan which is short in any practical applicability. A careful follow-up consideration of transforming the concepts into "operational plan" was rejected by the Blue House where Lee Jong-Suk was a main security player under President Roh Moo-Hyun. The move to develop it into operational plan was completely scrapped out in 2005 by the Roh's regime.

If an emergency situation develops in the North, a large flow of refugees as well as armed North Koreans will surely cross the border with China. This situation would most likely to immediately engage Chinese armed forces into the theater. The deployment of Chinese soldiers may or may not accompany with official consensus from the United Nations. The United States may concede the presence of pro-Chinese regime in place of nuclear weapons in the North. In either cases, the Korean peninsula will enter into very delicate and uncertain phase with new birth of pro-Chinese regime in the northern part. This is the important subject to further explore in this work. But before we consider alternative contingency situations in the peninsula, we need to consider which way is a short cut to changing or ending the inglorious regime in the North. Whether pushing North Korea further into a corner or providing further aids to prolong her longevity is the question preceding her eventual collapse.

## **5. A Conclusion: Shorten the Regime on the Brink**

As already explained elsewhere, Kim Jong-il's regime has owed its longevity to generous economic assistance from both the South's Kim Dae-jung and Roh Moo-hyun regimes in the past decade. From 1998 to 2007, the two regimes in the South had poured about 7.5 billion US dollars as official aids to the North. If the unrecorded money shipped to the North by many NGO groups and religious groups in the name of humanitarian supports was included, money handed to Kim Jong-il regime amounted to astronomical number. With the money from both South Korea and other free world nations, Kim Jong-il has enjoyed his luxurious personal daily dishes being prepared by imported Japanese cooks and first-rate chefs, and his sexual perversion is known to have abused many young pleasing ladies from both home and abroad. He has been neglecting more than 3 million grassroots starving to death on one hand<sup>10</sup>. On the other hand he is suspected to have allocated part of the money to build nuclear and chemical weapons and missiles targeting toward the South. North Korea was reported to have extracted a total of about 50 or 55

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<sup>10</sup> See Chosun.com, October 9, 2008.

kilo-grams of weapons-grade plutonium as of the end of 2005. The quantity is enable to make about 8 to 10 nuclear bombs of average size of 20 KT nuclear explosion power. In addition, Kim Jong-il's regime has produced numerous short (300-600 km range such as DF-61, SCUD-B, SCUD-C), intermediate (1,300 -2,500 km range such as Nodong-1 and Daepodong-1), and long range (3,000-11,000 km range such as BM-25 and Daepodong-2) missiles.

With possession of such formidable weapons, Kim Jong-il has skillfully so far played a push-and-draw politics and bargains in his advantages with South Korea as well as with the United States. For example, there has been all six rounds of the Six-Party Talks (North Korea, South Korea, USA, Russia, China, and Japan) since its first round in August 27-29, 2003 until its six round held in July 10-12, 2008. The goal of the heads of delegation meeting of the Six-Party Talks has been to discuss the comprehensive package in relation with North Korea's denuclearization and the verification protocol. During its fifth round of meeting held in Beijing from 8 to 13 February 2007, North Korea agreed to shut down and seal for the purpose of eventual abandonment the Yongbyon nuclear facility, including the reprocessing facility. In return, the Parties agreed to provide emergency assistance up to the equivalent of 1 million tons of heavy fuel oil (HFO) to North Korea in the initial phase to commence within next 60 days. In early 2008, initial shipment equivalent to 50,000 tons of HFO and humanitarian food was provided to the North. But many doubt that North Korean leader Kim Jong-il would be willing to relinquish the eight to ten nuclear weapons he probably already has – one or two dating back to the first Bush presidency, the rest presumably built over the last five years (2002-2006). As Bush administration consistently demanded North Korea to permit spot verification on the North's nuclear facilities before lifting off both President Bush's State Sponsors of Terrorism list (2002 axis of evil brand) and US trade embargo on the DPRK, Pyongyang abruptly denounced US and further announced on September 19, 2008 that it would immediately resume its production of plutonium. Angered by the postponement of the blacklist, Pyongyang began to work to restore the Yongbyon nuclear complex. The North argues that the verification protocol the United States demands is an infringement on North Korean sovereignty because it provides

inspectors far too much access. The North insists that if it opens door to inspectors, then South Korea as well as other Six Party countries must be concurrently open to joint investigators on their respective nuclear facilities.

Making situations worse whenever the necessity occurs, that is irrational one-way violation of any agreements with the other party or parties, has been part of North Korean long-standing strategies and tactics. The wily North Koreans are quite capable of exploiting when to take a hard-line and soft-line and how to manage time. The basic nature of the North Korean regime is to seek its survival tactics and ways by all means. There are some points to note here.

In order to get out of a corner, firstly, the North leaderships know that they have to stir up concerted hostility in the mass against South Korea and the United States. In face of hostile enemy, they can't die. Secondly, it has tried to persuade its own people to be patient more by luring them with such "dreams as for rice, beef soup and nice house", though this injection of the fake dreams is losing grounds over time. Thirdly, the novelty is that North Korea is most of time getting much edges by typically utilizing the production of unrest with South Korea, Japan and the United States. To soothe the larrikin mentality, South Korea has offered to extend huge aid money with no much conditionality during the so-called *sunshine policy decade*. North Korea also managed to lose nothing in deals with the Six Parties Talks. The North Korean leaderships appear also to know how to exploit in its nuclear and survival strategy the 2008 Wall Street money crises as well as leadership change coming in the United States.

Apparently the Bush administration becomes too impatient not to liberate North Korea from its state terrorist list before the end of its term of the US Presidency. It is reported that during a meeting October 1, 2008 in Pyongyang between Christopher Hill, U.S. Assistant Secretary of State for East Asian and Pacific Affairs and Kim Kye Gwan, North Korean representative to the Sixth Parties Talk, the deal was struck to remove North Korea from American list of terrorism-sponsoring nations by the end of the month<sup>11</sup>. And surprisingly

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<sup>11</sup> See The Japan Times, *North Korea cuts deal to get off blacklist*, page 1, October 11, 2008

the U.S. State Department quickly announced on October 11 that it is effectively lifting off the blacklist from North Korea. Thus North Korea is relieved from the yoke of the brand of terror-sponsoring nation after just a lapse of 20 years and 9 months since the United States listed it in January 1988, just about two months later when North Korean agents exploded a South Korean civilian airliner on rout to Seoul from South Arabia over the sky of Thailand. North Korea was added to the “official” list of countries supporting terrorism because of its implication in the bombing of a South Korean airliner on November 29, 1987, which killed 115 persons. It is very keen concern with serious doubts of many North Korean watchers if this deal for the resumption of complete disablement of the North’s nuclear programs will be faithfully implemented.

Whether it is out of a true heart or not, North Korea appears to assure Washington a certain degree of intent to verify the North’s nuclear programs with conditionality of receiving food and other humanitarian aid along with the deal to get off blacklist. South Korea and Japan were not directly included in the talk for the deal made on October 1 in Pyongyang between the United States and North Korea. The U.S. also asked Japan to consider joining the U.S. program to provide food aids, humanitarian assistance to Pyongyang, taking the North off terrorist blacklist effective on October 11, 2008. But Japan had decided a day earlier to extend its ban on port calls by North Korean-registered vessels and all imports of goods from the country for another six months, citing the lack of progress in denuclearization and its failure to come clean on its past abductions of Japanese nationals. Japan imposed unilateral sanctions after North Korea fired ballistic missiles into the East Sea (the Sea of Japan)<sup>12</sup> in July 2006. Japan expanded the scope of the sanctions to include banning entry for all North Korea-registered ships after the North conducted a nuclear test in October 2006. Japanese position is more stern and solid than the United States which is too pragmatic only.

There exist differences of opinion, not only between American and South Koreans but also Chinese and Japanese and Russians and others, which the wily North Koreans are quite

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<sup>12</sup> Koreans call the sea between Korean peninsula and Japan Islands as “the East Sea”, while Japanese prefer to call it “the Sea of Japan”. which is the source of impending issue between Korea and Japan.



capable of exploiting in their favors. The Bush administration nearing to its end of term has too obsessively concerned with the problems of both the North's nuclear proliferation and the suspected transfer of nuclear technology to third countries, overlooking to peer into North Korean opaque strategies. The deal between the United States and North Korea is most likely to end up with eventually allowing North Korea to earn the membership status of nuclear weapon possession<sup>13</sup>. At the same time, the United States and other countries at stakes will seek to keep the status quo of two Koreas policy. North Korean leaderships have seemingly won in its positioning and cheating game with the United States.

Nevertheless, this shift in U.S. policy toward the North shall never turn the tide that runs against the fates of Kim Jong-il and his followers at the brink of both economic bankruptcy, would-be leaderless state and people's mounting unrest. For the North's system has been too rigid and sturdy to evolve into better one, as revealed in its overall index of idiosyncratic records given in Table 2.

**Table 2. Major Index of North Korean System**

<u>Index</u>	<u>Rank/ Surveyed Countries</u>	<u>Survey Agency</u>
<u>Democracy Index</u>	<u>167/167</u>	<u>Economist: The World in 2007</u>
<u>Freedom of the Press</u>	<u>195/195</u>	<u>Freedom House. Freedom Press 2008</u>
<u>Political Right</u>	<u>One of worst 8/193</u>	<u>Freedom House, Freedom World 2008</u>
<u>The Failed State Index</u>	<u>15/177</u>	<u>Foreign Policy, July/August, 2008</u>
<u>The World Worst Leader</u>	<u>2/177</u>	<u>Foreign Policy, July/August, 2008</u>

<sup>13</sup> Despite the deal, there is likely a long road to travel before dismantling the North's plutonium-based nuclear program and its alleged uranium enrichment. In the end, weary U.S. would concede North Korea's nuclear position under the conditionality of no technology or nuclear exports to middle east states by the North.

The worst state has only option to go down. Some may still argue that continued pressure and containment policy will lead North Korea to start a new war against the South. But North Korea at a corner is no longer likely capable of committing suicide war against the South. The past years of sunshine and engagement policy have shown not to open and to change wary North Korea. The leaders in Pyongyang have seen the chaos that can occur when such a transition is attempted. This is why the North leadership just pulls back whenever outside world pounds on the door. If otherwise, opening its doors after spending 60 years in the dark will take a long, long time, maybe a dozen of decades, to adapt and to adjust to the bright light of the outside world. Unless Koreans do not want to see their home country reunified, continuing division in conflict one another is not definite solution.

Military or “coercion” option is not likely feasible, because this course of action does not rule out the North state’s continued larrikin retaliation threats with placing the South into the sea of fire. A desirable option is to “stand down” North Koreans to “out” the regime. North Korean regime termination is to be shortened by the option of “malign neglect” to isolate and contain the regime further, by which the people’s ultimate choice for either starved- to- die or stand-up against the evil leadership will be invited within the North. This implies that stopping aids from the South would facilitate early termination of North Korean communist regime. “Once engagement and appeasement has been proven a failure, this strategy rallies South Korea and its allies to maintain vigilant containment of the North’s military threat and its WMD and missile proliferation instead of unfruitful bargaining with the North. This would mean an effective quarantine on arms and other transfers in and out of the North. Seoul, Washington, and Tokyo would guarantee safe haven for all North Korean refugees and would offer incentives to Russia and China to do the same”<sup>14</sup>.

In concluding the strain policy will be better option than the sunshine (engagement ) policy option to relieve the North Koreans from the bondage of Kim Jong-il’s regime in uncharted territory.

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<sup>14</sup> Victor D. Cha and David C. Kang, *Nuclear North Korea: A Debate on Engagement Strategies*, (Columbia University Press, 2003), New York, p.98.

“*The whole generation of those who had done evil in his sight was gone*”.

- *The Numbers: 32: 13 (in The Old Testament)*.

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