

North Korea: From Rogue State to Cause for Concern¹

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Introduction

As a new millennium dawns, hopes are rising — both in Korea and around the world — that the conflict and tension which have blighted the peninsula for more than half a century may at long last be starting to ease. Such hopes rest on two major developments. The first is an increased willingness by North Korea to forge a wide range of new diplomatic ties. Within the past year, the DPRK has agreed to establish or renew bilateral relations with Australia, Canada, Italy, Kuwait, the Philippines, and New Zealand. Multilaterally, in July the DPRK joined the ASEAN Regional Forum (ARF). While attending the ARF meeting in Bangkok, the North Korean foreign minister, Paek Nam-sun (formerly Paek Nam-jun) met his US and Japanese opposite numbers, in what are formally the highest-level encounters ever with these states. Talks with Japan towards diplomatic relations resumed in April after a hiatus of seven years, and are due to continue in August. A newly visible and smiling Chairman Kim Jong-il visited China (albeit secretly) in May, and in July welcomed President Putin, the first

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¹ This article amplifies an earlier, much shorter op-ed piece: "North Korea Still Cause For Concern", *The Asian Wall Street Journal*, August 7, 2000. See also my "North Korea and Moral Hazard: Eyes Wide Shut?" Berkeley, CA, Nautilus Institute, Policy Forum Online, PFO #00-06A. Available at <http://www.nautilus.org/fora/security/0006A_Foster-Carter.html>

Russian or Soviet leader ever to visit Pyongyang. Kim Jong-il is expected to return that visit later this year. All this represents an unprecedented spurt of diplomatic activity by North Korea.

Secondly, and more importantly, there is now an incipient inter-Korean peace process. Fears that North Korea's new embrace included everyone except Seoul were allayed in April, with the announcement of the first ever north-south summit. President Kim Dae-jung's historic trip to Pyongyang in June, and the warmth of his welcome by Kim Jong-il, evoked an emotional response in South Korea and beyond. Moreover, crucially, the summit has been followed up. Kim Jong-il has agreed to pay a return visit to Seoul, although no date has yet been fixed. In July, ministerial talks in Seoul agreed to reopen liaison offices at Panmunjom, and to discuss relinking railway lines across the DMZ. The long-sealed border will also be opened if indeed Hyundai is allowed to build a huge industrial estate in Kaesong.² From August 15, the first reunions of separated families since 1985 will stir emotion and kindle hopes of more to come.

Meanwhile, not unrelatedly, the US State Department announced in June that it is dropping the phrase "rogue state", which in the past had often been applied to North Korea among others. Instead, Washington will now refer to "states of concern".³

All this is undoubtedly very positive, as far as it goes. As Winston Churchill famously put it, jaw-jaw is better than war-war. As a long-time advocate of engagement with North Korea, I welcome these developments. And yet the new atmosphere of detente also carries risks. One is of jumping the gun and assuming more has been achieved than is yet the case. In that sense I disagree with a Korean proverb much quoted lately: *sijaki banida*, "the first step is half the journey". After three false dawns over three decades — 1972, 1985, and 1990-92 — when what at the time were hailed as breakthroughs eventually led nowhere, we should have learned by now that, on the contrary, the first step is no more than the first step — and it can be reversed.

² See John Burton, "N Korea Opens Up to Tourism", *Financial Times*, August 11, 2000.

³ Steven Mufson, "A 'Rogue' is a 'Rogue' is a 'State of Concern': U.S. Alters Terminology For Certain Countries", *Washington Post*, June 20, 2000.

Another, more insidious risk is of sweeping contentious issues under the carpet. While I see the logic of South Korea's avowed tactic of starting with easier matters, so as to build trust before moving on to more difficult topics, one must be careful that this does not turn into an ostrich mentality or censorship (including self-censorship). Tip-toeing around North Korean sensitivities is not the way forward, and stands in stark contrast to the robust language which Pyongyang directs towards others. A real peace process is one in which both sides are frank and upfront about their respective concerns, which they lay on the table and then thrash out.⁴

Thus it is not from any wish to spoil the party, but rather to ensure that this time the peace process is for real, that it seems timely to review what precisely it is about North Korea that has worried the world for many years, and how much of it has yet changed. The short answer is: a great deal, and very little. While in general "rogue state" was a tendentious term that we are better off without, it has to be said that the sheer range and persistence of the DPRK's efforts to be worthy of this soubriquet are unique and impressive. My aim here is to draw them all together, and so offer a checklist for the future by which we may assess progress as the new Korean peace process hopefully develops and deepens. If some readers think it is untimely to raise such matters, then that is precisely the attitude which, with all respect, I seek to challenge. True peace in Korea will not be built on a foundation of delicacy and denial.

Some other general points are worth making at the outset. First, on many if not most of the matters discussed below, the facts are in dispute. Some areas involve classified information not available to civilian analysts. North Korea itself provides few data, and routinely denies much of what it is accused of; though such denials ring hollow given the weight of evidence. Second, even where the facts are clear, their interpretation is not. Pyongyang's motives are

⁴ For two contrasting views on how North Korea negotiates, from different Washington think-tanks, see Chuck Downs, *Over The Line: North Korea's Negotiating Strategy*. Washington DC: American Enterprise Institute, 1999; and Scott Snyder, *Negotiating on the Edge: North Korean Negotiating Behavior*. Washington DC: United States Institute of Peace, 1999. Snyder's page 9 is a fine summary.

hard to read, as, sometimes, are those of its interlocutors. Third, and relatedly, the sound of axes being ground is a constant. Neither analysis nor resolution of Korean problems is helped by imposing extraneous agendas, as seen in some US reactions on nuclear and missile issues which have more to do with Washington politics and inter-agency turf wars than with Korea. Fourth: even if all the above were clearer, the policy implications — what is to be done, who should do it, and what will work — are never clear-cut. The challenges are, as ever, immense.

Security Issues: Old and New

The concerns raised by North Korea are many and varied. A short article can do little more than list them and add brief comment.⁵ They fall under two broad headings: security, and other. The military threat, clearly the most important, itself divides into two categories. On top of longstanding issues related to conventional forces, incursions, terrorism, and the lack of a peace treaty, the past decade saw the DPRK respond to the waning of its old Cold War alliances by developing weapons of mass destruction (WMD).⁶ These are of three kinds: nuclear arms, chemical and biological weapons (CBW), and missiles to carry the other two.

North Korea's embrace of WMD has caused it to be seen as no longer just a local but a global threat. The nuclear issue almost unleashed a second Korean War in mid-1994⁷; while the missile issue is driving US plans for National Missile Defence (NMD), which in turn are raising tensions with Russia and China. CBW, by contrast, remains curiously unaddressed.

⁵ For a much more comprehensive account, see North Korea Advisory Group, *Report to The Speaker, U.S. House of Representatives*, November 1999 [hereafter cited as NKAG]. Available at <http://www.house.gov/international_relations/nkag.htm> See also, on this and much else, the richly detailed and comprehensive new book by Marcus Noland: *Avoiding the Apocalypse: The Future of the Two Koreas*. Washington DC: Institute for International Economics, June 2000.

⁶ See Jonathan D. Pollack and Chung Min Lee, *Preparing for Korean Unification: Scenarios and Implications*. Santa Monica, CA: RAND (The Arroyo Center), 1999. Also NKAG, op cit, ch 1.

⁷ Don Oberdorfer, *The Two Koreas: A Contemporary History* (London: Warner Books, 1998), ch. 13.

The Nuclear Issue: Defused and Dormant, But Not Resolved

Whole books have been devoted to the North Korean nuclear question, yet key aspects remain contentious.⁸ Despite Pyongyang's denials, most observers believe that it did seek to develop nuclear weapons; many think it succeeded; and some aver it is still doing so, despite the 1994 Geneva Agreed Framework (AF) which moth-balled the suspect site at Yongbyon. The AF remains controversial, especially in the US. Supporters praise it both for avoiding war (no mean feat), and for turning crisis into opportunity by creating, in the KEDO consortium, a key mechanism for practical co-operation between the DPRK and its foes, not least the ROK. But opponents criticize it as less than watertight, fearing that in practice Pyongyang will never be held to account over past plutonium siphoned off. More generally, they see it as a dangerous precedent, rewarding misbehaviour (by building new light water reactors [LWRs] costing \$5 billion) and thus encouraging North Korea to engage in further militant mendicancy.

Uncomfortably, both sides seem to me to be right. The AF and KEDO are creative diplomacy of a high order; yet peace was bought at a steep price in moral hazard. The IAEA was never happy, either at being displaced by the US as the DPRK's nuclear negotiant of choice, or at the continued failure to come fully clean about Yongbyon. If and when the LWRs are ever built, then the plutonium history issue may return to haunt all concerned. History aside, some analysts now claim that LWRs will actually allow more plutonium to be siphoned off.⁹

Drawing wider lessons, we must take care lest an inflexible

⁸Michael J. Mazaar, *North Korea and the Bomb: A Case Study in Nonproliferation*. New York: St. Martin's Press, 1995; Leon V. Sigal, *Disarming Strangers: Nuclear Diplomacy with North Korea*. Princeton, NJ: Princeton University Press, 1998. A very valuable recent addition is James Clay Moltz and Alexandre Y. Mansourov eds, *The North Korean Nuclear Program: Security, Strategy, and New Perspectives from Russia*. New York and London: Routledge, 2000. An excellent summary of the issues is Tom Hart, "The Impending Agreed Framework Crisis", in Gabriel Jonsson and Katharina Sofronow eds, *Korea: A Stocktaking*. Stockholm University: Centre for Pacific Asia Studies, 2000.

⁹This claim is made in a recent US House of Representatives Policy Committee perspective paper on US aid to the DPRK, headlined: "Clinton-Gore Aid to North Korea Supports Kim Jong-Il's Million-Man Army: Enough Plutonium to Build 65 Nuclear Bombs A Year". Published as a Nautilus Northeast Asia Peace and Security Network [hereafter NAPSNET] Special Report, August 9, 2000.

quest to enforce compliance with international law ends up increasing rather than lessening risk. Thus the pre-AF drift towards disaster and war reflected a reflex reaction to failure in Iraq: the moral drawn being to come down hard on the next nuclear malefactor. The AF was thus a U-turn, and perhaps a sly one, given claims that the Clinton administration in fact believed that the DPRK would collapse before the LWRs were completed. Then there was the strange fuss about the “big dig” at Kumchang-ri, which dominated US concerns for almost a year in 1998-9, yet which some insiders claim reflected inter-agency feuding in Washington as much as any hard evidence of renewed North Korean nuclear activity.¹⁰ But hawks accuse the Clinton administration of not wanting to hear about such evidence. A future Bush presidency may well take a tougher line.

Nor do the questions end there. When will the LWRs be finished, or even started? So-called site preparation is taking an oddly long time. Will Pyongyang ever in fact repay the cost, as it is meant to? Is nuclear power in fact what North Korea needs? Can their ageing grid even handle the extra input?¹¹ Like the Potemkin power lines built to support the fiction (crucial to the AF) that Yongbyon was meant to generate electricity, the whole LWR project casts some odd shadows. It is hard to avoid the sense that there is less to this than meets the eye. At all events, it is premature to hope that the nuclear issue is anywhere near definitively settled yet.

Missiles: Much Talk, Odd Offers, Little Progress

One virtue of the AF is that it ushered in wider dialogue between the US and North Korea. This was not only unprecedented — Seoul did not approve — but also in stark contrast to the US’

¹⁰ This charge is laid by a former senior State Department official. See C. Kenneth Quinones, “North Korea’s ‘New’ Nuclear Site: Fact or Fiction?”, Nautilus Institute Special Report, 5 October 1998. (PFO #98-21; available at: <<http://www.nautilus.org/napsnet/fora>> The feuding continues; see James Risen, “Ferretting Out North Korea’s Nuclear Secrets: US Intelligence Experts At Odds”, *New York Times*, August 5, 2000; summarized in Nautilus Institute, NAPSNET, *Daily Report*, August 7, 2000.

¹¹ See David H. Von Hippel and Peter Hayes, “North Korean Energy Sector: Current Status and Scenarios for 2000 and 2005”. Ch. 6 in Marcus Noland ed, *Economic Integration of the Korean Peninsula*. Washington, DC: Institute for International Economics, Special Report 10, January 1998.

hostility to other rogue states. Yet five years of talks have achieved little, especially on the next big WMD issue which replaced the nuclear question at the top of Washington's agenda.¹²

History may record the reckless rocket which North Korea fired across Japan without warning in August 1998 as an ominous turning-point. Regardless of its later claim to have launched a (strangely invisible) satellite, the revelation that Pyongyang had mastered the multi-stage technology needed for ICBMs galvanized security debates in Tokyo and Washington alike. An unnerved Japan swiftly agreed to US Theatre Missile Defence (TMD) plans; while in the US Pyongyang's missile ambitions became the main driver of proposals for a National Missile Defence (NMD) system, which commands bipartisan support even though it would violate the Anti-Ballistic Missile (ABM) Treaty, and is opposed not only by Russia and China but also by America's NATO allies. One can only wonder what on earth Kim Jong-il was thinking of.

Importantly, even opponents of NMD — which I see as nonsense on stilts: technically flawed, politically inept, and strategically dangerous¹³ — should not infer that there is no North Korean missile threat; much as one suspects NMD supporters of exaggerating its reach and range for their own purposes. For Japan, unquestionably, the threat is real. But it is less so for South Korea: with Seoul in artillery range of the DMZ, missiles are not the point. Besides, the ROK wants to develop its own rather than rely on TMD, which it fears would antagonize China.

So far, North Korea's only concession — made in September 1999 after a summer of fears that it was about to fire another rocket — is a moratorium on further tests of longer-range missiles. Other dimensions — development, deployment, and proliferation — remain unsettled. The last is a prime concern: customers include Iran and Pakistan. In the latest missile talks with the US, held in Kuala Lumpur (for some reason) in July, North Korea demanded a cool billion dollars as compensation if it ends missile exports.

¹² See NKAG, *op cit*, chs I.C (on missile development) and III.B (on proliferation).

¹³ Among a vast literature, see Elaine Sciolino and Steven Lee Myers. "Experts in U.S. Disagree Over Missile Threat", *International Herald Tribune*, July 6, 2000; and a balanced editorial, "Europe's NMD dilemma", *Financial Times*, August 3, 2000.

Shortly thereafter, Kim Jong-il reportedly offered to President Putin to stop developing long-range missiles, if North Korea can have access to other countries' rockets to launch its satellites, seemingly at the host's expense.

Odd as this sounds — and it still leaves short-range missiles, which are the main proliferation worry — it is worth exploring. If for real, it could provide a face-saving exit for Pyongyang on this issue. Yet at this point we do not know if this is a serious suggestion, or just the latest in a long history of DPRK feints and prevarications. For now, missiles remain a major concern.

CBW: The Great Unspoken

While the nuclear and missile issues have loomed large on diplomatic agendas over the past decade, a strange silence surrounds the third of the WMD trio. Despite the DPRK's denials, most authorities believe that it has extensive stockpiles of both chemical and biological weapons.¹⁴ Moreover, whereas few believe that North Korea can as yet marry its nuclear and missile capabilities to accurately deliver a bomb, loading artillery shells with chemical or biological agents is technically much simpler. Bluntly, Seoul and its inhabitants are at risk.

While not wanting to kindle undue panic, complacency does not seem warranted either, and silence will not make the threat go away. Although the Perry Report's sole sentence on CBW recommends it should be tackled multilaterally,¹⁵ I suggest that South Korea should take the initiative. Once the ministerial talks turn to security issues — as they ought to, soon — CBW should be high on the agenda. Mutually verified destruction of stocks would be both a relief in itself and a relatively easy gesture to create momentum for more difficult areas. If Kim Jong-il sincerely wants peace, there is no good reason for dissembling or delay on this issue.

¹⁴ See NKAG, *op cit.* ch I.B and references therein.

¹⁵ *Review of United States Policy Toward North Korea: Findings and Recommendations*. Unclassified Report [is there perhaps more on CBW in the original, classified version?] by Dr. William J. Perry, U.S. North Korea Policy Coordinator and Special Advisor to the President and the Secretary of State Washington, DC, October 12, 1999. Reproduced as a NAPSNET Special Report, October 13, 1999. Also available at: <http://www.state.gov/www/regions/eap/991012_northkorea_rpt.html>

Conventional Threats: All Still There

Long before the North Korean threat went global with WMD, Pyongyang's local military menaces on and around the peninsula gave multiple grounds for concern, and still do. This is familiar territory, but familiarity should not breed contempt. There is a large agenda, some of it going back half a century, which demands to be addressed under any real peace process.¹⁶

Formalities: Troops Out, or Peace?

Formally, as is well known, the two Koreas are still technically at war; the 1953 Armistice never having been followed by a peace treaty. In the past decade North Korea successfully undermined the two key peace-keeping bodies set up by the Armistice. It drove out the Czech and Polish members of the Neutral Nations Supervisory Commission (NNSC) after the fall of communism in those countries; and it boycotted the Military Armistice Commission (MAC) from 1994, after the UN side appointed a South Korean rather than a US general as its head.¹⁷ Although de facto contacts have continued at Panmunjom, given the endemic tensions at the DMZ this behaviour by the DPRK was irresponsible and potentially dangerous.

More recently Pyongyang has been hardly less negative at the four-party talks; which over three years have failed even to set an agenda, much less start to tackle the unfinished business left over from 1953. Whereas South Korea, the US, and even China all agreed on the need for pragmatism and confidence-building steps, North Korea has stuck to its unrealistic demand to discuss US troop withdrawal as an immediate priority. Even if this particular forum is now defunct, the question is whether the DPRK will cling to this maximalist slogan, or get real.

¹⁶ For a detailed account of the conventional forces threat, see NKAG, *op cit*, Ch II.

¹⁷ For details, see the entries on the MAC and NNSC in a very useful recent handbook: James E. Hoare and Susan Pares, *Conflict in Korea: An Encyclopedia*. Santa Barbara, CA: ABC-CLIO, 1999.

Substance: The KPA, Still Poised to Provoke

Formal treaties and mechanisms, while important, arguably matter less than the substance of risk. But here too North Korea has shown scant interest so far in making peace. The KPA is the world's fifth largest army absolutely, and the biggest by far relative to total population. It remains overwhelmingly deployed in forward offensive formation, poised for attack rather than defence. While there has been no general attack since 1953, it is barely a year since the West Sea naval battle, where the loss of at least one ship hopefully taught a lesson. Though it is true that the Northern Limit Line (NLL) was never formally agreed under the Armistice, Pyongyang had de facto accepted it for 45 years. Why suddenly mount a militant challenge? If instead it had asked politely for crab fishing concessions, the Kim Dae-jung administration would surely have readily agreed. Even now, the north has not as yet accepted the south's eminently practical first step of installing a military hotline. Why on earth would one refuse?

Provocations are another concern. While 1996's submarine incursion elicited a rare apology, the worth of this was shown when another spy submarine was caught in 1998. Last year the Japanese navy fired its first post-war shots, pursuing a mystery boat later tracked to Chongjin. Maybe there is an understanding that this sort of thing will now stop; but how can we be sure?

Terrorism: Just Talk?

Provocation also raises a related issue, terrorism. Ever since the 1987 bombing of KAL 858 by Kim Hyon-hui (as a millionaire author in Seoul, surely one of the world's least punished mass murderers), the DPRK has been on the US State Department's list of regimes suspected of sponsoring state terrorism. This designation has material consequences, since Washington mandates itself not to give aid to any country on the list, and to oppose such aid or investment from multilateral bodies such as the World Bank and IMF. (Yet, in practice, grain donations through the UN World Food Programme [WFP], and whose timing despite denials is pal-

pably politically driven,¹⁸ have made North Korea the largest recipient of US food aid in Asia.)

In the new climate of detente, including the recent ending of most US sanctions against the DPRK, and with no proven offences of this kind for over a decade, moves are afoot to remove North Korea from the terrorist list. The north demands this step before it will allow the long-awaited visit of a senior official to Washington. In August talks on terrorism were held in Pyongyang, with no result. North Korea is apparently reluctant to sign up to even a fairly minimal pledge of future good behaviour. Curiously, yet typically, officials admitted that the talks were not expected to get anywhere, except to pave the way for further talks later!¹⁹ Is this an infinite regress, or at what point might the DPRK's various interlocutors start to lose patience and look for some real movement and tangible results?

On terrorism, it is ironic to contrast the principled approach of another Asian regime itself stigmatized as a rogue. Burma (Myanmar), once a close ally of the DPRK, has never forgiven the Rangoon massacre of October 1983; when North Korean agents — who were caught and confessed — blew up the Martyrs' Mausoleum, killing 21 but missing their target, the South Korean president, Chun Doo-hwan. Burma at once broke relations and has never restored them; it is now the only ASEAN member without ties to Pyongyang. Rangoon's position is simple. Before anything else, North Korea must admit its act of terrorism and officially apologize. But being Kim Jong-il apparently means never having to say sorry.²⁰

Abductions: Contrasting Approaches

Burma's firm stand contrasts with its neighbour Thailand's haste to forgive the DPRK for a less heinous but much more recent crime in a related area, namely abduction. Last year, when a North

¹⁸ The linkages are tabulated in Noland (2000) *op cit.*, Table 5.3, "Food for talks", p188.

¹⁹ Nautilus Institute, NAPSNET Daily Report, August 9, 2000, item II.1.

²⁰ See also my "Burma Stands Up to North Korea", *International Herald Tribune*, July 27, 2000.

Korean diplomat and his family sought asylum, Pyongyang coolly sent a hit squad to Bangkok. They kidnapped the family, and would have spirited them across the border into Laos had not the car overturned, allowing them to escape. The Thai government was angry, but not for long. It continues to let the DPRK not pay for rice; and no such unpleasantness was allowed to spoil the cocktail chatter at the ARF meeting in Bangkok in July.

Abductions are also a wider issue. This is one area where there is no sign that North Korea has changed its ways, and even if it has, its continuing detention of past abductees demands to be addressed. Here it is interesting to note the diametrically different approaches taken by Japan and South Korea. The curious case of a dozen or so Japanese allegedly abducted in the 1970s and 1980s is one of Tokyo's top priorities when it talks to Pyongyang, which of course denies all knowledge. This led to the breakdown of the last round of talks in 1992, and the same could happen again. One might argue that the whole relationship between two countries should not thus be made hostage to a single detail, however heinous. But pressure from the families, media and political parties have kept the issue alive and in the public eye.

Seoul takes a very different tack. Despite its far larger numbers — hundreds, if not thousands of abductees and detainees known to be held by the DPRK, from prisoners of war kept since 1953 to a priest working with refugees in China seized just this year — South Korea currently chooses not to prioritize this issue.²¹ This is currently causing controversy, as the south's quid pro quo in exchange for the north conceding family reunions — an event which surely contains its own symmetry — was to agree to return up to 80 unconverted communist old ex-prisoners, many of them former agents. Critics, including opposition leader Lee Hoi-chang and the Chosun Ilbo newspaper, argue that proper reciprocity would have been to exchange these for their true equivalents, namely southerners held in the north. Pyongyang's response was to call Lee a

²¹ Several hundred abductees are listed by name and date in Appendix I of Korea Institute for National Unification, *White Paper on Human Rights in North Korea in 1999* (Seoul, KINU, 1999), pp 129-136. The priest is Rev. Kim Dong-shik, seized in China by North Korean agents on January 16. See "Civic group calls on related governments to probe pastor kidnapping", *Korea Herald*, February 7, 2000.

“bastard ...and national traitor” whose “vicious remarks are gibberish”, and to threaten to “blow up” the Chosun.²² Perhaps it is as well to be reminded of the snarl behind the smile.

Non-Security Issues: Rights, Debts, Crime

Human Rights: A New Wall of Silence?

The above critique is not meant to imply that any of this is easy; on the contrary. Abductions are a security and also a human rights issue, and the wider question of human rights in North Korea is especially tricky. Not analytically, where it is very simple: there are virtually none, as the term is usually understood.²³ But as regards policy, there are obvious difficulties in even raising such matters without breaching the essential formal pious parities of the peace process, such as each side respecting and not seeking to overthrow the other's system.

This also relates to the more general debate currently about the pros and cons of so-called humanitarian interevention. Of course North Korea is glad to endorse the view from Moscow and Beijing, who criticize the west for interfering and imposing its own standards. Indeed, it is only some western European countries, which talk to the DPRK but see no need to move to full relations, who even raise the human rights issue regularly. Naturally, they get short shrift.

Yet the question will not go away. As with many things, North Korea has carried the abuse of human rights to extremes. Politically, there is no individual liberty in theory or practice. While prison camps in China are much criticized, the DPRK's 200,000-strong gulag, with its unspeakable privations and tor-

²² Needless to add, the *Chosun* is unrepentant. See its editorial “The *Chosun Ilbo* Will Not Be Tamed”, July 11, 2000 [English Internet edition]. On Lee, see a *Korea Herald* editorial, “Pyongyang's Invectives”, July 15, 2000. Coily, this renders *nom* as “rascal”, which is surely a shade too polite.

²³ On human rights in North Korea generally, the standard work in English is Richard Kagan et al. *Human Rights in the Democratic People's Republic of Korea*. Washington DC & Minneapolis MN: Asia Watch & Minnesota Lawyers International Human Rights Committee, 1988. For more recent years, see the annual White Papers produced by KINU (formerly RINU), as per note 19, above. KINU being a government think-tank, one trusts there will be no pressure to discontinue this valuable series.

ments, gets little publicity anywhere. Economically, despite its earlier achievements, the regime's stubborn refusal of economic reform has imposed needless and increasingly severe poverty on the majority of its citizens, to the extreme where finally the state began to devour its own, through an entirely avoidable famine.²⁴ It is an awful record. Perverse would be the kindest term; but why exactly would one not say wicked?²⁵

But here the peace process produces an awful paradox. In the short term it may actually make matters worse, in two ways. One is silence, or even silencing. There are disquieting reports from Seoul of North Korean defectors — including Hwang Jang-yop, whom the ROK not long ago was glad to welcome as a trophy and to hear his insights and critique — now being held more or less incommunicado so as not to upset the new friends in Pyongyang.²⁶ Or who will now plead the cause of North Korean refugees in China, to whom the ROK government has all along been disgracefully cold, for fear of upsetting its other friends in Beijing?²⁷

The retort, of course, is that such cravenness is temporary, and must be set against the greater good of gradually improving the lot of the majority 22 million. (Or is it 21 million? for we do not know exactly how many have perished since 1995 in the warm bosom of the Leader). In the short run, however, infusions of South Korean and other aid — food, fertilizer, investment in infrastructure, soon? — keep alive not only ordinary North Koreans, but also the ruling class and system which oppress them and made them poor in the first place.²⁸ To be sure, I accept the logic in propping up the DPRK

²⁴ On North Korea's catastrophic economic decline in recent years, see Noland (2000) op cit. chs 3 and 5; and Nicholas Eberstadt. *The End of North Korea* (Washington DC: American Enterprise Institute, 1999), especially ch 3 and pp 95-109. But NKAG (op cit) goes too far in claiming that "the physical and political condition of the North Korean people is worse than at any time in their history." Worse than during the Korean War, under relentless US saturation bombing and napalm?

²⁵ No such inhibitions restrain Thomas J Belke. His *Juche: A Christian Study of North Korea's State Religion* (Bartlesville, OK: Living Sacrifice Book Co, 1999), is a substantial work, of use even to those who do not share the author's fundamentalist belief that the DPRK is, literally, diabolical.

²⁶ See "Silencing the Defectors", editorial in *Chosun Ilbo*, August 8, 2000 [English Internet edition].

²⁷ On the North Korean refugee situation more generally and various future scenarios, see my report for Writenet: *North Korea: Prospects, Scenarios, Implications* (March 1999). Available at <<http://www.unhcr.ch/refworld/country/writenet/wriprk.htm>>

to try to avoid the costs and risks of a collapse-absorption scenario, as in Germany. Indeed, persuading Kim Jong-il of Seoul's sincerity on this point is a crucial task for Kim Dae-jung; and surely not so hard for the Pyongyang nomenklatura — who are a lot luckier than they deserve, to be offered this lifeline — to grasp.

But it is no solution if the outcome is the one succinctly put long ago by the British economist Joan Robinson, whereby aid is necessary to maintain the system that makes aid necessary. The talk is of North Korea's new openness, but this will count for little unless accompanied by the other side of the coin, which is reform. If the DPRK is to survive, it must change. On grounds of efficiency and equity alike, it would be a bad mistake for South Korea to let too much capital (whether public or private) flow north, without insisting on the market reforms absent which that capital will not work efficiently.²⁴ Also — this argument should appeal — if the DPRK is to avoid becoming a financial dependency of the ROK, then the entrepreneurial spirit of ordinary North Koreans, already visible in the grudgingly tolerated farmers' markets and for a while in the Rajin-Sonbong special zone, should be given free play without delay.

Note that, despite the above critique, I am not suggesting anything as utopian as an immediate bill of rights or multi-party democracy. (Although in the long run — and how long is that? — who would dare suggest that North Koreans should not have such rights?) Economic rights are a safer place to start, as well as being the practical precondition if the DPRK is ever again to become a society capable of reproducing itself in any sense, even biologically. In sum, all this is to ask no more — but also no less — of North Korea than the late Deng Xiaoping did for China; which is also what a truly great leader would have done twenty years ago, as Beijing indeed has constantly urged. The price of two decades' delay has been appallingly high.

²⁴ NKAG, *op cit.* ch IV. "Sustaining the North Korean Government", makes a parallel argument as to the effects of current US policy.

²⁵ See Noland (2000) *op cit.* ch 7, plus earlier works by the same author, for rigorous studies which not only analyze the need for economic reform but also calculate the likely effects of various policy paths.

Debt: Can't Pay, Won't Pay?

While the DPRK's internal economic policies exhibit mismanagement so dire as to constitute human rights abuse, its external business dealings raise other concerns. If US and other firms are hardly rushing to invest in North Korea, this reflects not only uncertainty about market prospects but awareness of Pyongyang's singular reputation for not paying. This phenomenon is well known, yet its full extent may not be. It is a consistent and long-standing trait, starting with the USSR. Moscow claims to be owed more than \$3.5 billion: a fact which may temper Putin's new hand of friendship.³⁰ Presumably western bankers and governments in the 1970s did not know this, or they would have been less eager to make loans and underwrite exports. Almost immediately North Korea began to default across the board. Reschedulings were similarly dishonoured, and in the 1980s all payments ceased.

To be sure, the DPRK was by no means the sole Third World state to experience a debt crisis in the 1980s. Yet bankers to whom I have spoken regard it as a unique case.³¹ Others could not pay; but Pyongyang, many believe, would not pay. Its insouciance includes ignoring a judgment against it by the International Court of Arbitration. Although such behaviour is self-defeating as well as unethical, since it cuts off access to fresh credit and investment, it is hard to avoid the conclusion that North Korea regards getting something for nothing as both acceptable and indeed some kind of success. This is arguably consistent with its more recent strategy as regards the nuclear and missile issues, which is to demand to be paid to stop.

Clearly, any present and future business partners will want assurances that such habits have ceased. Yet although no one now expects Pyongyang to pay, the past cannot just be ignored. The books need to be closed in a formal sense, if the bad taste is to be erased and the legacy of mistrust overcome so that the DPRK can

³⁰ Noland (2000) op cit, p 98, gives this figure, and also cites an earlier Moscow claim of \$4.6 billion.

³¹ For a detailed account, see "Can't Pay? Or Won't Pay? Either Way, They Don't Pay. North Korea's unpaid debt saga enters its third decade". *Korea Countdown* (Merit Consulting, Seoul), no 9, May 1994. For a summary, see Noland (2000) op cit, box 3.4, "Deadbeat Debtor", p 95.

start to play by the normal rules of business, if indeed that is what it now proposes to do, as one can only hope.

Crime: Making Money (Literally)

Playing by the normal rules is also the issue in the last of this long list of concerns. North Korea is uniquely notorious for the fact that state officials, with monotonous regularity and all around the planet, are caught engaging in crime.³² This ranges from dealing in a wide range of drugs to passing counterfeit currency, and smuggling everything from ivory in Africa to duty-free alcohol in Scandinavia. This shameful record is what above all justifies the R-word. No other regime behaves like this so flagrantly and systematically. Yet curiously, few if any of North Korea's interlocutors ever seem to prioritize or even address this area. No doubt it is embarrassing to all concerned. But now that Pyongyang is reaching out diplomatically and seeking more normal relations with other states, the least the latter can do is insist that the DPRK from now on must start behaving like a normal state, rather than an out-law.

Conclusion: A New Leaf?

The purpose of this paper has been to remind ourselves, amid an atmosphere where such matters risk being overlooked or downplayed, of just why North Korea had become widely seen as a rogue state, and how large a range of concerns still await resolution. It may also serve as a checklist for the evolving peace process on the peninsula, which — to repeat — I have no wish to jeopardize. On the contrary, I want it to be for real this time. If it is, then sooner or later all the above must be put on the agenda, whether formally or otherwise.

As to goals, I am no maximalist. Unlike the DPRK itself, which demands of Japan that a now old history be atoned for before any-

³² See the detailed charge-sheet in NKAG, *op cit.* Ch III.D. Table 3.1, "Major Incidents of Drug Trafficking by North Koreans", lists 41 separate such incidents between 1976 and 1999.

thing else, I do not even expect North Korea to say sorry, though that would make a nice change. Peace processes are about letting the past go; they require painful compromises. In my country, the price of peace in Northern Ireland includes freeing terrorists and murderers whose crimes are still fresh, and who had hardly begun to serve their sentences. Unsurprisingly, some people oppose this. But it is an agreed part of a wider process, and the only justification is the hope — which can never be guaranteed — that greater good will come of it, by building a fresh future free from the incubus of the past.

Another peace process also offers pointers. At the end of July, the US Secretary of State, Madeleine Albright, came late to the ARF meeting in Bangkok, after delaying her trip so as to stay and assist the Israel-Palestine dialogue. In the event the latter broke down in acrimony, in contrast to the bonhomie in Bangkok. Yet we should ask: which was the real success? Cocktail chit-chat is easy, but is it progress? Only if it is the first time, and if it leads from smalltalk to real talk on the issues. In that sense, Paek Nam-sun's socializing at the ARF was the equivalent of the first Israel-Palestine handshake on the White House lawn. Conversely, if and when we see the two Koreas locked in weeks of round-the-clock meetings, with fierce arguments — about concrete problems, not generalized insults — then we can be sure that the new Korean peace process is for real. Real diplomacy should not be too diplomatic.

What then may or must we expect of North Korea? Minimally, that it starts to move on all the above concerns. One may argue about priorities and time frame, but the bottom line is that it is Pyongyang which must change its ways, and the world needs to know for sure that it has really changed. If we have that assurance, then much pain and evil will no doubt have to be forgiven and forgotten, but only as part of an explicit and comprehensive settlement with everything out in the open, not swept under the carpet. That process is only just beginning. To counter *sijaki banida* by adapting an English *sokdam*, we should not count our chickens before they are hatched; much less pretend they are hatched when the egg is hardly yet laid. ■■■