The Korean Crisis Management:  
A Russian Perspective*

Russian National Committee of CSCAP**

Abstract

This article examines situation and prospects in Korean peninsula from the point of view of formulating an adequate strategy of Russia in Korean affairs. It is based on a comprehensive report by the group of top Russian experts-first in years to comprehensively evaluate the challenges and choices Russia faces in Korean peninsula and suggest ideas on Russian policy on its Eastern border: Recent deterioration in inter-Korean relations, increased concerns about the stability in North Korea, North Korean pursuit of WMD are the challenges Russia has to face. Existing of the Korean problem is also detrimental to promotion of Russia’s economic and security interests in Asia and the Pacific. The retrospective analysis of the nuclear problem, diplomatic efforts to solve it (including the 6-party talks), evaluation of the national interests of the parties involved in Korean affairs (USA, Japan, ROK, China) leads to a conclusion that there is no practical way out of the deadlock unless meaningful dialogue with DPRK is started. For this the change in US and South Korean policy to a more realistic and soft line is imperative. There is small evidence for a forthcoming collapse of North Korea, or a full-scale military conflict which would wipe it from the map, so the only alternative is to find some forms of cooperation and dialogue. In order to maintain peace and stability (which are priority goals for Russia in Northeast Asia) as well its economic interests Russia should interact with DPRK as well as all other concerned parties, promote inter-Korean reconciliation, helping find the diplomatic solution to the security concerns, one of which is nuclear problem.

Keywords: Russian Policy in Korea, North Korea’s Future, Korean Nuclear Problem, Six-party Talks

* Based on the report prepared for the Russian National Committee of CSCAP in 2010.
I. The Korean Problem’s Place in East Asian Security and Russian Strategy

Russia borders one of the most problem-stricken areas in Asia, the Korean Peninsula. The crisis here has continued for decades. The pendulum of tension swings back and forth from cold war in parallel with backburner negotiations to the brink of an armed conflict. Before the collapse of world communism, it was easy to interpret the situation as a clash between the two systems, with Korean states at the forefront. Does this factor preserve its central role now or does the problem stem from a conflict aimed at mutual annihilation between two political entities and their respective elites? Is there a real chance for the situation on the Korean Peninsula to explode?

In 2010, tensions rose to a level unheard of since Korean War (1950~1953). The Cheonan sinking and the shelling of Yeonpyeong Island brought about an unprecedented worsening of the situation on the Korean peninsula, and not only between the two Koreas but also between major powers, particularly the United States and China.

Even a later turn by both parties towards more measured rhetoric and a conciliatory stance failed to provide the background for drastic changes in the inter-Korean relationship and real conflict resolution. In any way, a long-term breakthrough is unlikely to be achieved as the current South Korean conservative administration stays in office till 2012 and a family power succession scenario in the North hasn’t been fully secured.

How great is the threat of a full-scale military conflict on the peninsula? Are “uncontrollable” developments in the North’s scenario, widely discussed in Western media, really possible, namely the collapse of North Korea, leading to the spontaneous reunification of North and South Korea under the aegis of the South?1 How should the issue of North Korea’s nuclear potential be addressed? Is there a real threat of its use in a military conflict, or the proliferation of technologies for weapons of mass destruction? How might the domestic political situation develop in North Korea, taking into consideration that the process of leadership succession to a younger generation is underway? Given the current situation, how should powers involved in Korean affairs, including Russia, shape their relations with North Korean leaders? What should we be preparing for and what steps can Russia take today? Is South Korea in a position to take genuinely unrestricted political and economic decisions, and thus become Russia’s strategic partner in the Asia-Pacific region, as it declares? Considering Russia’s interests and its Far East territories, how can it benefit from relations with the dynamically developing South Korean economy, which has become an important factor not only in Asia but globally, including the G20?

1. The North Korea Factor in the Regional and International Scene

The North Korean status and development prospects remain the key determinant

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of the future situation in this region of the world, especially the DPRK’s behavior and the American attitude toward it.

The dead-end situation that has arisen in conflict resolution efforts with regard to the Korean peninsula is mostly linked with the fact that North Korea has become a focal point of the rivalry between the United States and China, whose plans are being anxiously followed by South Korea. Both China and South Korea (with US participation) have developed “North Korean crisis response plans,” plans which, in essence, entail occupation.2 The military-political leadership of North Korean partners, faced with a lack of clarity in prospects for the development of the domestic situation in the North and feeling concern about potential unpredictable actions of Pyongyang, is forced to prepare for the most dramatic scenarios. Since the sinking of the Cheonan and the shelling of Yeonpyeong Island, the United States and South Korea have held a series of joint military exercises that were clearly hostile to North Korea. This created serious concerns for China, which responded reciprocally.

The USA didn’t deny the fact that growing military muscle in the region, which China regards as its zone of responsibility, is aimed at “teaching them a lesson” for “misconduct” in the inter-Korean conflict and providing support to the DPRK3 The situation on the Korean peninsula in 2010 has begun to resemble the worst of times of the standoff during the Cold War.

The Korean War has not formally ended, and only the Armistice Agreement from 27 July 1953 is in effect, which is considered by Russia to be “abnormal.”4 In fact, the Korean conflict was a civil war, although the two sides were supported by outside forces.5 And this support continued through later periods, incorporating Korean confrontation into the global system of geopolitical rivalry. That is why at present the Korean problem is unlikely to be resolved by the Korean states on their own, even if it is assumed that they can reach national reconciliation.

Twenty years on since the collapse of the USSR and the socialist system, and the subsequent cessation of aid, followed by the death of Kim Il-Sung, famine and natural disasters, and the world expects the North Korean regime to collapse in a manner similar to other socialist countries. The primary reason for that to materialize is that the North Korean political system, while in many ways comparable to the old Stalinist regime, has a somewhat different foundation.6 In the new version of the constitution, adopted in 1972, the term “communism” was replaced by the “Juche Philosophy.”

The North Korean regime is rooted not so much in Marxist-Leninist principles as in Confucian feudalist traditions and nationalism and, in part, in colonial Japan’s

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gendarmery political structure. Control over society is based on fear, and the demonstration of loyalty to the ruling elite is the only chance for survival.

Having inherited political power from his father, Kim Jong-Il proclaimed the Songun policy, military first. The aim of this militarization was to ensure strict control over society.\(^7\) The North Korean leadership appeals to the “peculiarity” of the Korean people and to its cultural and historical heritage. In the 1980s, the DPRK Academy of Science approved Kim Il-Sung’s thesis, that Koreans have no relation to other ethnic groups, that they have not migrated from anywhere and that the evolutionary process from ape to man took place right there on the Korean peninsula.

The DPRK has declared a political course aimed at the “building of a strong and prosperous state,” an Eastern maxim with ancient roots. Furthermore, the country should “open the gates” to achieving this goal by 2012, the 100th anniversary of the birth of Kim Il-Sung.

The North Korean government has been successful in maintaining social and political stability, despite the chronic economic crisis. The planned economy has been paralyzed, and thus the industrial sector, with the exception of the military industrial complex, is at a standstill, and the energy and transport sectors are in desperate shape. The agricultural sector, due to a shortage of arable land and old technologies, is incapable of feeding the population.

Following the “difficult march” (famine and crisis) of the 1990s, the public distribution systems practically collapsed. A “gray” sector of the economy has emerged along with a new social class that is linked to the market sector, among which there are some rather affluent people by North Korean standards, and this has been accompanied by increased corruption. The North Korean regime has periodically made efforts to contend with such “bourgeoisie” phenomena. The most recent hardline attempt was the confiscatory monetary reforms (redenomination) in November 2009 aimed at expropriating funds primarily from “non-socialist” elements of society, the liquidation of market trade and clamping down on foreign currency circulation. The reforms were a failure, which was recognized in 2010 by the authorities, who took repressive actions against those who carried out the reforms.\(^8\) The development of a market economy continues to progress, though the worsening international situation is often used as an excuse for tightened control. Some North Korean leaders, it seems, have quietly come to terms with market-related changes in the economy and are trying to use such processes in their own interest.\(^9\) The government controls access to foreign aid (primarily from China), which is a critical factor for survival. Practically isolated from the national economy, the

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\(^7\) For detailed analysis see Alexander Zhebin. The Evolution of the Political System of DPRK under Conditions of the Global Changes, Moscow, “Russkaya Panorama,” 2006.


“open sector,” that is joint ventures, export zones, etc., which are not always successful, continues to expand while remaining under the control of the elite of the state’s power institutions.10

The regime, having total control over the population, has in recent times shown glitches. Despite all the prohibitive measures, foreign imports have begun to make their way into the country, showing North Koreans the extent to which their economy is underdeveloped. The ideas of freedom and mass culture, including South Korean, are also seeping through the country’s borders. At the very top there is a real fear that this “openness” will lead to a dilution of power, which is why North Korea is not borrowing from the Chinese model.

The population, however, remains loyal to authorities, and the rare protests that do occur are strictly economic. Many years of propaganda have convinced a substantial portion of the North Korean population that expressions of disloyalty toward the country’s leadership, a “betrayal of ideals,” will have catastrophic consequences, not only for them individually but also for the fate of the “most superior” Korean nation. Fear of being “subjugated by the imperialists and South Koreans” is cultivated among the people. Society remains highly stratified. The official division of the population into fifty or so categories has augmented material inequality. Nonetheless, North Korean society remains orderly, and many are afraid of exchanging this idiosyncratic stability for freedom and chaos, although the new class is demonstrating an alternative way of life.

Kim Jong-Il, who has headed the crony feudalist system of power following the death of his father, has proven himself as a capable leader, albeit one with unconventional manners and methods, from the point of view of Western politicians. At the same time, there is no reason to expect something different from a leader who inherited a monolithic, totalitarian system. The stereotype of an unpredictable and extravagant dictator, as he is persistently portrayed in Western media, is far from the reality. Among other things, the “Russian soul” played a substantial role in the formation of his personality, and Russia, despite political differences, is not alien to the North Korean leader.11 Kim Jong-Il’s actions are, as a rule, thought through and calculated many steps ahead, and they are based on consensus among the leadership of the country.

The leadership of North Korea, however, remains a hostage of the system, and the logic of their behavior is wholly dictated by the task of self-preservation and not by development. In contrast to other former socialist countries, the deconstruction of the regime means not only a change of the political system and ruling elite but also a threat to the statehood of North Korea itself, where the North would be immediately assimilated by South Korea, and the present day ruling bureaucracy and their families would find themselves at the bottom of society, and maybe even subject to political persecution.

The survival of the political system depends not only on internal, but also on

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external factors. If during the reign of Kim Il-Sung North Korea balanced itself between the USSR and China, it seems that the leadership seeks to play a similar game in relation to the United States and China, in order to preserve its independence and benefit from the competition of the two powers. The establishment of dialog and *modus vivendi* with the United States is perhaps the most important foreign policy priority of the country. However, the North Korean regime’s efforts to attain international legitimacy clearly did not fit into the plans of the United States. Therefore, Pyongyang has lost an illusion of the possibility to reach a compromise without taking a “position of strength.”

II. The Nuclear Issue.

1. Reasons, Short History and Assessment of Potential

Development of nuclear weapons was seen in North Korea as a legitimate response to the threat from its adversaries, who, as North Korea is sure, are readying to use nuclear weapons against it.\(^\text{12}\) The start of North Korea’s nuclear program dates back to 1952, when at the height of the Korean War a decision was made to create the Atomic Energy Research Institute. The widespread construction of nuclear infrastructure began in the late 1950s. The nuclear program was aided by the USSR, which taught specialists and in the early 1960s supplied the country with a research reactor under an agreement with the International Atomic Energy Agency. It should be noted that the North Koreans produced plutonium at a gas-graphite 5MWe reactor that they had independently, without notifying the USSR, modernized in Yongbyon and developed radiochemical production on their own.\(^\text{13}\)

It appears that the first substantial batch of plutonium was produced in the early-1990s, and the production was stopped only after a deal with the USA in 1994.

It cannot be ruled out that during that period Pyongyang carried out research on uranium enrichment (HEU) as an alternative to plutonium as a source material for nuclear warheads, since it had suspected that the United States might not fulfill its obligations of the 1994 Agreed Framework. In Pakistan, the North Koreans obtained 14 centrifuges and enrichment technology.\(^\text{14}\) However, it is unlikely that at that moment North Korea had a full-fledged uranium program. The DPRK announced the “successful completion of experiments” in uranium enrichment only in September 2009,\(^\text{15}\) supposedly proceeding on to the construction of respective industrial facilities. Nonetheless, it was the accusations of the HEU of the Bush administration in 2002 that led to the collapse of the Agreed Framework. At present, the amount of plutonium produced, according to


various assessments, is sufficient to create 8–10 nuclear warheads, but it is not known how much of that plutonium is weapons-grade plutonium, but two nuclear devices have already been detonated in tests in 2006 and 2009.

Recently, North Korea has not only been developing uranium enrichment technology, but also has claimed progress in thermonuclear fusion technology development. Its uranium enrichment program staggers along, despite sanctions and other measures taken to keep the DPRK away from materials and technologies which could be used in nuclear activities. The new modern uranium enrichment facility at Yongbyon’s nuclear center, equipped with thousands of centrifuges, which was shown to American specialists in November 2010, came as a great surprise to Western intelligence services, because IAEA inspectors and western delegations were before repeatedly allowed into Yongbyon, after the start of the nuclear issue negotiations. Presumably, North Korea possesses several more secret facilities of the same kind in other locations. Specifically, this fact makes useless any attempt to eliminate the DPRK’s nuclear production facilities by force, because the exact location of the complexes, and even their number, are unknown.

The current nuclear potential of North Korea bears primarily political and psychological significance, as the DPRK considers itself a nuclear state. From the military perspective, it does not yet represent a substantial threat due to, among other things, poorly developed weapon delivery capacity. The use of a nuclear weapon in a military conflict is unlikely, although it cannot be ruled out as a weapon of “last resort”. The likelihood of such a conflict is rather low, and the nuclear deterrence factor plays no small role in that. The threat to Russian territory from North Korea’s weapons of mass destruction is still limited to the danger of unintentional events or accidents.

However, the nuclear program of North Korea creates a serious threat to nuclear nonproliferation efforts. It represents a provocation to Japan and, to a lesser degree, South Korea and Taiwan. The chance that nuclear materials from North Korea could fall into the hands of terrorists cannot be ruled out, either. The country’s missile program is actively being developed. Further rocket and nuclear testing by North Korea, including the possibility of thermonuclear weapons, could lead to a change in the balance of military forces in the region, and thus Russia is interested in the halting of such programs in North Korea.

How should North Korea’s nuclear status be treated? Some experts believe that North Korea should be considered alongside the other de facto nuclear-armed states, such as India and Pakistan. North Korea cannot rejoin the Nuclear Nonproliferation Treaty as a nuclear power and a return to its non-nuclear status within the framework of the current negotiation process would seem to be very difficult to achieve.

2. Diplomatic Resolution of the Nuclear Issue: Questions and Options

What are the lessons that can be taken from the Six Party Talks, initially with the aim of the “denuclearization” of North Korea? The talks were brought about by the failure of US attempts to halt the North Korean nuclear program on a bilateral track, and were conceived by the United States as a means for forming a united front against North Korea, mainly for the purpose of getting China in line on the issue. The talks brought little fruit as North Korean concessions, like starting to disable some of its nuclear facilities, were not considered to be enough by its opponents, while North Korea was not satisfied with what it received from the West, especially in political recognition, in accordance with the agreements.20

Having reached the conclusion that the current negotiation format wouldn’t bring the country any closer to achieving its main goal, international legitimacy and the preservation of the regime, North Korea upped the ante in 2008. Those moves were aimed at showing to its opponents the necessity for fruitful dialogue and respect to North Korean demands, but were also meant to ensure the solidarity of the society as the hereditary power succession was being prepared. In April 2009 North Korea tested a ballistic missile21 and, using the sharp negative reaction of other members of the Six-Party Talks as an excuse, withdrew from negotiations, and again tested a nuclear weapon, in May 2009.22

The process of restarting negotiations has dragged on, since it was extremely hard to adjust the widely differing interests of the parties. At first, North Korea was against resuming the negotiations in a “six-party” format, arguing that they had become an instrument to apply pressure, while the United States had failed to fulfill its obligations. In the summer of 2010, Pyongyang changed its point of view, evidently trying to engage the United States in dialog following the worsening of the situation with the sinking of the Cheonan and to give a positive signal to China who supports the idea of negotiations, and began to raise the prospects of a return to the “six-party format.” Nevertheless, now it is South Korea who strongly objects to restarting the negotiations, demanding an apology for the sinking of its ship,23 and after the Yeonpyeong bombardment, guarantees that the DPRK will refrain from “misconduct” and will resign to “denuclearization” even before the negotiations start.

Given the clear necessity for the West to have a channel for discussing its concerns, primarily related to weapons of mass destruction, and also from lobbying by the Chinese, the negotiation process should be renewed, perhaps in a different format and with another agenda. Although there are really no alternatives to negotiations, the “old” six-party configuration, by this paper’s estimates, has already played its role, and the question now is what kind of format and mandate is needed for a new round of negotiations.

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Today the situation is such that it is unrealistic to make North Korea’s abandonment of nuclear weapons the central theme of negotiations. Given such conditions, the diplomatic process should focus on the task of halting North Korea’s nuclear development program with the declarative, unspecified aim of denuclearization in the distant future.

The concept of “denuclearization” itself is not quite clear, as the closed nature of the North Korean state seems to exclude verification. Total abandonment of national nuclear programs on the DPRK’s part is hardly achievable, because denial of a country’s right to pursue a peaceful nuclear program goes against the principles of the Nonproliferation Treaty, which the global community calls North Korea to accede to again. Besides, energy security for the DPRK, as well as for South Korea, can’t be ensured without the nuclear power industry. Technically, an agreement can be reached concerning the discontinuance of new military nuclear materials production and the dismantling of several nuclear facilities, especially worn out ones. However the establishment of international control over nuclear materials, let alone nuclear weapons, requires drastic changes of the situation. Even then, taking into consideration the Iraqi experience, the DPRK government is unlikely to agree to full-scale intrusive inspections, give access to North Korean specialists engaged in the nuclear program or become subject to verification on a scale acceptable to the global community. Denuclearization without a regime change would at best represent an unverifiable declaration.

Denuclearization, in principle, is only possible in the long-term perspective and only with the disappearance of external threats along with the disappearance of the need for an “external enemy” in order to maintain control of the domestic situation within the country. But without a change of the country’s elite, or buying them out, North Korea’s abandonment of nuclear weapons is unlikely. Achievement of denuclearization, provided that we regard it as a removal of nuclear weapons and materials for its production from the country, and not as the elimination of industrial and technological facilities, is possible only through many years of concerted efforts in the context of generational change of the leadership of North Korea.

3. Interests of the Main International Players

As it was mentioned above, the interests of the participants of the negotiation process are hardly compatible and extend far beyond North Korea’s nuclear program. For the United States, Japan and South Korea, the nonproliferation agenda coincides with a regime change agenda. These countries are trying to broadly interpret and use UN sanctions and other mechanisms of pressuring North Korea as instruments for weakening not only its military but also its economic potential. China and Russia, while in favor of the denuclearization of the Korean peninsula, are not interested in the collapse or, in particular, a forced change of regime, and they would prefer its gradual and peaceful transformation.

4. Position of the United States

Washington’s view of Korean issues is formed under the influence of a whole
range of factors, from the emotional-ideological factors linked to the psychological inertia of the Korean War, also being one of the reasons it is not prepared to use force, and the general allergic reaction to the North Korean regime to the real nuclear proliferation concerns and strategic military considerations.

It is clear that North Korea is something of a prickly irritant for the United States. This small state with no substantial military potential, an economy in ruins and a half-starving, freezing population somehow manages to stand in the way of the United States. The West in general and the conservative wing of the US establishment in particular are not ready to accept the existence of this regime in its current form for ideological reasons as well. However, the geopolitical motivation is of primary importance.

At the same time, international recognition of a “pariah regime” and normalization of the situation on the Korean peninsula would put in question the US military presence in the region and the creation of the theater missile defense (TMD) systems in Northeast Asia. This would represent a serious setback for the objective of hindering the eventual emergence of Chinese dominance.24

The most drastic option, the liquidation of North Korea, would represent not only a revision of the results of the Korean War, but also a reconsideration of the results of World War II in the Far East. The possible deployment of US forces with high-precision, next-generation weapons along the 1400km border with China and also along the border with Russia, albeit only 17km, would represent a dramatic change in the military and political situation in the immediate region and the Asia-Pacific region as a whole.

At the same time, Washington is clearly not prepared for a scenario involving the collapse of North Korea, and not only because of the implications for the regional and global economy, but also due to a reluctance to enter into conflict with China over dividing spheres of influence in Korea and an eventual military alliance of a united Korea with the United States. Through closed channels the United States has already begun to sound out China’s plans in the case of a crisis in North Korea.25

In reality, a certain degree of tension and fluctuation in the region, and even North Korea’s preservation of some rocket and nuclear potential is quite acceptable for the Americans.

US policy toward North Korea is highly influenced by domestic politics. In the 1990s, the Republican majority in Congress practically paralyzed the Clinton administration’s efforts to follow through on agreements reached with North Korea in 1994. Following the arrival of the Republican administration in 2002, North Korea was included in the “Axis of Evil”26 which only served to prove correct Pyongyang’s fears of a repeat of the “Iraq scenario” in North Korea. Meanwhile, Pyongyang’s predictable lack of restraint in rocket and nuclear capacity development served as a convincing argument in favor of efforts to create a strategic missile defense system for the United States.

The Obama administration is forced to deal with preempted criticism from the

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Republicans\(^{27}\) and is continuing the stick and carrot routine, sanctions and promises, as a part of wait-and-see policy, while trying not to be tripped up by North Korea’s provocations, although at the start of his term President Obama was inclined to have dialog with Pyongyang.\(^{28}\) The expert community in the United States continues to debate the modalities of dialog with Pyongyang.\(^{29}\) At the top of the list of issues is how to handle North Korea’s nuclear potential, keeping in mind the very slim chances for liquidating it.

Since the Cheonan incident and the shelling of Yeonpyeong, Washington has been forced to pay more attention to the position of Seoul, which is demanding efforts to increase pressure on Pyongyang and isolate it. The Obama administration has yet to develop an articulate strategy with regard to North Korea. While listening to the ideas of its partners, the administration has not managed to coalesce them into a unified, purposeful approach. Thus the strategy of the current administration remains “strategic patience,” which in practice is playing out as a lack of dialog and continuation and strengthening of sanctions. This in turn feeds the fears of the North Korean elite that Washington is hoping for a cataclysm in North Korea, a possible fall of the regime and the absorption of the North by the South, or for a leadership change that would make Pyongyang more malleable. At the same time, the American expert community in mid-2010 began to recognize that refusal to engage in dialog and “hiding one’s head in the sand” was detrimental to the situation, just as was frustration over the need to appease Seoul, whose inflexibility has driven the situation to a dead end.\(^{30}\)

6. China’s Role

China is a decisive force in Korean affairs, and one that is not guided by the immediate considerations of the day, but rather by a long-term, multifaceted strategy. China will not relinquish North Korea from its centuries-old sphere of influence, which would mean the liquidation of the buffer between China and US military forces, for reasons both geopolitical and military, although China has been increasingly agitated by North Korea’s behavior in rocket and nuclear capacity development and by the increasing potential for a military conflict with South Korea. China still remembers that hundreds of thousands of Chinese “volunteers” lost their lives defending the independence of North Korea during the Korean War, and in addition the downfall of the “socialist government” in a neighboring state is not acceptable for political and psychological reasons.\(^{31}\)

Following internal discussions in 2008-2009, Beijing came to the conclusion

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\(^{30}\) Mike Green, Is Obama about to go wobbly on North Korea?, http://shadow.foreignpolicy.com/posts/2011/02/01/is_obama_about_to_go_wobbly_on_north_korea.

that there was no good alternative to protecting the current government in North Korea, and Beijing has been forced to go to great lengths to uphold this policy, for instance when it did not succumb to enormous pressure from South Korea and the United States, who had sought to use the Cheonan incident to drive a wedge between Beijing and Pyongyang.

After the shelling of Yeonpyeong, for which North Korea is undeniably responsible, Beijing refrained from criticism towards Pyongyang and, in fact, acted as the sole defender of North Korea, not allowing adversaries of Pyongyang to employ decisive efforts to isolate and pressure North Korea that could have led to a substantial weakening of the regime. China had to pay a price for this crisis, in terms of its relations with South Korea and an aggravation of the geopolitical confrontation with the United States in East Asia, including a demonstration of military force, as both sides held a series of naval exercises. Despite this, during the two visits of Kim Jong-Il to China (May and August 2010), Beijing confirmed its support for him, reaching agreements to expand not only economic but also military cooperation, clearly presenting a challenge to the “crisis response plans for North Korea” of the US and South Korea. China has bolstered its efforts to increase its presence in the North Korean economy, as investment plans totaling US $10 billion have been under discussion since February 2010.

For Beijing, Northeast Asia is a strategic launch pad for the realization of long-term objectives to project China’s political and economic influence on the entire Asia-Pacific region. Through the active employment of China’s favorite instrument, trade and investment cooperation, supplemented by theses on an ethno-cultural affinity, shared values, etc., China aims to consolidate to the utmost degree possible the East Asia troika, China, South Korea and Japan, and create a stable and predictable situation in the region. In this scenario, any US administration will unavoidably encounter increasing difficulty justifying billions of dollars in expenses on the maintenance of the American forces in the region, and subsequently will be forced in one way or another to reduce its presence, perhaps to the point of complete withdrawal. Thus, China’s objective to establish its complete dominance in Northeast Asia, with an understanding that this will occur when South Korea and Japan are no longer able to compete economically with China, will be achieved without any real confrontation with the United States.

The existence of a divided but neutral Korea would be preferable to China, although in the long-term perspective Beijing might not seek to hinder the gradual resolution of the issue of the reunification of the Korean peninsula, on the understanding that the Korean state would be militarily neutral and politically oriented toward China. The Chinese would like to see North Korea reformed along the lines of the model used in China. However, the current conservative leadership of North Korea is not prepared

32 “Keeping an Eye on an Unruly Neighbor: Chinese Views of Economic Reform and Stability in North Korea,” a report of discussions with North Korea specialists during a Center for Strategic and International Studies-USIP delegation visit to the People’s Republic of China.
to launch such reforms, fearing a disruption of the system and an increase in Chinese influence.

Beijing cannot support North Korea’s missile and nuclear programs and other reckless undertakings, as they serve to support the arguments of the US, South Korea and Japan in favor of an increased US military presence in the region and the strengthening of bilateral military alliances. Furthermore, North Korea’s programs could provoke other countries in the region to acquire nuclear arms. However, Pyongyang’s possession of even just a “ghost of a nuclear weapon” significantly minimizes the possibility that Seoul, with support from the United States, would succumb to the temptation of using its clear military technical advantage in the region to unite the country.

China is a proponent of the six-party process, which it has sponsored, however its value to Beijing should not be overplayed. It is much lower on the list of priorities for Chinese diplomacy in comparison to maintaining relations with North Korea and with the United States. At the same time, China is actively working to renew the six-party negotiations, trying to reconcile the diverse array of interests of its participants.

6. Japan’s Interests

The Japanese are following an amorphous conglomeration of motives, among which are enmity toward the North Korean regime fed by centuries of ethnic conflict, fear of the systematic strengthening of China, and convulsive attempts to preserve Japan’s technological and economic superiority in the region.

Japanese diplomacy is bantering back and forth between irreconcilable contradictions, between its strategic aim of increasing national security by seeking compromises with Pyongyang and its long-festering allergic reaction to North Korea. For Japan, North Korea is the embodiment of “the enemy,” particularly with regards to the abduction problem. Obsession with this bilateral issue has hindered the six-party negotiations and has put Tokyo into the unenviable position of a saboteur of the diplomatic process since 2007. Japan was alone in its opposition to providing aid to North Korea.

It is difficult to say that Japan has a clearly formulated and non-contradictory set of interests, considering the social and economic difficulties the country has experienced over the past two decades and the chronic weakness of its constantly rotating government.

Today this is further compounded by the dilettantism of the Cabinet, which was formed by the Democratic Party of Japan, a party that, throughout its entire history, had always been in the opposition. Tokyo expresses no enthusiasm for the prospects of a united Korea, as it fears the appearance of another major competitor in the region. Anti-Japanese sentiments are prevalent in both North and South Korea, which implies that relations between a united Korea and Japan could be complicated.

III. Inter-Korean Conflict: Background and Resolution Prospects

In both parts of the Korean peninsula, the national division is perceived to be a result of collusion between the USSR and the US following World War II. The unsuccessful attempts to unite Korea during the war in 1950-1953 only served to deepen the divisions. The national idea of both the North and the South remains the forced assimilation of one part of Korea into the other, and the relations between the two regimes have become a “zero-sum” game. At the same time, Koreans on both sides would prefer to avoid participating in such a conflict and once again play the role of toys in the hands of great powers. In this regard, the high level of dependency of South Korea creates a sort of moral and psychological superiority for North Korea, which has put an emphasis on self-sufficiency.

Up to the late 1980s, Pyongyang thought it was just a matter of choosing the right time to capture the South, for example the defeat of the USA in the Vietnam war was perceived as such an opportunity. And following the dissolution of the USSR, South Koreans began to seriously prepare for the collapse and subsequent absorption of the North.

However, in order to mask true intentions, the first official contacts between the two Koreas began back in the 1970s. North Korea proposed the idea of a confederation or unification along scheme, which was later used for China and Hong Kong. The South Korean proposal of a commonwealth implied the assimilation of North Korea into the socio-economic system of South Korea, which was not acceptable to Pyongyang. The North Korean idea of a confederation was perceived in the South as a propagandistic trick, although attitudes toward this idea became more constructive during the presidencies of the center-left Kim Dae-Jung and his successor Roh Moo-Hyun.

It was only during this period, as a result of the Sunshine Policy that began in 1998, which the prospect of a peaceful co-existence between the North and South appeared. Despite the nuclear crisis of 2002, two summits were held, dialog expanded, trade increased and joint projects were initiated, including an industrial complex in Kaesong and a tourism project in the Keumgangsan mountains financed by South Korea. However, disappointment grew in the South over ineffective aid, which the North took for granted, progress on joint projects and provocations by and parasitism and egoism of the North Korean partners.

As a result, the administration of Lee Myung-Bak, which came to power in 2008 coalesced members of past regimes, tossed out the accomplishments of the “liberal decade” and began a policy of pressuring the North, which in turn interpreted this as another attempt at “regime change”. This was one of the key factors in Pyongyang’s return to making its rocket and nuclear capacities a central component of its policy in 2009 and the current crisis on the peninsula.

Lee Myung-Bak, trying to secure a leading role in the international discussion of the North Korean issue, declared the issue of denuclearization first and foremost on the agenda. However, according to North Korea, the nuclear issue is in no way related to South Korea. In 2008, the South Korean president put forward the idea of a “grand bargain,” in which denuclearization would be rewarded with a normalization of relations and economic aid, which, although correct in essence, was perceived in Pyongyang as demagogy and a guise for plans to absorb the North. Recently in Seoul, where a lack of understanding of the situation in the North is causing increasing nervousness, some are seriously preparing for just such a possibility in the near future.

The crisis that broke out after the sinking of the South Korean corvette, the Cheonan41 in March 2010 near the Northern Limit Line was man-made. This sea demarcation line was unilaterally established after the war by the USA and South Korea thus being illegitimate not only from a North Korean point of view but from an international law perspective as well.42 An international investigation group established by the South Korean government in May with experts from allied countries pointed to a North Korean torpedo attack as the likely cause of the ship wreck.43 Such a conclusion was not supported by China or Russia,44 whose experts found the investigation results questionable. Consequently, attempts to increase pressure and impose further sanctions on North Korea caused controversy within the global community and the UN Security Council. North Koreans regarded this as a diplomatic success and a sort of laissez faire. On the opposite side, South Koreans qualified such a reaction as a loss of face and a revenge incentive.

The escalation of tensions caused by the sinking of the Cheonan has largely been a result of a number of intentional actions taken by the South Korean government with support from the United States.45 Seoul has unleashed a campaign of unprecedented international pressure on North Korea, trying to achieve further isolation of Pyongyang, a weakening of the regime and, subsequently, its capitulation. The path for achieving this is the strangling of North Korea through international pressure, bilateral sanctions and an economic blockade of the country, and a psychological war against Pyongyang at long last aimed at breaking apart North Korean society from within. The success of such a policy, as they probably believe in Seoul, would allow its authors to inscribe their names in gold print in history as the “unifiers” of Korea.

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Tensions between two Korean states and their supporters escalated during the next few months of 2010. On 23 November after the South Korean navy had started military exercises in the disputed waters, DPRK artillery fired shells at the South Korean island of Yeonpyeong, resulting in damage and human losses. Such an act performed by North Korea was obviously beyond the limits of acceptability and triggered real militaristic hysteria in the South. Supported by Washington, Seoul started a series of military exercises in the disputed region, causing serious concerns about a possible escalation of the conflict. South Korean armed forces and political circles were totally unprepared for the crisis. Seoul’s hard rhetoric, “merciless response” promises in case the North should perform similar actions and a series of provocative military exercises in disputed waters of the Yellow Sea and near the Demilitarized Zone only demonstrated the relative weakness of South Korean positions. Both parties prefer to avoid a full-scale war, and, as far as a local conflict is concerned, it would have brought more disputable benefits to the DPRK.

In the North, the government is not subject to public responsibility for human losses, and in any case “victory of North Korean weaponry” would be declared, and the conflict itself would become a powerful factor of North Korean public consolidation around the government. The possible cool-down in its relationship with China still wouldn’t result in the loss of Chinese support on the world stage. At the same time, in the South such a conflict could lead to a public polarization, a political tempest to the extent of early governmental change, and would aggravate the country’s dependency on its allies and caused international conflict with China and Russia.

At present, the majority of South Koreans understand that, although reunification has been declared as a top state objective in the long-term perspective, the economic potential of the South is not sufficient enough to preserve the standard of living that took such great efforts to achieve in South Korea. The younger generation does not feel a particularly strong kinship with North Koreans and is not burning with desire to reunite with them, and thus threaten their own way of life.

For Russia the continuing conflict between North and South Korea hinders opportunities for cooperation with South Korea, a dynamic and promising state of the critically important East Asia region and a member of the G20, hosting the 2010 summit in Seoul. Over the past two decades South Korea has made progress on the path of liberal-democratic development in the economic sphere, and, following the crisis of 1997-1998, it managed to join the ranks of developed countries with its new industrial economic model. Just then the country started to move towards a post-industrial and innovative model of development. South Korea is taking advantage of all opportunities appearing as a result of the global crisis, and is actively globalizing its economy and successfully expanding foreign trade, particularly with leading world economies.

Although in 2008 the leaders of Russia and South Korea declared a goal of moving toward strategic partnership, it remains unclear how to fill this declaration

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with content. The national strategies of the two countries do not coincide. For Russia the top priorities are stability and development, and the promotion of its economic interests in the region with the aim of developing the Far East. As for South Korea, the top priority is the reunification of Korea on its conditions.

Disagreement with the Lee Myung-Bak administration concerning North Korea is a question of principle to Moscow, because it is against destabilization and the disregard of political means for conflict resolution, pressure and arm-twisting. Besides, due to its alliance with the USA, the Republic of Korea doesn’t have a free hand in deciding its foreign policy and this fact limits the opportunities of strategy coordination.

Furthermore, excessive attention to relations with China in Seoul’s international strategy relegates Russian interests to the sidelines. At the same time, cooperation on an international level can turn fruitful, including the G20 and new Asian regional architecture building (namely, East-Asian summits mechanism ARF-ASEAN Regional Forum on Security-development, possibly SCO-The Shanghai Cooperation Organization).

Russia’s relations with South Korea have gained strategic value only in the economic field.28 Twenty years following the normalization of relations, South Korea has become the third largest economic partner of Russia in the Asia-Pacific region. The volume of economic cooperation continues to grow, having reached an estimated US $20 billion, with particular attention being paid to joint investment projects. The accumulative value of South Korean investments in the Russian economy in 2009 totaled US $1.5 billion.

However, there are some suspicions that South Korea is striving to attain the privileged status of Russia’s leading partner in Asia just to receive easier access to Russian resources, regarding the Russian Far East as a sort of energy and resource feeding trough, and to increase competitive advantages of its exports to the Russian market.

The expansion of Russia’s economic cooperation with both Korean states could provide a positive impulse for the strengthening of cooperation in the Northeast Asia and in other regions. The development of mutually beneficial dialog within the framework of trilateral or multilateral cooperation, with the inclusion of other Asian countries in projects, could substantially speed up the resolution of existing political contradictions and collusions.49 South Korea should not be considered second tier for bilateral economic projects, in favor of China and Japan.

IV. Development Scenarios for the Korean Peninsula and Russian Interests

1. The Catastrophic Scenario

How realistic is the scenario so persistently discussed in the press of the collapse of North Korea, given the escalation of tensions with regard to North Korea’s nuclear

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program and relations with South Korea? For North Korea, which has lived in a state of siege for decades, these factors are not critical. However, we cannot completely rule out the crisis, which the West is actively striving to provoke. Although the probability of a full-scale military conflict is not very high, since neither country is interested in an outbreak of violence, the attempts to “strangle” North Korea could lead to a deep economic crisis and chaos, with the final result being the downfall of the regime.

The greatest potential danger is a potential crisis in the leadership of North Korea. In the North Korean political system, the national leader is an embodiment of the state. Following the sickness of Kim Jong-Il, purportedly a stroke or diabetic attack in August 2008, many concerns were raised outside the country regarding the adequacy of the inner circle of the national leader and his ability to control this group. On this basis, a problem emerges: what happens if Kim Jong-Il suddenly leaves the scene?

There could be multiple crisis scenarios in North Korea, but the number of outcomes is much fewer: either the absorption of the country by South Korea or its falling into the more or less “soft” control of China.

Much conjecture is built on what could happen in North Korea in the case of the unexpected departure of its leader without a plan in place for the smooth transition of power. Internecine strife leading to a splitting of the elite, loss of control and complete collapse of the state cannot be ruled out.

Nonetheless, the results of the Party conference in September 2010 amounted to an announcement of the promotion to power of the youngest son of Kim Jong-Il, Kim Jong-Un, under the patronage of the older generation, in particular, members of the family clan. This significantly lowers the likelihood of events spiraling out of control.

But even with a smooth transfer of power, problems are possible. The new elite that will inevitably replace the older generation could be substantially less competent and possibly raised in an aggressive spirit. It could be more susceptible to provocation and incapable of assessing the limits of adversaries’ patience. The leadership of North Korea is a closed “club,” comprised of several dozen (perhaps up to 100) representatives of the upper echelon of the state and political elite, and to a large degree it is made up of members of the Kim family clan.

Only this group has complete information on the situation in the country and outside. It has a broad scope of view and access to real instruments of power. If the “old guard,” considering its relatively old age and extremely low level of renewal and rotation, does not provide adequate continuity, then substantially less informed and less professionally prepared representatives of the regional elite from lower levels of the state apparatus may be thrust, unprepared, into positions of real power. And they may not be capable of handling this challenge, particularly in the event of the death of the national leader.

A polarization is also possible in the new elite, particularly if attempts are made

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to “modernize” the system. Reforms without preliminarily resolving the issue of external security comes with the threat of disrupting the balance of the political system and the ruin of the state.

♦ In the case of such destabilization South Korea intends to take control of the North. The “hot heads” in Seoul have begun to believe that “the time for unification has finally come,” and North Koreans are only waiting to be “liberated from the oppression of dictatorship.” However, they do not take into consideration the fact that unification via absorption could bring about very negative consequences, not only for the Korean nation, but for the entire region as well.

For example, it is quite likely that some of the proponents of Juche nationalism would take up arms against the “occupants and compradors.” The people will have nothing to lose. South Korean society is not likely to absolve of responsibility figures of the “bloodied regime” or even their descendants for past transgressions. There is no doubt that such resistance plans, including partisan warfare, are in place in North Korea, with corresponding bases, possibly stocked with nuclear materials and weapons of mass destruction. The new authorities will encounter not just guerilla warfare of the type seen in Afghanistan but a full blown civil war with the possible use of WMDs, and not only on the Korean peninsula.

Even if such a dramatic turn of events is avoided, the North Korean population, which is not prepared to assimilate into a capitalist economy, and dissatisfied with its unavoidable role as second-class citizens in the united Korea, will be in constant opposition to the central authorities. This will create long-term instability in Korea.

♦ Another possibility is the active interference of China, which in a crisis situation could attempt to install a pro-China government in North Korea, at least in the northern bordering regions of the Korean peninsula, leaving the southern regions to South Korea. For the ruling elite in North Korea this is at least more acceptable than capitulating to South Korea.

Perhaps a rational scenario for the behavior of North Korea’s elite would be to “sellout” to Beijing in the case of a crisis, thus preserving the borders of the country, statehood and perhaps even their own government posts. However, such a regime would face ostracism and pressure from the West and become a perennial problem for China and its position in the region, where fear of the hegemony of Beijing would run rampant. China is preparing for various scenarios, and an increase in military exercises has been seen in the provinces bordering North Korea.

2. Evolutionary Scenarios

Despite the possibilities discussed above, the probability of a collapse of the
North Korean regime has not significantly increased, particularly considering China’s support.

If all goes according to plan, for the foreseeable future Kim Jong-Un, even in the case of the death of his father, will most likely fulfill more of a representative role than a functional role.

The practical management of state affairs will remain in the hands of the same tried and true state elite with an evolutionary change of generations. The question lies in how cohesive this group will remain without the presence of an “iron fist,” and who will fulfill the role of coordinating functions and setting priorities. Power, however, will remain in the hands of the extensive Kim clan and their inner circle.

With the highly stratified power structure of the ruling class bound together by thousands of family and social ties, all contenders for power will have to be taken into consideration even if a change of the top leadership is on the agenda. Any new authority will be forced to find support in the elite, which numbers in the thousands and has been nurtured for decades based on bloodlines, and in which there are no accidental members. Due to the restricted access to information and the education system, there is no alternative power base.

Depending on the development of the international situation, there are two possible paths for the scenario under consideration.

♦ If there is a continuation of the nuclear crisis, international sanctions and a strengthening of measures to isolate the country, North Korea will preserve its isolation and continue a policy of confrontation with the outside world, based on its unique experience of long existing in isolation to various degrees of severity. Its credo is not to change anything. The mobilization model of a command economy oriented toward self-sufficiency and self-reliance has substantial reserves of durability and survival capabilities in crisis situations. There are no grounds to believe a domestic opposition movement will arise in North Korea, as all dissident activities are cruelly suppressed and the conditions for its formation are absent. Such a stagnant option is least dangerous for the country’s elite.

♦ If there is a return to constructive negotiations and a policy of engagement, then gradual economic reforms aimed at an evolutionary transformation of North Korea becomes a possibility. Theoretically the Chinese model is quite applicable to North Korea, with an adjustment in favor of the preservation of isolation in the interest of preventing fomentation even while permitting the development of a market mechanism, which authorities are currently turning a blind eye toward.54

The achievement of a real political compromise in the spirit of the Joint Statement from September 19, 2005, would open up the path of economic interaction with the world community. In this case it should be aimed at the formation of a competitive market economy in the country on the basis of a global allocation of labor, primarily supported by the resource basis and labor resources of the country, with

minimal limitations of “sovereign autocracy.” This could help keep power in the hands of Democrats in the US following 2012 and a return of liberals to power in South Korea in 2013.

The regime is generally capable of modernizing itself on the basis of Korean nationalism and the restoration of communication with its South Korean neighbors. The entrepreneurial class that forms could, if unconditionally loyal to the political leadership, become a driving force of economic change. In 10–15 years, a North Korea capable of progress down the path of reform is no less possible than the Cambodia and Vietnam we see today. And this would create security guarantees for the country that would make its nuclear weapons and other WMDs unnecessary.

V. Conclusions and Recommendations

From the conceptual point of view, for Russia, the most desired outcome is national reconciliation and the peaceful coexistence of two Korean states on the path to an eventual reunification of Korea over a long period of time. The appearance in the long-perspective of a unified Korea that seeks to maintain friendly, neighborly and cooperative relations with Russia does not contradict Russia’s core interests, in particular in comparison to other neighboring countries, taking into consideration the fact that fortunately Russia has no historical disputes with Korea. This fact is recognized internationally. At the same time, the prospects for a united Korea in the foreseeable future are quite low.

However, it would be prudent to hedge our risks, as we cannot completely rule out the possibility of a sudden crisis that could lead to a rushed unification. The uncontrollable escalation of the Korean conflict remains a possibility, and the task of Russian policymakers is to not allow an “explosive” scenario to unfold, and to explain that the most advantageous scenario is gradual convergence, which at the appropriate time would put voluntary rapprochement of state mechanisms on the agenda. At the start, this could possibly be some form of confederation on the path to a unified state, if this is what the populations of the North and South want. Such an outcome, however, is not guaranteed. There are many examples in the world of ethnically affiliated states thriving in close contact but without unification.

There are also examples of ethnically close nations existing apart divided along confessional lines. Taking into consideration the introversion of North Korean ideology, it can be compared to an oppressive cult. In any case, it would be preferable that the Korean state be neutral, peaceful and without a foreign military presence on its territory.

On the whole, for Russia, considering its current capabilities, the most relevant objective is not attaining a predominate position in Korea, but rather the prevention of the entire peninsula falling under the influence of another state, especially one that is not on truly friendly terms with Russia. Considering the current balance of forces in Northeast Asia and Russia’s economic capabilities, the development of such a scenario cannot be completely ruled out. Thus for Russia, in the short and mid-term perspective,

it is advantageous for North Korea to exist as a sovereign state, playing the role of a sort of buffer to the geopolitical ambitions of the United States in the region.

It is important to understand the limitations of the leverage Russia has in region and, even more so, to understand how it can most proficiently use it.

1. Although the possibility of drastic changes in North Korea remains small and the occurrence of a major crisis unlikely, it is necessary to constantly monitor the situation and maintain normal relations with the leadership of both South and North Korea.

2. Coming from a position of political realism, we should not ignore Russia’s unique political capital, partly eroded, that is its longstanding relations with the North Korean elite, regardless of negative perceptions in Russian society of the North Korean state structure. These relations can and should be put to use, not for the sake of preserving or indulging negative trends, but rather to promote the positive evolution of the system and elite. It has become more important, in connection to the process of power succession now in North Korea to younger generation, which knows much less about Russia. For the US, China and South Korea, Russia’s participation in six-party negotiations is only valued in so much as Russia can influence North Korea.

3. The only sensible path to resolving the nuclear issue is to take into consideration a number of concerns of Pyongyang, with the aim of reducing the significance of the nuclear deterrence factor. Russian interests in promoting denuclearization coincide with those of the United State, Japan and South Korea. However, it should be recognized that, at least for Russia, outside the context of the resolution of Korean issues, the complete liquidation of North Korea’s nuclear potential is not an absolute or single most important priority, and it is of an ancillary nature in relation to other issues. If denuclearization takes place without the creation of a stable system of collective security, then the risks of military conflict may actually increase.

4. Today’s agenda should probably include the freezing of North Korea’s missile and nuclear potential along with its acceptance of verifiable obligations without pretensions of recognition as a nuclear power, and compliance with the requirements of the Nuclear Nonproliferation Treaty, perhaps as a participant with a “special” status. Further down the road, steps should be taken toward the abandonment of the military nuclear component, when non-military mechanisms providing for the security of North Korea are found, which could include the creation of a zone free of nuclear weapons. It would be prudent to launch initiatives to develop a “roadmap” for accomplishing these goals, perhaps in consultation with the Chinese hosts of the negotiations, and propose to members of the Six-Party Talks and international organizations.

5. As the six-party negotiation process wanes, Russia should come forward with its own initiatives in order to avoid being left out of future efforts to resolve Korean issues. For example, given the pause in six-party negotiations, it could again put forward its initiative to call a multilateral diplomatic conference on Korea, as the post-war agreements stipulate, with participation of the same six countries as well as the United Nations, possible under the auspices of this organization, which formally
was a participant of the military conflict in Korea, and the International Atomic Energy Agency.

6. There is a danger that the nuclear problem and the decision-making process of security issues will shift either to a bilateral USA-DPRK format or to a trilateral USA-DPRK-ROK format or will evolve into discussing a new peacekeeping regime, like the US, South Korea, North Korea and China. It is beneficial for Russia to promote a concept for creating a multilateral mechanism for guaranteeing security in Northeast Asia as a new peacekeeping regime for Korea. At the same time, the ideas of creating some sort of five-state effort coordination mechanism, under the leadership of the United States, in relation to Pyongyang is fraught with aggressive posturing and would present a risk of alienating North Korea from Russia.

7. Moscow should bolster its efforts to preserve its position in North Korea, in particular in the economic and cultural spheres. Participation in sanctions should be examined with Russia’s long-term interests in mind. Finding a more flexible approach to resolving the issue of North Korea’s debt to Russia could serve as a symbol of the latter’s recognition of the current reality and a demonstration of political will to improve bilateral relations in the interest of strengthening security in this neighboring region.

8. Looking to the future we see a number of major projects that could be brought to life, for example the linking of the Trans-Siberian Railroad to Korea’s railroad infrastructure. A vivid example could be the revitalization of the project to build a line from Khasan to Rajin to transport containers from South Korea. It would be farsighted to keep on the front burners projects for building power lines across North Korean territory to South Korea, as well as natural gas supply infrastructure throughout the Korean peninsula. Negotiations on denuclearization could also incorporate the construction of an atomic power plant in North Korea, and participation in such a project would require a significant amount of preparatory work.

9. Given the fact that the population and a good portion of the elite has a positive perception of Russian culture and the “Russian World,” it would be appropriate to fully examine our approach to cultural cooperation with North Korea and to implement programs promoting Russian language and culture, particularly considering the fact that some progress has already been made.

10. In relations with South Korea, the problems of the past have largely been liquidated or mitigated, and a healthy political dialog has been established, including global issues. While relations with South Korea are valuable in their own right, there are certain limits to this cooperation due to the strong American influence on the policies of its important ally in Asia. At the same time Russia should use potential opportunities for cooperation with South Korea in shaping the architecture of regional security, like the East-Asian community, the ARF, ASEM and regular meetings of defense ministers of ASEAN and ASEAN’s partners, and the global financial architecture, like the G20. At the same time, Russia should carefully deflect attempts by Seoul to dictate its behavior on the Korean peninsula and in relations with North Korea.

11. Russian strategy in relation to South Korea, which is an economic player not only on the regional but also global level, should give priority to the economic component, with
the aims of achieving partnership on equal footing and the participation of South Korea in the long-term development of Russia’s Far East. This is where the strategic nature of the relations is to be found. South Korea should be seen not only as a market for Russia’s resources, but also as a market for its technologies, and on a mutually beneficial basis. The conditions are also ripe for cultural engagement.

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