



North Korea: Making up Lost Ground, Pyongyang Reaches Out

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On January 4, 2000, Italy became the first G7 nation to establish full diplomatic relations with the Democratic People's Republic of Korea (DPRK, North Korea). This new year gift is the first fruit of a new bid over the past year, by a state still often seen as a "hermit kingdom," to mend diplomatic fences and forge fresh partnerships. That effort may well net further catches soon, possibly including Australia, Canada, and the Philippines. However, any recent gains must be seen in the context of the serious reverses, some self-inflicted, which the DPRK has experienced internationally, especially during the past decade since the end of the Cold War. (For the author's assessment of North Korea's diplomatic history, please see *PacNet 2-00*.) In that sense, Pyongyang is mostly making up lost ground rather than charting new pastures. Moreover, the symbolic value of chalking up new ties with lesser powers is no substitute for the need to make substantive progress with the five countries that are central to North Korea's interests: namely the U.S., Japan, China, Russia, and of course South Korea.

China. The PRC is North Korea's last remaining nominal ally. The 1961 treaty was renewed -- although Beijing assured Seoul that it would not support a North Korean attack on the South, unlike in 1950. In the 1990s China became the DPRK's main trading partner, as Pyongyang took its overdraft elsewhere when Moscow abruptly ended subsidies in 1991. After trying to make North Korea pay like a normal nation, Beijing changed tack to giving aid (both overt and covert) in the mid-1990s: fearing that famine might precipitate a collapse of the DPRK, creating millions of refugees and perhaps bringing U.S. troops in a unified Korea to its borders.

Despite this support, political relations for most of the 1990s were cool. After China opened relations with South Korea in 1992, no senior leaders visited in either direction until last year. In June, Kim Yong-nam, who as president of the SPA (congressional) presidium acts formally as a head of state, led a large delegation to Beijing. While this broke the ice, the PRC was not pleased that the visitors included no economic cadres, and lectured them about the urgency of economic development. In October, Foreign Minister Tang Jiaxuan paid a return visit to mark the 50th anniversary of PRC-DPRK relations. While all was polite, he got a warmer welcome in Seoul two months later, where he saw Kim Dae-jung; he had not met Kim Jong-il when in Pyongyang. There are persistent rumors that the North Korean leader may visit China. One version is that he wants to come in secret, but that Beijing demands an official trip or nothing.

Internationally, as in the slowly ongoing Four-Party Talks with the two Koreas and the U.S., China opposes pressure being put on Pyongyang. But it also insists Koreans must settle

the Korean issue -- which is the South's position, but not the North's. And it is as rattled as the rest of the region by the DPRK's maverick moves, like launching missiles. In every field -- business, politics, culture, and increasingly even defense -- China's ties with South Korea outstrip those with the North. This trend will continue, as Beijing's long-run aim is to regain its historic hegemony in Korea -- which means cultivating the Korea that will count in the 21st century, namely the ROK. If the DPRK suddenly became more amenable to Chinese client status this balance might shift, but there is no chance of this under its present leadership.

Russia. Despite its role as quasi-creator of the DPRK, Moscow now wields little influence in Pyongyang. To North Korea both Gorbachev and Yeltsin were renegades, and Putin will be viewed similarly. Russian diplomats rue the indecent haste with which Gorbachev cosied up to Seoul, thus throwing away a position in the North built up over decades. Yet it is hard to discern any consistent Korea policy from a Moscow that dismayed Seoul by failing to repay debts -- then alarmed Pyongyang by doing so in the form of its latest military hardware.

Formally, a new treaty to replace that of 1961 was at last initialed in March of 1999, after years of negotiation. The text has yet to be published, but the old pledge of mutual military support will go. The final signing may take place in late January, if Foreign Minister Ivanov visits Pyongyang en route to Japan. In any case it will not presage any resumption of substantial ties, as neither party has much inclination or any money to do so. Importantly, even if Russia becomes more anti-western, this would not entail any shift to favor Pyongyang. As a near neighbor, Russia, like China, appreciates which is the Korea that matters for the future.

The U.S. Until the mid-1990s there was no relationship between the U.S. and DPRK, other than under UN auspices at Panmunjom. The nuclear crisis changed all that, as Pyongyang probably intended. For a state which has long demanded quixotically that the Korean issue be settled bilaterally by itself and the U.S. alone, as allegedly the two principals, going out on a nuclear limb paid dividends in opening a direct line to Washington: first on matters nuclear, but widening to include MIA (missing in action) and other issues. The Agreed Framework recognized this aspect, including as it did provision for an exchange of liaison offices as a potential first step towards diplomatic relations; although the DPRK later had second thoughts about the wisdom of giving American diplomats the run of Pyongyang. There was also *schadenfreude* in noting South Korea's discomfort about all this, when Kim Young-sam was president (1993-98); in contrast to his successor Kim Dae-jung, who has pressed Washington to go further and faster.

Unsurprisingly, this solitary and anomalous U.S. relationship with a "rogue state" (North Korea remains on the State Department's list of regimes sponsoring terrorism) has not been smooth. Its several dimensions include, ironically, the largest U.S. food aid program in Asia, almost all donated via the World Food Program (WFP). Despite unconvincing denials, this tap has been turned on and off in sync with political developments. In May of last year, U.S. inspection of a suspected new nuclear site at Kumchang-ri near Yongbyon, concern over which had raised tensions, was followed by a substantial new donation of food aid. The MIA issue has mostly gone well, with joint teams -- the only context where the Pentagon and Korean military work side by side -- so far unearthing 42 sets of remains. In 1999 Pyongyang scored a small point by insisting on delivering these directly to the U.S. side, instead of through Panmunjom under UN and MAC auspices as previously.

Having defused the nuclear issue with the Agreed Framework, U.S. attention turned to missiles; especially after Pyongyang rattled Tokyo by firing one (ostensibly to launch a satellite) over Japan in 1998, and looked poised to repeat the provocation in 1999. This and Kumchang-ri compelled the Clinton administration, under pressure from a hostile Congress, to review its policy on North Korea in what became known as the Perry process (after the ex-Secretary of Defense, William Perry, who led the review). After consulting with allies as well as visiting Pyongyang, Perry proposed a step by step process which began last September, when the DPRK agreed to suspend missile tests in exchange for the U.S. lifting many but not all economic sanctions.

True to form, Pyongyang is now backtracking or at least prevaricating again. Four months on, an expected U.S. visit by a senior North Korean for further talks has not materialized. On January 5 the DPRK ambassador to China declared cryptically that "Our delegation cannot visit the U.S. under the present circumstances." Three weeks earlier, talks to renew the MIA searches had also hit a snag when the North suddenly demanded aid of food and children's clothing -- something the Pentagon is not authorized to deal in. Whatever Pyongyang's game may be, in an election year -- in Japan and South Korea, as well as the U.S. -- such behavior plays into the hands of conservatives who attack engagement as appeasement. Despite efforts to gain bipartisan support for the Perry process, there can be no guarantee that a Republican U.S. president would continue to engage, let alone aid, North Korea.

Japan. Even though formally North Korea is the only country on earth with which Japan has no relations, in practice history and geography have created substantial, if complex, ties over the past half century. Two ongoing channels have been pro-North Koreans resident in Japan, and the former Japan Socialist Party (JSP), which took a pro-DPRK stance, visited regularly, and served as a conduit between the two governments. As mentioned above, talks in the early 1990s about diplomatic ties collapsed -- but not before agreeing on the principle that Japan would pay reparations for its pre-1945 colonial rule, as it did when it established relations with South Korea in 1965. The sum could be of the order of a trillion yen (\$10 billion), almost a year's GNP for the DPRK, which should be a major incentive in its current dire economic straits.

More recent ups and downs include Japan's gift of half a million tons of rice in 1995 (it got no thanks), and the August 1998 missile launch. The latter was a classic Pyongyang own goal: it stiffened Japanese sinews, and ended Tokyo's dithering over the closer defense ties that the U.S. had been pushing for. It nearly sank the Agreed Framework too, as Japan threatened to pull out of KEDO. It took a year for Seoul to persuade its angry and anxious ally to ease sanctions it had imposed after the rocket -- whereupon things moved fast. In December a cross-party delegation visited Pyongyang. Before the month was out, two separate sets of talks -- governmental and Red Cross -- had been held in Beijing, with further meetings due early this year.

This in effect restarts the process begun but aborted in 1990-92. Will it fare better this time? The innovation of twin tracks is meant to sideline one issue which sank the talks last time: the charge that North Korea abducted a dozen Japanese in the 1970s and 1980s. Pyongyang of course denies this. It purported to investigate once before -- and found itself not guilty, further infuriating Japan. It has now said it will look again; yet it is unthinkable that it will own up to such crimes. The issue may be neutralized by heaving it off to a Red Cross channel, where

the DPRK has a matching agenda to embarrass Tokyo: demanding investigation of the far worse and more numerous human rights abuses committed by Japan against Koreans before 1945. It also seeks food aid, something that Japan remains surprisingly reluctant to offer. The sole uncontentious issue is home visits by Japanese spouses of North Korean returnees. Two such visitations have occurred before, so there is no obstacle to resuming these, probably in the spring.

One step forward, two steps back. North Korea has recently arrested a Japanese visitor as an alleged spy. In January, DPRK media demanded apologies and compensation for the colonial period, seemingly as a precondition for more talks. All this presages a rocky road ahead.

South Korea. Although neither Korea formally files the other under *foreign* affairs (Seoul speaks of "intra-" rather than inter-Korean trade), it would be perverse not to consider this key relationship. As is well known, since Kim Dae-jung came to power two years ago the ROK has moved from the inconsistent but mostly negative approach of Kim Young-sam to a bold new Sunshine Policy: patient (if not unlimitedly) in the face of provocations, and seeking to pursue whatever channels Pyongyang is comfortable with. For now, this means business and civilian contacts. Hyundai has led the way, with tourist cruises to the North's Mt Kumgang that have taken more than 150,000 southerners so far, and inter-Korean basketball matches in Pyongyang and most recently Seoul. Separately, two inter-Korean pop concerts -- the first ever -- were held in Pyongyang in December and televised on both sides of the DMZ.

Sunshine has its limits. Having played down two northern spy ship incursions in 1998, last June the ROK Navy swiftly sank a northern boat when fired on in a dispute (which may yet recur) over the west coast sea boundary and fishing rights. Hyundai's activities are mainly tribute bearing so far: it paid Pyongyang a useful \$290 million for the first year's tours, which some in Seoul fear could help arm the North Korean military. Hyundai is annoyed that its plan to build a vast export zone near Haeju, convenient for the southern port of Incheon, has been diverted by Kim Jong-il to remote Sinuiju on the border with China. Southern public opinion is divided and unsure.

The missing dimension is state to state dialogue, which the DPRK countenanced in 1990-92 but not since. The closest thing was quasi-official talks in Beijing early in 1998 and in 1999, mainly about fertilizer, which Seoul offered at first conditionally but later without strings. It hoped in exchange to discuss family reunions, but the North was not having it. Professing as it does that Sunshine is just the latest cunning southern plot to crush it, Pyongyang will not aid Kim Dae-jung by offering talks at least until after the ROK's assembly elections on April 13.

One important advance is that while the two Koreas remain enemies, they are no longer strangers. Thus the ROK's new unification minister, Park Jae-kyu, is an academic North Korea expert who as a university president visited the DPRK in 1998 to discuss exchanges. His wife, also a professor and northern-born, was actually in Pyongyang (with a media group covering the pop concerts) when her spouse got the job. For Korea, this is progress -- and every little helps.

Reaching out to Europe

When Paek Nam-sun last fall became the first North Korean foreign minister to attend the UN General Assembly in seven years, he was especially keen to cultivate European counterparts. Six agreed to meet him, including the current EU president Finland -- which in the past twice expelled North Korean ambassadors for smuggling and bribery. Will any of these other EU states follow Italy's lead? Probably not. Many think formal ties should be kept in reserve until Pyongyang's general attitude improves.

Although no major west European countries formally recognized it until Italy took the plunge, the DPRK has long found ways of maintaining a presence in the region. Its main tactic was to open missions to international organizations -- UNESCO in Paris, FAO in Rome, and the IMO (International Maritime Organization) in London -- that then functioned as quasi-embassies, despite host country disapproval. The ploy was transparent, as when Pyongyang coolly asked for a staff of 20 for its IMO office. The UK permitted it just two. France under Mitterand let the DPRK upgrade its Paris trade office (since merged with its UNESCO outfit) to a "general mission," thus conferring quasi-recognition. There is also a presence in Berlin, where the former North Korean embassy to the GDR survives as an interest section within the Chinese embassy. Germany has however steadfastly resisted Pyongyang's pleas for formal relations.

The DPRK is also in dialogue with the EU as such, holding a second round of political talks in Brussels last November (the first was in December 1998). While this strand is new, EU (earlier, EC) interest in North Korea is not. As long ago as 1985 the European Parliament made overtures to Pyongyang, but elicited no response. More recently, the EU (via Euratom) has become a board member of KEDO, and the EU has given famine aid to North Korea. But there is scant support for major initiatives unless North Korea's overall stance changes. For many that must include Pyongyang at least acknowledging its debts from the 1970s, most of which are owed to European governments and banks. The EU also has human rights concerns, an issue which others (notably the U.S.) choose not to press.

Middle Powers: Canada and Australia

The DPRK may get joy from countries of mainly European settlement, such as Canada, Australia, and New Zealand. Ottawa has been active in promoting "track two" regional dialogue in the north Pacific and elsewhere, and sees an honest broker role as a useful niche for itself as a "middle power." North Korea sent a three-man team to Ottawa in October, while a six-strong Canadian party returned the compliment in December. Each group was a mix of foreign ministry officials and academics. Moving up a notch, the next step may be a visit by a North Korean vice-minister in February, possibly preceded by a further Canadian delegation to Pyongyang in January.

While Canada is starting from scratch, Australia has a history -- and not a happy one. It went out on a limb to recognize the DPRK in 1974 -- only for North Korean embassy staff to quit Canberra mysteriously a year later, while its own diplomats were expelled from Pyongyang. After preliminary contacts last year, talks about resuming ties are expected in January or February, probably in Pyongyang. Despite lingering skepticism from this earlier episode and

misgivings in some quarters in Canberra, Australia may well give the DPRK a second chance. Last July North Korea also sent its first ever delegation to New Zealand. The subsequent shift to a more left-wing government in Auckland may improve Pyongyang's chances there.

South and East Asia: Regional Renewal

The third main focus of DPRK diplomatic initiatives is its own region -- long neglected in the quest for influence further afield, such as Africa. North Korea's oldest friend in ASEAN is Indonesia, which Kim Il-sung visited in 1964 in Sukarno's era. Ties survived under Suharto, with Indonesia keeping a large embassy in Pyongyang to watch China. Most other ASEAN members also have relations. North Korean missions in Kuala Lumpur and Singapore have hosted both overt and covert dialogue with third parties (eg KEDO and Japan, respectively).

Yet Pyongyang has also bitten the hand that feeds it, above all in Thailand: a major supplier of rice, not all of it paid for. Last March Bangkok was outraged when North Korea coolly sent a hit squad to kidnap a diplomat who had defected. But for a car accident he would have been spirited across the Laos border. This incident still reverberates: only in December were two of the North Koreans involved allowed to leave Thailand. Two more are still detained.

Such an episode gives pause for thought in Manila. The Philippines long hesitated to tie the knot with a regime suspected of backing its own communist insurgency: a habit that has seen North Korean diplomats expelled from Mexico and Sri Lanka, among others. It continues to mull the issue, with the government divided between those ready to take the plunge and others who would attach the usual conditionalities: progress on the nuclear and/or missile issues, and in inter-Korean relations. But with even Brunei having opened relations last year, Manila may well follow suit -- leaving an unforgiving Burma (Myanmar) as the sole ASEAN holdout.

Further north in Asia, two developments are worth noting. Hong Kong's reversion to China has allowed the DPRK to open a consulate there -- over the expressed opposition of the Hong Kong police, who fear this will be a base for dubious activities like North Korean offices in Macao, which have been linked to counterfeiting. And interpretation of the DPRK's closure of its embassy in Ulanbataar last August as a reprisal for Kim Dae-jung's visit three months earlier is countered by Mongolian premier Renchinnyamiin Amarjagal's trip to North Korea (as well as the South) last November. But Mongolia supports the Sunshine Policy, and has expelled North Korean diplomats for passing forged \$100 bills.

Conclusion: A New Leaf?

What then are the overall prospects for North Korea's diplomacy in the new century? This year may well see a few more countries following Italy's lead and recognizing the DPRK. Most of the remaining holdouts, however, will probably refrain unless and until Pyongyang shows itself more inclined towards peace and reform.

Forging new ties might even prove a Pyrrhic victory on one level, in that it works against the DPRK's recent policy of closing embassies to save money. By Seoul's reckoning (they still

keep score), having decided early in 1998 to close 30 percent of its overseas missions, North Korea now covers the 135 states with which it has relations with just 51 actual missions, 20 of which are accredited to more than one country. It also replaced 27 ambassadors, more than half the total, in 1999. One hopes Pyongyang will resist the temptation to cover any new costs by illicit activities, since the outrage would wipe out any small gains from the new relations.

In conclusion, the ball is in North Korea's court. Every nation on earth would welcome, and many would reward, tangible signs that the Pyongyang leopard had changed its spots. This we do not yet see. Rather, recent developments reflect mainly a more permissive attitude by others, especially South Korea. For its part, the DPRK is testing the waters and to a limited extent (as with China) seeking to mend fences. Opening ties does not equate to opening in any deeper sense. But we must hope it is a small step in that direction.