



**KONRAD  
ADENAUER  
STIFTUNG**



Embassy of the Republic of Korea  
in the Kingdom of Cambodia



# OUTCOME REPORT

## REGIONAL CONFERENCE ON INTER-KOREAN RELATIONS IN 2018 AND BEYOND: NEW REALITIES, NEW CHALLENGES



14-15 NOVEMBER 2018  
PHNOM PENH, CAMBODIA



**REGIONAL CONFERENCE ON**

**“INTER-KOREAN RELATIONS IN 2018 AND  
BEYOND: NEW REALITIES, NEW CHALLENGES”**

**14-15 November 2018**

**Phnom Penh, Cambodia**



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## ACKNOWLEDGEMENTS

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The tragic division of the Korean Peninsula has consistently been a painful example of how decisions made more than a generation ago can yield a painful and heavy set of burdens for subsequent generations. For nearly 70 years, the division of the two Koreas has become wider and deeper while belligerent rhetoric and hostile confrontations have become a suborn stumbling block for peace and stability in the region of Northeast Asia. Moreover, the devastating war, which took away many men and women from their children, destroyed homes, separated families, and decimated the peninsula technically continues in light of the absence of a formal peace treaty. Due to the inherently complex geopolitics surrounding the issue, the question of the peace and security prospects for the peninsula have hardly been an “Inter-Korean” issue alone. It has been acknowledged as major security concern that threaten the entire world. In recent years, the situation has been further complicated by North Korea’s pursuit of nuclear weapons, resulting in the peninsula becoming an even more dangerous and volatile flashpoint that could abruptly affect peace and security not only regional but global front as a whole.

Regarding the peace process, denuclearization and possible reunification on the peninsula, there have been myriad attempts, both bilateral and multilateral, to find a peaceful settlement – however these have consistently ended in lack of progress and disappointment. However, recent, positive developments in the form of the three Inter-Korean Summits and a US-DPRK Summit in Singapore have given glimmers of hopes for a potential future breakthrough and the development of a comprehensive peace packages that could fully address the complex issues confronting the Korean Peninsula. In this regard, it is of great importance to place these developments under closer scrutiny

In an attempt to serve as an inclusive and policy-oriented forum contributing to the discourse of these questions, with the support of the Konrad Adenauer Stiftung, and the Embassies of the Republic of Korea and the United States of America in Cambodia, the Cambodian Institute for Cooperation and Peace is particularly pleased to be able to host this Regional Conference on “**Inter-Korean Relations in 2018 and Beyond: New Realities, New Challenges**”. We would like to convey our sincere appreciations to all of the eminent speakers, distinguished guests, and participants for their insights, analysis, and discussion during the conference which substantially contributed to the making of this outcome report. It is with a strong sense of hope that the analysis and conclusions embedded in the outcome report can positively contribute to further discussions of the topic and hopefully to facilitate more frank and concrete deliberations in order to pave the way for future breakthroughs in ameliorating the peace and security situation on the Korean Peninsula.

**Ambassador Pou Sothirak**

Executive Director

Cambodian Institute for Cooperation and Peace



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## CONTEXT AND OVERVIEW

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Relations between South and North Korea have been at the center of world attention since the historic meeting between President Moon Jae-In and Chairman Kim Jong-Un earlier this year. The subsequent Singapore summit that brought together the leaders of the United States and North Korea has further focused global interest on the region. However, as scholars and regional analysts have noted: myriad questions remain as to how inter-Korean relations will develop in the short to medium term and how changes in the status quo relationship between the two states will impact regional and global politics. In light of the rapidly changing structural changes taking place in geopolitics at present – a rising China seeking to expand its hegemony competing for hegemony in Asia against a revived, American-led “Indo-Pacific Strategy” and the establishment of “the Quad” (the US, Australia, Japan, and India), what potential scenarios can be anticipated in light of the diversity of potential directions that inter-Korean relations will take?

To support a deeper understanding of this topic, the Cambodia Institute for Cooperation and Peace (CICP) proposes to partner with the Konrad-Adenauer-Stiftung – Cambodia Office to organize a one and half day conference in Phnom Penh (tentatively 15-16 November 2018) bringing together leading global and regional experts and scholars to deliberate the following sub-themes.

The first panel will examine in detail the broader question of North Korean de-nuclearization and a comprehensive peace mechanism on the Korean peninsula, i.e., the progress/lack of progress made since North Korea announced its initial commitment and the challenges as regards monitoring, trust-building, etc. that will inevitably arise as the process moves forward. Ultimately, participants in this panel will seek to provide a thorough perspective as to the genuine feasibility of denuclearization and analysis as to realistic time frames for that process to take place.

The second panel focuses on a scenario in which current negotiations fail to move forward, stall, or simply collapse. What would that mean as regards immediate implications for both states as well as for the region as a whole? In the short term, would North Korea “lash out” – as it has done in the past – with fresh missile tests or military action directed against South Korea or Japan? How would this impact South Korea-US relations in the context of the Indo-Pacific strategy? Finally, what alternative paths or strategies would be available to bring North Korea back to the negotiating table?

The third panel focuses on the best case scenario – a denuclearized North Korea ready and willing to cooperate with its neighbors. In this event, what would that cooperation look like? From the perspective of the region’s economic development, would the Tumen River Development Basin collaboration initiative finally see a revival or reframing in order to integrate the Korean peninsula more deeply with northern China and the Russian Far East (already a locus of significant South Korean FDI) to build on existing economic complementarities? At the same time, what other problems are likely to arise, e.g., Chinese concerns over the continued presence of American soldiers in South Korea?

Finally, the fourth panel seeks to more deeply examine the perspectives and national interests of regional players other than those that have historically participated in the Six Party Talks. Specifically, experts from ASEAN and various Southeast Asian states will come together to set out their respective analyses as to these states’ policy goals – political, security, economic – as regards security and inter-Korean cooperation. Particular attention will be paid to the question of South Korea’s future relations with Southeast Asia, highlighting the future of President Kim’s “New Southbound Strategy” and its future efficacy in the region as regards strengthening South Korea-Southeast Asian relations.

## PROGRAM AGENDA

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Day 1 (14 November 2018)		
08:00 - 08:30	<b>Registration</b>	
08:30 - 08:40	<b>Welcome Remarks</b>	<b>H.E. Ambassador Pou Sothirak</b> Executive Director Cambodian Institute for Cooperation and Peace (CICP) Phnom Penh, Cambodia
08:40 - 08:50	<b>Opening Remarks</b>	<b>Mr. Mom Saroeun</b> Senior Program Manager Konrad-Adenauer-Stiftung (KAS) Cambodia
08:50 - 09:20	<b>Special Remarks</b>	<b>H.E. OH Nak-young</b> Ambassador of the Republic of Korea to the Kingdom of Cambodia
09:20 - 09:30	Group Photo Session	
09:30 - 10:00	Coffee Break	
10:00 - 12:00	<p><b>Session 1: Assessing the Peace Process on the Korean Peninsula: Current Realities and Future Challenges</b></p> <p>What has transpired to date as regards the peace process on the Korean peninsula and should we assess that progress? Are these negotiations on the road to success or failure? Who have been the primary drivers, what are their interests, and what stumbling blocks still need to be addressed? Would a peace treaty formally ending the Korean War be stable, or just another gambit to support the maintenance of the current regime in Pyongyang? This session examines the status quo in the region and highlights next steps and the various scenarios anticipated for the near term security of the peninsula.</p>	<p><b>Chair: H.E. Ambassador Pou Sothirak</b> Executive Director, CICP</p>

	<p><b>Speaker 1: Dr. Bernd Schaefer,</b> Senior Scholar at Woodrow Wilson International Center’s Cold War International History Project and Lecturer at George Washington University</p> <p><b>Speaker 2: Mr. Rob York,</b> Editor at South China Morning Post and Former Editor of North Korea News</p> <p><b>Speaker 3: Dr. Chheang Vannarith,</b> Board Member and Senior Research Fellow, CICP</p> <p>Q&amp;A Session</p>	
12:00 - 13:30	Lunch	
13:30 - 15:15	<p><b><u>Session 2: Denuclearization and Peace Building</u></b></p> <p>Examination of the broader question of North Korean de-nuclearization and a comprehensive peace mechanism on the Korean peninsula, i.e., the progress/lack of progress made since North Korea announced its initial commitment and the challenges as regards monitoring, trust-building, etc. that will inevitably arise as the process moves forward. What is the feasibility of denuclearization? What could be seen as realistic time frame for that process to take place? How could denuclearization be institutionalized in a stable equilibrium of peace building?</p> <p><b>Speaker 1: Dr. Sun Wenzhu,</b> Assistant Research Fellow from Asian Department of China Institute for International Studies, Beijing, China</p> <p><b>Speaker 2: Dr. Geetha Govindasamy,</b> Senior Lecturer, Department of East Asian Studies, Faculty of Art and Social Studies, University of Malaya</p> <p><b>Speaker 3: Ms. Jung Sonhyee,</b> Deputy Director, Korean Peninsula Peace Regime Division, Ministry of Foreign Affairs of the Republic of Korea</p> <p>Q&amp;A Session</p>	<p><b><u>Chair:</u> Dr. David Koh,</b> Visiting Senior Research Fellow, CICP</p>



15:15 - 15:45	Coffee Break	
15:45 - 17:00	<p><b>Session 3: Economic Implications for North and Southeast Asia</b></p> <p>What are the implications of a denuclearized Korean peninsula for economic development in North as well as Southeast Asia? Would the 1990s era UNDP driven Tumen River Development Basin collaboration initiative finally see a revival or reframing in order to integrate the Korean peninsula more deeply with northern China and the Russian Far East (already a locus of significant South Korean FDI) to build on existing economic complementarities? At the same time, how do recent developments in inter-Korean security relations impact South Korea's recent outreach towards Southeast Asia?</p> <p><b>Speaker 1: Kavi Chongkittavorn</b>, Senior Fellow, Institute of Security and International Studies (ISIS), Thailand</p> <p><b>Speaker 2: Dr. Bradley J. Murg</b>, Seattle Pacific University, Assistant Professor of Political Science and Asian Studies, and Visiting Senior Research Fellow, CICP</p> <p><b>Speaker 3: Dr. Un-Chul Yang</b>, Director, Center for North Korean Studies, Sejong Institute, Seoul, Korea</p> <p>Q&amp;A Session</p>	<p><b>Chair: H.E. Dr. Chap Sotharith</b> Board Member, CICP</p>

**Day 2 (15 November 2018)**

08:30 - 10:30	<p><b><u>Session 4: Whither Multilateralism?</u></b></p> <p>Contemporary Inter-Korean relations increasingly are focused around South Korea, North Korea, and the United States - noting the summit meetings held in 2018. In light of the earlier Six Party talks, what are the interests and roles of other powers in the region. Japan, China, and Russia all have interests in a secure and stable Korean peninsula. How do these states perceive the current peace process and how do they see its development in light of their own, respective national interests?</p> <p><b>Speaker 1: Mr. Michael A. Newbill</b>, Deputy Chief of Mission, US Embassy in Cambodia</p> <p><b>Speaker 2: Dr. Kim Youngjun</b>, Professor of National Security Affairs at the National Security College of the Korea National Defense University, Seoul, Korea</p> <p><b>Speaker 3: Dr. Min Tae Eun</b>, Director/Research Fellow, International Cooperation Research Division, Korean Institute for National Unifications</p> <p>Q&amp;A Session</p>	<p><b><u>Chair: Ms. Pich Charadine</u></b> Senior Research Fellow, CICP</p>
10:30 - 11:00	Coffee Break	
11:00 - 11:45	<p><b><u>Session 5: Open and Free Discussion</u></b></p>	<p><b>Moderated by</b> <b>H.E. Ambassador Pou Sothirak</b> Executive Director, CICP</p>
11:45 - 12:00	Wrap-Up and Closing Remarks	<p><b>H.E. Ambassador Pou Sothirak</b> Executive Director, CICP</p>
12:00 - 13:30	Lunch	
<b>End of Program</b>		

## ROLE PLAYERS

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**H.E. Ambassador Pou Sothirak**

*Executive Director*

*The Cambodian Institute for Cooperation and Peace (CICP)*

In addition to being the Executive Director of the Cambodian Institute for Cooperation and Peace (CICP) since 2013, Ambassador Pou Sothirak also serves as Advisor to the Royal Government of Cambodia as of February 2014. He was appointed as Secretary of State of the Ministry of Foreign Affairs and International Cooperation of Cambodia from September 2013 to January 2014. He was a Visiting Senior Research Fellow at the Institute of Southeast Asian Studies (ISEAS) in Singapore from January 2009 to December 2012. He also served as Cambodian Ambassador to Japan from April 2005 to November 2008. He was elected Cambodian Member of Parliaments twice during the national general election in 1993 and 2003. He was appointed as Minister of Industry Mines and Energy of the Royal Government of Cambodia from 1993 to 1998. He obtained a degree in Electrical and Computer Engineering from Oregon State University, USA in March 1981 and had worked with the Boeing Company from 1981-1986. Ambassador Pou Sothirak has written extensively on various challenging issues confronting the development of Cambodia and threatening peace and security of the region of Southeast Asia.



**H.E. Ambassador OH Nak-young**

*Ambassador of the Republic of Korea to the Kingdom of Cambodia*

H.E. Ambassador OH Nak-young has been serving as Ambassador Extraordinary and Plenipotentiary of the Republic of Korea to the Kingdom of Cambodia since January 2018. He passed High Diplomatic Service Examination in 1987 and joined the Ministry of Foreign Affairs in the same year. Seven years later, he became Consul of Korean Consulate General in Atlanta, GA, United States of America. In 1997, he was posted as First Secretary of Korean Embassy in the Republic of the Philippines. Five years later, he became the Director of South and East Africa Division at Ministry of Foreign Affairs and Trade (MOFAT). A year later, he was posted as Counsellor of Korean Embassy in the Kingdom of Cambodia before becoming Deputy Secretary to the President for Protocol Affairs at the Office of the President in April 2008. In December 2009, he served as Deputy Chief of Protocol of MOFAT. In 2010, he was posted as Minister of Korean Embassy in the Socialist Republic of Vietnam and as Consul-General of Korean Consulate General in Jeddah, Saudi Arabia in 2014. H.E. Ambassador OH Nak-young obtained B.A. in Arabic at Hankuk University of Foreign Studies, Seoul, Korea in 1987 and M.Sc. in Sea Use-Law, Economics and Policy-Making, the London School of Economics and Political Science (LSE), London, UK.



**H.E. Dr. Chap Sotharith**

*Secretary of State,*

*Ministry of National Assembly-Senate Relations and Inspection and  
Board Member of CICP*

Dr. Chap Sotharith is Secretary of State (Vice Minister) of Ministry of National Assembly Senate Relation and Inspection. He is also Board Member of the Cambodian Institute for Cooperation and Peace (CICP). From 2004-2008 Dr. Chap Sotharith served as Executive Director of CICP and Advisor to Deputy Prime Minister, H.E. Sok An. From 2008-2018 he worked as advisor and Director of Cabinet of H.E. Mrs. Men Sam An, Deputy Prime Minister. During the past 20 years, Dr. Chap has been involved in various policy research networks including the Economic Research Institute for ASEAN and East Asia (ERIA), the East Asian Development Network (EADN), and the ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS) that provides policy inputs to the ASEAN policy-making processes. Within these networks, he is very active in writing papers, presenting ideas in many regional and international conferences in many topics related to international relations, international politics, trade, investment, and international economies. He, from time to time, worked as Consultant to many international organizations such as World Bank, UNCTAD, and FAO.

Dr. Chap holds a Master of Science from Asian Institute of Technology (AIT), Bangkok in 1994, and Doctor of Philosophy (PhD) in Economics from Sydney University, Australia in 2006. He has published many books both in English and Khmer on topics related to Cambodia and regional development.



**Michael Newbill**

*Deputy Chief of Mission*

*US Embassy in Cambodia*

Michael Newbill assumed the position of Deputy Chief of Mission at the U.S. Embassy in Phnom Penh, Cambodia in July 2017. He is a career member of the Foreign Service.

From 2015 to 2017, Michael Newbill served as Deputy Director for Mainland Southeast Asia in the bureau of East Asian and Pacific Affairs, covering Burma, Cambodia, Laos, Thailand, and Vietnam. Prior to this, Mr. Newbill was the Counselor for Economic and Political Affairs at U.S. Embassy Kampala, Uganda. From 2010 to 2012, Mr. Newbill served as Director, then Senior Director, for South Asian Affairs, on the National Security Council in the White House, handling all

political, economic, and military issues for India and other South Asian countries. Mr. Newbill also served as the Political and Economic Affairs Chief in Mumbai, India (2007-2010), the Economic Officer on the India Desk (2005-2007), as an Economic Officer in the U.S. Embassy in Bangkok, with responsibility for multilateral and bilateral trade, intellectual property rights, biotechnology, and other economic issues (2003-2005), and Vice Consul in Manila, Philippines (2000-2002).

Prior to joining the Foreign Service, Mr. Newbill ran a project on Regional Security and Confidence-Building in South Asia for the Henry L. Stimson Center, a Washington-based research institution.

Mr. Newbill received his B.A. in History and English Literature from the University of Illinois, Champaign-Urbana in 1994 and a M.A. in South Asian History from the University of Wisconsin at Madison in 1997. In 1994-95, Mr. Newbill was a Rotary International Ambassadorial Scholar at Jawarharlal Nehru University in New Delhi.



**Mr. Mom Saroeun**

*Senior Program manager  
Konrad-Adenauer-Stiftung (KAS)*

Mr. Mom Saroeun is Senior Program manager for the Konrad-Adenauer-Stiftung (KAS) in Cambodia. He is working for more than 15 years in the Stiftung in charge for rule of law program, parliament reform program, decentralization and deconcentration (D&D) program and political think tank. He is also a country representative for another German Organization – Senior Experten Services (SES) since 2003 till now. Again, from 1986 to 1990 he used to work at the former Ministry of Industry, Mines and Energy (MIME) then from 1997 to 2002 has been worked at MIME in charge for the mining and construction materials.

He was invited to participate in various short programs in different countries among ASEAN, Germany and Italia. He earned his Bachelor Degree at the former East Germany in engineering for foundry technology, then his Master Degree also at Federal Republic of Germany in engineering for Ceramics. Now he is PhD. candidate in Sociology at Khemera University starting to write his theses.



**Dr. David Koh**

*Visiting Senior Fellow, CICP*

David Koh is Director of David Koh & Associates, a consultancy on affairs in the region. The company's portfolio ranges from assisting with Merger & Acquisition in emerging countries of Southeast Asia to providing analysts and research on the region's businesses as well as political and socio-cultural issues. Prior to this he was Senior Fellow at the Institute of Southeast Asian Studies in Singapore, focusing on Vietnam's political developments and big power strategic relationships within the region. His work experience includes teaching in Vietnam and China. His volunteer work is with the Supporting Community Development Initiatives of Vietnam, an NGO that covers marginalised and vulnerable populations of Vietnam. He reads and writes English, Mandarin, and Vietnamese languages. He is married and reads and listens to music for hobbies.



**Dr. Bradley Jensen Murg**

*Assistant Professor of Political Science and Director of Global Development Studies in the School of Business, Government, and Economics at Seattle Pacific University*

Dr. Bradley Jensen Murg is Assistant Professor of Political Science and Director of Global Development Studies in the School of Business, Government, and Economics at Seattle Pacific University. He is also Affiliate Professor at the Henry M. Jackson School of International Studies at the University of Washington.

Dr. Murg's research, supported by grants from the Social Science Research Council and the International Research and Exchanges Board, focuses on legal reform, the political economy of foreign aid, and economic development in the Mekong region, China, and the former Soviet Union. His current work as research director at the Greater Mekong Research Center explores the history of foreign aid in Cambodia, paying particular attention to Soviet assistance in the 1980s as well as Chinese aid and investment today.

Dr. Murg graduated Phi Beta Kappa from Emory University with a BA/MA in philosophy, received his MSc. in economic history from the London School of Economics, and his M.A. and Ph.D in Political Science from the University of Washington. Dr. Murg has worked in Asia for nearly 20 years, initially having moved to the region as a Henry Luce Scholar at the Asian Development Bank in 2000.



**Dr. Bernd Schaefer**

*Senior Scholar with the Woodrow Wilson International Center's Cold War International History Project (CWIHP) and Professorial Lecturer at George Washington University*

Bernd Schaefer is a Senior Scholar with the Woodrow Wilson International Center's Cold War International History Project (CWIHP) and a Professorial Lecturer at George Washington University, both in Washington D.C. He was a Visiting Professor with Tongji University and East China Normal University in Shanghai, Pannasastra University in Phnom Penh, and the University of North Korean Studies in Seoul; also a Fellow at the Nobel Institute in Oslo, the National University of Malaysia in Kuala Lumpur, the German Historical Institute in Washington D.C. and the Technical University of Dresden. He holds a Ph.D. from the University of Halle in Germany and a MPA from the Harvard Kennedy School. His recent publications include *1965 - Indonesia and the World* (Gramedia, Jakarta 2013), *Coming to Terms: Dealing with the Communist Past in East Germany* (Stiftung Aufarbeitung, Berlin 2011), *The East German State and the Catholic Church, 1945-1989* (Berghahn Books, New York 2010) and *Ostpolitik, 1969-1974: Global and European Responses* (Cambridge University Press, New York 2009; ed. with Carole Fink).



**Mr. Robert York**

*Korea Correspondent at South China Morning Post and Former Editor of North Korea News*

Rob York is a Ph.D candidate at the University of Hawaii at Manoa specializing in the history of the two Koreas. He is the former chief editor of *NK News*, a specialist site offering news and analysis of North Korea, and has worked as a journalist in both the US and South Korea. He is presently an editor at *The South China Morning Post* in Hong Kong and is completing a dissertation on newspapers in post-war South Korea, examining how Korean-language publications shaped the nationalist and anti-communist consciousness of the Korean public, while English-language publications tailored this message for the foreign presence in the country, namely American military personnel. He received a master's degree in Asian Studies, also at the University of Hawaii, and his academic work has focused on Korean nationalism as demonstrated in South Korean popular music, South Korea's business climate, and North Korea's responses to criticisms of its human rights record.



**Dr. Chheang Vannarith**

*Member of the Board of Director and Senior Fellow  
Cambodian Institute for Cooperation and Peace (CICP)*

Dr. Chheang Vannarith is Senior Fellow and Board Member of the Board of the Cambodia Institute for Cooperation and Peace (CICP), Opinion Editor with the Khmer Times, National Advisor to Civil Society Alliance Forum (CSAF, Council of Ministers), Vice-Chairman of the Cambodian Institute for Strategic Studies (CISS), and Associate Fellow at ISEAS-Yusof Ishak Institute. He was a visiting fellow at various think tanks including ISEAS-Yusof Ishak Institute in Singapore, China Institute of International Studies (CIIS) in China, IDE-JETRO in Japan, and East West Center in the US. He was a lecturer of Asia Pacific studies at the University of Leeds for three years after serving as executive director of CICP for five years. He earned his PhD in Asia Pacific Studies from the Ritsumeikan Asia Pacific University, MA in International Relations from the International University of Japan, and BA in International Relations from the Diplomatic Academy of Vietnam. He was honored a Young Global Leader by the World Economic Forum in 2013.



**Pich Charadine**

*Senior Research Fellow  
Cambodian Institute for Cooperation and Peace (CICP)*

PICH Charadine is the senior fellow and the coordinator of the Global Center for Mekong Studies (GCMS) of the Cambodian Institute for Cooperation and Peace (CICP). She was the adjunct lecturer in the Department of Political Science at Zaman University, Cambodia. She had been working with several non-government organizations and had also jointly conducted numerous research fieldwork projects, prior to her current affiliation.

She obtained her Bachelor of Arts in Political Science and International Relations with High Honors from Zaman University (Cambodia) and holds a Master of Arts in Dialogue Studies (concentrated on political dialogue) with Merit from Keele University (United Kingdom). She has written on various issues concerning Cambodia's political development and its subsequent foreign policy implications. Her focus is on Sino-Cambodia relations (particularly political economy dilemma, foreign aid policy, and economic statecraft), ASEAN studies, Cambodia's politics and foreign relations.





**Dr. Un-Chul Yang**

*Director, Center for North Korean Studies, Sejong Institute, Seoul, Korea*

Dr. Un-Chul Yang is the director of the Center for North Korean Studies at the Sejong Institute. He served as the vice-president of the Sejong Institute. He held several advisory position in government and private institution including the National Unification Advisory Council. He is serving as a trustee board member of the Institute of North Korean Studies and the president of the Association of North Korean Studies. Dr. Yang has extensively studied on North Korean economy. His English writings include "Power Struggle for Seeking Privileges and Rents in North Korea" (2016), "A Critical Assessment of the Bank of Korea's Estimates on the Growth Rates of North Korea's GDP (2017), "Ongoing Contest between the Plan and Market in North Korea," in Un-Chul Yang edited *Whither North Korea?*(The Sejong Institute, April 2018), and "Unavoidable Economic Reforms in North Korea: From Self-reliance to Symbiosis," in Un-Chul Yang edited *Looking in North Korea from the South Korean Perspective: Perceptions and Forecasts* (The Sejong Institute, forthcoming book, 2018).



**Dr. Min Tae Eun**

*Director/Research Fellow, International Cooperation Research Division, Korean Institute for National Unification*

Dr. Min Tae Eun received her MA degree from University of Chicago, Ph. D degree from University of Iowa, majoring in Political science. Her major areas of interest are American politics, US Foreign Policy, public opinion, South Korea's Unification Policy, election, minority politics. Currently, she is a director of International Cooperation Research Division in Korea Institute for National Unification(KINU). She has published several reports and books on South Korea's unification policy and North Korean defectors. Her other recent publications include " How Did Trump Win? The 2016 Presidential Election and the Years of the Outsiders, Co-author(Oreum, 2017) " American Attitudes toward Free Trade Agreements"(2017, in Korean) " American Attitudes toward Majority Leaders in the U.S. Congress(2016, in Korean ) "South-South Conflict: Humanitarian Aid to North Korea(2016, in Korean)" "American Attitudes toward Majority Leaders in the U.S. Congress (National Security And Strategy 2016)" "Legislators' Bills on Multicultural Policy in the National Assembly (the Journal of Multicultural Society, 2017).



**Dr. Geetha Govindasamy**

*Senior Lecturer, Department of East Asian Studies, Faculty of Arts and Social Sciences, University of Malaya*

Geetha GOVINDASAMY is a Senior Lecturer at the Department of East Asian Studies (DEAS), Faculty of Arts and Social Sciences, University of Malaya where she teaches in the Korea programme. She obtained her Ph.D from Monash University, Australia and M.Phil from the University of Cambridge, UK and M.A from the International University of Japan. Her research and teaching interests include inter-Korean relations, Korean foreign policy and East Asian regionalism. Besides being a member of the Scholars on Korea (MASK) Network and the Malaysian Association for Japan Studies Malaysia (MAJAS), she is also the Managing Editor of the *International Journal of East Asian Studies* which is produced by the DEAS.



**Dr. Kim Youngjun**

*Professor of National Security Affairs, National Security College of the Korea National Defense University, Seoul, Korea*

Professor Youngjun Kim is a faculty member of National Security College of the Korea National Defense University. He published his book on North Korea worldwide at Routledge in 2017, the title is 'Origins of the North Korean Garrison State: People's Army and the Korean War'. He is an international senior research fellow of the U.S. Army think tank, Foreign Military Studies Office, at Fort Leavenworth in Kansas of the U.S. and a member of ROK-US Combined Forces Commander's Strategic Shaping Board (CSSB).

As foreign and security policy advisor, he advises on the ROK President's Office, National Security Council, Ministry of National Defense, Ministry of Foreign Affairs and the Department of Unification. At the Prime Minister's Office, he is an official reviewer on Government's Performance on Ministry of Foreign Affairs and the Department of Unification.

He is frequently appeared as an expert contributor on North Korea and security issues on FOX News TV, Arirang TV, Defense TV and national newspaper. He is a research director for Korea Nuclear Policy Society, Korea Defense Policy Association and Korea International Studies Association's Section of Defense and Security. He has been an invited speaker for the UC Berkeley, UCSD, USC, GWU, RAND, the University of Oregon, Society for Military History, Association for Asian Studies, International Studies Association and others.



**Kavi Chongkittavorn**

*Senior Fellow, ISIS Thailand*

Kavi Chongkittavorn is a senior fellow at Institute of Security and International Studies (ISIS) Thailand. He has been a journalist for more than three decades covering Thai and regional politics. He began his career as a reporter in 1983 and became the paper's foreign news editor in 1986. Then, he was asked to explore Indochina – first as Bureau Chief in Phnom Penh, Cambodia (1988-1990) and later on in Hanoi, Vietnam (1990-1992). After a year in Oxford University as Reuter Fellow in 1994, he went to Jakarta and served as Special Assistant to the Secretary General of ASEAN in Jakarta in 1995 before returning to journalism. He was named the Human Rights Journalist of 1998 to commemorate the 50th Anniversary of the Universal Declaration of Human Rights by Amnesty International. From 1999-2000, he was the President of Thai Journalists Association. From 2000-2001, he went to Harvard University as Nieman Fellow. He served as a member of jury and from 2005-2008 as its chair of Guillermo Cano World Press Freedom Prize organized by UNESCO.



**Dr. Sun Wenzhu**

*Assistant Research Fellow Asian Department of China Institute for International Studies (CIIS), Beijing, China*

Sun Wenzhu received her PhD degree from the School of International Studies, Peking University in 2016. She worked as an exchange student in the Graduate School of Asia-Pacific Studies, Waseda University, Japan from 2012 to 2014. She has published multiple papers on the history and diplomacy of Japan. Currently her research interests include: security and peace of the Korean Peninsula, international relations in Northeast Asia, Japan's foreign policy.



**Ms. Jung Sohngye**

*Deputy Director, Korean Peninsula Peace Regime Division, the Ministry of Foreign Affairs of the Republic of Korea*

In addition to being the Deputy Director, Korean Peninsula Peace Regime Division, the Ministry of Foreign Affairs of the Republic of Korea, Ms. Jung Sohngye also serves as a NSC liaison officer. She used to work at Spokesperson's office dealing with Press. She majored in Business administration at Yonsei University, Seoul.



## EXECUTIVE SUMMARY

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In light of recent developments on the Korean Peninsula, discussions have been growing as regards to the future directions and implications stemming from this security megatrend. Working to serve as an inclusive and policy-oriented forum in order to partly contribute to the broad and important discourse addressing this topic, Cambodian Institute for Cooperation and Peace (CICP) hosted the Regional Conference on “Inter-Korean Relations in 2018 and Beyond: New Realities, New Challenges” from 14<sup>th</sup>-15<sup>th</sup> November 2018 in Phnom Penh.

Scholars and experts from many countries both inside and outside the region were invited to share their intellectual insights, opinions and predictions as to recent and future developments in the inter-Korean relations. Generally, the assembled experts similarly posited that despite many positive steps taken by the relevant parties, a persistent trust deficit continues to exist among various state actors, particularly on the questions of the peace process and denuclearization. The domestic politics of these states was also a major point of discussion, with participants highlighting the significant impacts thereof in the development of national foreign policies concerning the ongoing situation on the Peninsula. During the conference, there was a general consensus as to the crucial role of multilateralism in contributing to new possibilities for gradual breakthroughs in resolving the ongoing dispute.

Specifically, in the first session, the discussion primarily focused on assessments of present and future trends on the Korean Peninsula. Although moves towards rapprochement were taken by both the governments of South Korea and the United States, concrete results regarding denuclearization and the peace process on the Korean Peninsula remain to be seen. In light of the aforementioned trust deficit and strongly divergent framings of denuclearization as both a process

and an end goal, it is highly unlikely that concrete steps towards denuclearization will be achieved and consolidated in the short term. However, continuing negotiations between the key actors, the further development of confidence measures, and the inclusion of multilateral platforms such as ASEAN are both hoped for and expected.

The second session's agenda concentrated on the question of denuclearization and the peace building process on the peninsula. There has been a shared official position among all involved sides on the Korean Peninsula is to ultimately be nuclear-free. However, a substantial disagreement exists concerning the means to achieve such an end. Some parties insist for complete, verifiable, irreversible denuclearization of North Korea, and support for tough sanctions to push the country to the negotiating table. Nevertheless, others urge that the terms of sanctions be made subject to greater scrutiny, and contend that discussion about such matters needs to be held under the auspices of the United Nations Security Council. Without considerable concessions from all sides, the nuclear issues of North Korea are unlikely to be resolved in the foreseeable future. Regarding the peace building process, possible economic cooperation between the two Koreas and the support of the international community are both crucial components buttressing any potential positive outcome scenario.

In the third session, the economic implications of the Korean Peninsula's ongoing dispute and the implications thereof both for Northeast and Southeast Asia dominated the discussion. A diverse set of scenarios were raised during the conference. Should North Korea decide to abandon its nuclear weapons, the country would require an enormous injection of capital in order to undertake necessary infrastructure investments. Moreover, in light of North Korea's substantial pool of cheaper labor, the country would become a competitor for other states with similar endowments. If North

Korea decides against a move towards denuclearization, sanctions were expected to remain in light of the fact that there are the only means to exert pressure on Pyongyang although the question of the efficacy of sanctions remains disputed.

In the fourth session, future directions of the multilateral frameworks in dealing with the Korean Peninsula's ongoing issues were addressed. All states seem to be open and willing to negotiate with one another; although, at the same time, all have shown a willingness to utilize their respective bases of leverage, e.g., the threat of the imposition of more sanctions or the conducting of nuclear and missile tests, should the negotiation process not prove to be fruitful. Additionally, changes in domestic political realities in the US and South Korea would naturally shift the positions taken by these states toward North Korea.

In the free and open discussion session, three main points deriving from the conference were discussed. First, existing sanctions are not "hard" enough to force regime change in North Korea. Second, there is a need for a clear, denuclearization action plan delineating gradual steps and concessions made by both the United States and North Korea. Finally, there was a strong reiteration that ASEAN should be considered as a multilateral platform to address current divisions and disputes on the Korean peninsula.





## SUMMARY OF THE PROCEEDINGS

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### SYNOPSIS

The regional conference, *“Inter-Korean Relations in 2018 and Beyond: New Realities, New Challenges,”* was a major regional conference organized by the Cambodian Institute for Cooperation and Peace, with support from the Konrad-Adenauer-Stiftung (KAS) Cambodia, and the Embassies of the Republic of Korea and of the United States of America to Cambodia.

The two-day conference offered a platform for exchanges of views, perspectives and positions of the attending scholars, experts, journalists, and policy makers in light of the shifting geopolitical situation of the Korean Peninsula. Approximately 80 persons attended the conference, including speakers and observers from the USA, the Republic of Korea, Germany, the People’s Republic of China, Thailand, Malaysia, Singapore, and Cambodia.

Participants gained a deeper understanding of the issues at hand in that the conference provided a platform for presentations and discussions around a diversity of topics and perspectives regarding the Korean Peninsula. The issues were allotted to the following panels:

- ❖ **Session I:** Assessing the Peace Process on The Korean Peninsula: Current Realities and Future Challenges
- ❖ **Session II:** Denuclearization and Peace-building
- ❖ **Session III:** Economic Implications for North and Southeast Asia
- ❖ **Session IV:** Whither Multilateralism?
- ❖ **Session V:** Open and Free Discussion



## **WELCOME REMARKS**

**H.E Ambassador Pou Sothirak,  
Executive Director,  
The Cambodian Institute for Cooperation and Peace (CICP),  
Phnom Penh, Cambodia**

- ❖ H.E. Pou Sothirak, Executive Director of the Cambodian Institute for Cooperation and Peace, opened the conference. After welcoming all participants and expressing gratitude towards the speakers of the conference, he set the stage for discussions. He stated the world was witnessing truly remarkable developments on the Korean Peninsula, and that the threat of war was reduced by the historic Singapore meeting between Chairman Kim Jong Un and President Moon Jae-In. The series of meetings that followed gave rise to fresh hopes for a future peace treaty. He noted that we should recognize this willingness to break historic deadlocks as well as the key roles played by the leaders of the US and North Korea; however, we should also not underestimate the complexity inherent in any move to solve the problems on the Korean peninsula.
- ❖ H.E. Pou Sothirak introduced the conference agenda and expressed the hope that the discussions would be responsible and informed such that all present would become more deeply aware of current challenges and opportunities and can help to find ways forward. Finally, he expressed his gratitude towards the supporters of the conference, the Konrad-Adenauer-Stiftung Cambodia, as well as to all participants.

### **Mr. Mom Saroeun, Senior Program Manager, Konrad-Adenauer-Stiftung, Cambodia**

- ❖ On behalf of the Konrad Adenauer Stiftung, Mr. Mom Saroeun thanked CICP for hosting the event. In the view of the Adenauer Stiftung, regional conferences are a central point in bringing together different people to share knowledge. Mr. Mom noted that the Korean War from 1950-1953 was caused by ideological conflicts, and the division of the Koreans into two parts had lasted 70 years. Furthermore, all previous initiatives for peace and unification resulted in disappointment. With recent peace summits, the Korean Peninsula is now back in the limelight, and therefore the situation needed to be assessed properly. He noted how the conference could help to highlight next steps and scenarios for peace-building and denuclearisation.

### **H.E. OH Nak-young, Ambassador of the Republic of Korea to the Kingdom of Cambodia**

- ❖ H.E. OH Nak-young, Ambassador of the Republic of Korea to the Kingdom of Cambodia, was next to take the floor. Ambassador Young opened by emphasizing the great honour he felt to be at the event, and he expressed gratitude towards H.E. Pou Sothirak and all the members of CICP and KAS.
- ❖ Ambassador Young noted the timeliness of the theme of the conference, since great progress had been made in achieving peace on the Korean Peninsula during 2018, while previous years, in contrast, were marked by news about missile provocations. The current peace process started at the Winter Olympics in Pyeongchang, which led to the Inter-Korea Summit on 27 April 2018. Just prior to the CICP/Adenauer conference, the two Korean presidents met for a second summit; also of note was the Sentosa Statement forged in Singapore, and the subsequent participation of a joint-Korea team in the Asian Games in Palembang. Presidents Kim

Jong Un, Donald Trump, and Moon Jae-in have shown dedication to work towards peace and denuclearization. He was glad that Cambodia shared the Korean inspiration for a peaceful peninsula, and the ambassador declared his deep appreciation for the government of Cambodia. He asked both the international and national community to focus on the survival of the Korean people, who eventually will be one again. He hoped to gain more insights on relevant issues during the conference.

## **SESSION I – ASSESSING THE PEACE PROCESS ON THE KOREAN PENINSULA: CURRENT REALITIES AND FUTURE CHALLENGES**

H.E. Amb. Pou Sothirak chaired Session I and it featured speakers: Dr. Bernd Schaefer, Mr. Robert York, and Dr. Chheang Vannarith.

**Speaker 1: Dr. Bernd Schaefer**, *Senior Scholar at the Woodrow Wilson International Center's Cold War International History Project and Lecturer at George Washington University*

- ❖ Starting with a joke, Dr. Schaefer said he was a historian by specialisation but now he had to focus his talk on the present, on where the world was as regards the development of Inter-Korean relations. He asked whether a new era of US-DPRK relations were at hand, and he was doubtful. Referencing the Joint Statement between the DPRK and the US, issued at the Singapore Summit, he noted that it was the only document ever signed by both states. He urged everyone to note that the four points in that Statement were carefully worded and most likely negotiated by both sides, not forgetting the importance of getting the sequence of the sentences right. He hinted at a potential for misunderstanding caused owing to the terminology utilized in the Statement, for which “complete denuclearization of the Korean Peninsula” was an example. Further he noted that recently, a proposed meeting between Secretary of State Mike Pompeo and top officials from the DPRK was suspended, but he was

encouraged by the new bilateralism between the two countries. There were other points of probable lack of common understanding, e.g., how “freeze for a freeze” (meaning that DPRK nuclear tests and launches were to be frozen in exchange for freezing US-ROK military exercises) would be sequenced or carried out. He said both parties were still hard-headed at a point of “all-take-but-no-give,” i.e., both sides wanted the other to give everything and would offer nothing substantial in return. He also noted that the American public and the United States Congress were skeptical of the sincerity of the DPRK.

- ❖ Looking into 2019, Dr. Schaefer opined that the year 2019 would be important for US-DPRK relations. President Trump's dynamism broke a decades-old stalemate, and he now had a window of opportunity before the 2020 Presidential elections in the US, when domestic political issues would reign, to do even more on Korea. He was disappointed that both parties seemed unwilling to offer more, or enough, to one other. The US wanted the DPRK to commit to Complete, Verifiable, Immediate Denuclearisation (CVID), whereas the DPRK was in search of a package including the end of sanctions, a final and complete peace with treaty and security guarantees, as well as diplomatic recognition from the United States. To move forward, what was needed perhaps was another summit, to affirm the progress and to chart the future of US-DPRK bilateral relations. But he also mentioned that escalating US-China trade tensions could disrupt progress.

**Speaker 2: Mr. Rob York, *Editor at South China Morning Post and Former Editor of North Korea News***

- ❖ Before he began his own presentation, Mr. York said it was his view that the Trump administration wished for denuclearization of the DPRK and also for there to be more cooperation between the two governments of the USA and DPRK.

- ❖ Mr. York then launched his talk by referring to Dr. Schaefer's remarks about being a historian, that in his case it would be a journalist talking about history. He discussed *Nordpolitik*, named for the *Ostpolitik* of former West German chancellor Willy Brandt, noting the similar approach adopted by the previous South Korean administration of President Roh Tae Woo to engage in outreach to the DPRK. However, he noted this policy was also meant to vastly improve South Korea's prestige on the global stage, particular since it took the initiative to open negotiations with the DPRK. The policy achieved a number of benefits for South Korea, as China became an important economic partner, and Russia played the role of mediator between South Korea and other former communist countries in addition to the the DPRK.
  
- ❖ South Korea's *Nordpolitik* was successful in normalizing relations with Russia and the PRC, but it failed with the DPRK in that the latter was deemed to be developing nuclear weapons. At that time, a planned Inter-Korea leaders' summit was cancelled because of the DPRK's nuclearisation activities. For eight years afterwards, no summit had taken place. A reaction from conservatives in South Korea reset relations after Roh Tae Woo stepped down.
  
- ❖ Mr. York discussed different scholars' view of the benefits of *Nordpolitik*. He noted the claim of Joo Seung-Ho (1993) that the policy was responsible for a spectacular change in Russia-South Korea relations in a short period of time while Chung Nam Kim (2007) contended that *Nordpolitik* enhanced the domestic legitimacy of the President. On the other hand, Jangho Kim (2010) saw *Nordpolitik* as departing from the spirit of German *Ostpolitik* by isolating the DPRK from its allies and did not prioritize the breaking down of Inter-Korea barriers. This left Inter-Korean relations trapped in a cycle from which they have yet to escape.
  
- ❖ Mr. York assessed the DPRK as being unwilling to give up its nuclear arsenal, and thus the negotiations would result in a stalemate. This

failure to change the course of nuclearisation would not be much different from the failures of the *Nordpolitik* and the Sunshine policy. After all, the DPRK has the *Juche* or “self-reliance” as its national ideal and this ideology was manifested as a tenet in its foreign policy. Self-reliance would among other things mean that the DPRK state must not be vulnerable.

**Speaker 3: Dr. Chheang Vannarith, Board Member and Senior Research Fellow, CICP**

- ❖ Dr. Vannarith began by noting the increasing US-China geopolitical rivalry and asked how this could impact the Korean situation. He noted that in this context Southeast Asia must remain neutral. The very strong rhetoric around the question of a potential new Cold War or a “Cold War 2.0” was now shaping the regional order. These developments could derail negotiations. He said a second US-DPRK summit meeting might be a defining moment but it was difficult to gain certainty as to the feasibility/likelihood of that summit taking place. Conversely, taking a “glass half-full” frame, he noted that inter-Korean interaction were in the midst of a positive cycle and from this he contended that China was not a stumbling block in the negotiations. He thought US domestic politics were more likely to be a stumbling block than any issue related to China, and that at present it perhaps was not realistic to expect the DPRK to completely give up on the development of nuclear weapons.
- ❖ He further stated that the agency factor of Moon Jae-in was not to be underestimated and the world should applaud him, since he has been a core driver of the process. Domestically South Koreans would need to display greater national unity for President Moon and to support him instead of fomenting division on the topic. Still, he thought that among the South Korean public, there was a great deal of legitimacy to be gained by President Moon stemming from his reaching out to the DPRK. As such, President Moon could be more bold and decisive in his actions in future.



- ❖ On next steps, he would like to see greater involvement on the part of ASEAN. While the Koreas are not located in Southeast Asia, violence and instability on the peninsula would inevitably impact all of East Asia. He looked forward to what Cambodia, if it becomes the chair of ASEAN in 2022, might do to move the process forward, and in light of that prospect noted the value of CICP organizing this conference.

## Q&A of Session I

- ❖ There were comments during the session as to the absence of participation by the DPRK. Chairman of the first session, H.E. Pou Sothirak, clarified that he attempted to invite speakers from the DPRK, but there was no response to the invitation.
- ❖ The first comment was from Dr. David Koh, who thought President's Moon policy approach toward the DPRK was correct because it took the current issue out and away from the quarrels of the past and being held hostage to the stagnation of six-party talks. Now that confidence-building measures seem appropriate, what were the next steps in this regard?
- ❖ H.E Pou Sothirak, asked if the speakers could expand further as to defining the stumbling blocks for a more sustainable peace process and outcome. Is the trust deficit the dominant issue?
- ❖ Mr. Kim Sun from Pannasastra University of Cambodia asked about the role of ASEAN and what ASEAN could contribute to the peace process.
  - Dr. Vannarith thought the main stumbling block was the trust deficit. There was a lack of sincerity present in the process beyond that taking place between the two Koreas, and trust-building measures were indeed difficult. They needed to be more

informed, and they were needed among officials from all sides, and at all levels. He further stated that the six party talks had “too many cooks.” Moreover, ASEAN could provide an informal and important channel for trust-building.

- Mr. Rob York said a major obstacle was the multi-party political system of South Korea. There were many different dialogues and disputes among the political parties, which made it difficult for North Korea to determine what the final position of the South Korea would be in the end. Voters were also fickle-minded about their choices when it came to elections, and voters did not cast their ballots purely on the track record of a political party concerning the DPRK issue. There were also domestic economic considerations. Thus, while President Moon was applauded for his DPRK approach, economic problems could throw him out of office which could also mean the end of current South Korean policies towards the DPRK.
- Dr. Schaefer added that there was also a trust deficit between the US and the DPRK. The latter's long-range missiles are the new factor in this round of peace making, and any sitting American president would be obligated to reduce or to eliminate any missile threat, particularly any pronounced threat. It appeared that the US has given up hope on China serving as an honest broker on the DPRK issue; if a new Cold War broke out, then China was even less likely to cooperate with the US on the DPRK, and subsequently we could see the US blaming China for stagnation on the Korean Peninsula issues.
- ❖ H.E. Pou Sothirak initiated the second round of comments and questions. He commented that the Pentagon did not believe the DPRK was sincere. The US always used two measures simultaneously, sanctions and threats. This approach would probably continue. He saw China not being a stumbling block but instead noted that China has had a consistent foreign policy regarding the Korean Peninsula.

- ❖ Kavi Chongkittavorn said he saw ASEAN playing an important role from now, as the facilitator. The DPRK should by now have realized ASEAN's neutrality and fairness. To secure a role, ASEAN needed to socialize, rather than isolate, the DPRK.
- ❖ Dr. Bradley Murg asked about domestic political drivers of the DPRK and the US. Has Chairman Kim Jong Un consolidated enough power to back up his softer approach, or will he be obstructed by opposition from military or other elements within the current regime?
- ❖ Dr. Larry Strange commented on the current lack of confidence that the current US President would act strategically, or responsibly, or rationally.
- ❖ Mr. Mom Saroeun said he was not confident about ASEAN having a role to play because getting the six parties to sit together and to strike a deal on the Korean Peninsula was what really mattered.
  - Dr. Vannarith said he was a strong believer in international organizations and multilateralism. Resolution of the South China Sea was a failure to a certain degree for ASEAN, but it was a success if the goal was getting China to the negotiating table and for Beijing to begin to take into account about the interests of neighbouring, smaller states. ASEAN, the inter-governmental organisation, offered a platform. Thus, on the Korean Peninsula issues, ASEAN could offer dialogue options and socialize the key actors through ASEAN norms, trust-building, and the offer of informal platforms for people-to-people connectivity.
  - Dr. Schaefer said the Pentagon has been the most rational actor for the US, and therefore the U.S. Secretary of Defense was a key player. However, in the US at present there are strong, bipartisan anti-China sentiments that also extend to a deep distrust of the DPRK. If these two issues ever came to a head with the Congress becoming more active and pushing the Administration into a corner, we could expect more drama on the policy front.

- Mr. York discussed the question of political opposition in the DPRK. Opposition to Chairman Kim was now minor and occurring behind the scenes. Chairman Kim executed his uncle because his uncle's faction was setting up a separate power bloc, which was the first time in decades that such a split in the regime had occurred. Mr. York further pointed out that President Trump's priority was domestic, and that the president was not ideologically pre-determined on the North Korea issue. He highlighted the fact that Korea was not an issue during the U.S. mid-term elections, and that President Trump was likely to allow the Korea issue to drag on until Congress took up the matter with the administration earnestly.
  
- ❖ A student participant asked about why participants were not emphasizing the role of the Korean people.
  - Mr. York explained the importance of the role of South Korean media and that diversity in public opinion reflected a population divided as to what to do regarding the DPRK. In order to be effective, South Korea had to be united in action, and he asked what would South Koreans be willing to give up to silence dissent in a divided society? He said that the DPRK has often commented on how the South Koreans were unable to have one voice and that Pyongyang had demanded the silencing of opposition voices towards the peace-making.
  
  - Dr. Schaefer said one would watch out from certain indicators as to progress in this area, such as when *Ostpolitik* proposed journalist from both sides meet. South Korea and others should test the limits of what was feasible and gradually move closer together. People-to-people activities, such as tourism and media-to-media connectivity can be done without China or the US being on the scene and need no approval from them.

- ❖ The last questions and comments came from Dr. David Koh, who asked about Chairman Kim's schooling in Switzerland. Could this experience be used as the explanation for the approach that Chairman Kim took, which was different from his predecessors? He said the other five parties could very well leave the DPRK as it is for another fifty years.
  - Dr. Schaefer said the driver was that the US would never accept a nuclear-armed DPRK, which meant the US had to do something. The US has not offered anything substantial for the DPRK to denuclearize, and therefore future negotiations were important.
  - Mr. York mentioned that the DPRK had internalised the painful and tragic end to the Gaddafi regime in Libya after Tripoli gave up nuclearisation options. Words and assurances were not as comforting as a nuclear deterrent. He concluded that the end of the Korean War would require a fundamental change in the security outlook that the DPRK had adopted. Dr. Schaefer also added that China was a party to the armistice and therefore ending the Korean War required Beijing's approval of the terms.
  - Dr. Vannarith re-emphasized that it was important to build confidence, such that mutual confidence would remain even if either of the respective leaders were replaced.

## **SESSION II: DENUCLEARIZATION AND PEACE BUILDING**

Dr. David Koh, Senior Research Fellow of CICP, chaired the session and initiated it with a few remarks. The impact of nuclear weapons was well researched; if every country had weapons nobody would dare to use them, and neither would small, tactical weapons be usable because they would invite larger scale retaliation, leading to escalation. Mutually-Assured Destruction was a strategic threat, and the best use of nuclear weapons was in their non-use, in serving as a deterrent.

Denuclearization was desirable on part of the nuclear weapons holders, especially the Permanent Five members of the United Nations Security Council, but persuading the rest to give up nuclear weapons have had different results. Therefore, persuading the DPRK would mean guaranteeing to the DPRK an outcome that is different from that of Iraq and Libya.

**Speaker 1: Dr. Sun Wenzhu, Assistant Research Fellow from Asian Department of China Institute of International Studies, Beijing, China**

- ❖ Dr. Sun said the Korean Peninsula was at a new crossroads. She drew the attention of the participants to the history of peace-building there, and she drew a timeline illustrating the development of a nuclear weapons capability in by the DPRK, from its withdrawal from the NPT in 1993 up to its multiple nuclear and missile test in 2017. A further timeline from Dr. Sun illustrated the progression of denuclearisation efforts, from the US-DPRK agreed framework in 1994 to DPRK-ROK, DPRK-US summits in 2018. She teased out the lessons drawn from the timeline: the security dilemma (how to trust one another but at the same to de-escalate the military standoff) between the two Koreas and between the DPRK and the US remains the core issue, while domestic politics often complicate or even derail those efforts. Yet clearly, peace was desired by all.
- ❖ Dr. Sun explained China would never accept nuclear proliferation, especially not nuclearisation of the Korean Peninsula. Thus, China would not accept the DPRK becoming a nuclear armed state. Even though China possesses a nuclear weapons arsenal, this was small when compared to other nuclear powers. She opined it would be suicidal for North Korea to use nuclear weapons, and this point did not depend on whether a new Cold War between China and the US would develop.

- ❖ Nevertheless, Dr. Sun assessed that the parties to the current peace-making efforts maintain different conditions and approaches in comparison to those from the past. The DPRK had crossed important thresholds in various nuclear and missile test program and demonstrated an ability to deliver these weapons; concurrently, the DPRK Workers' Party on April 20<sup>th</sup> 2018 listed economic development as its priority. The DPRK made a public promise to denuclearize the whole Korean Peninsula, and had demolished the Punggye-ri and Dongchang-ni nuclear test sites. The US and South Korea, on the other side, chose negotiation rather than coercion; in addition, they negotiated a security and denuclearization as a package. Meanwhile, the other related parties, China, Russia, and Japan, also warmly welcome the progress made so far.
  
- ❖ Major obstacles: Dr. Sun listed the possibility of sanctions not easing; the timing and speed of denuclearization that would also be dictated by many factors; the lack of mutual trust between US and China; and the tensions within the US-ROK alliance. She delivered several suggestions:
  - i. Engagement for mutual trust;
  - ii. A declaration to end the Korean War on the basis of Double Freeze
  - iii. Discussions in the UNSC regarding implementing the reversible clauses in sanctions on DPRK
  - iv. Creatively find a new mode of denuclearization other than Libya, e.g. South Africa.

**Speaker 2: Dr. Geetha Govindasamy, Senior Lecturer, Department of East Asian Studies, Faculty of Art and Social Studies, University of Malaya**

- ❖ Dr. Govindasamy focussed on Russian's role in the peace process, but she began by pointing out that the DPRK only agreed to halt tests but had not pledged to rid itself of nuclear weapons. Returning to

Russia, she said it was being side-lined in the current debates about the Korean Peninsula, even though Russia had diplomatic relations with both Korean states. Russia had maintained its ties to Korea for centuries, continuing with recognition of the DPRK during the Cold War, from the late 1940s. In 2017, North Korea's official news agency listed Russia at the top of a list of countries friendly to the DPRK.

- ❖ Russia supplied energy to the DPRK, which was key to the regime's survival. This was especially crucial when China cut energy supplies to the DPRK to follow UN sanctions. In 2014, Russia forgave 90% of the USD 11 billion debt owed to Moscow by the DPRK. There has also been Russian investment in DPRK. Russia supported the Double Freeze in the current efforts. All of these gestures entrenched the role of Russia as a guarantor of DPRK regime survival.
- ❖ She explained that Russia believed denuclearization was impossible without easing the sanctions on the DPRK, and that Russia supported resumption of the six party talks to achieve such a goal. To the DPRK, as well as South Korea, Russia was a trusted party and can act as a mediator, not only as an advocate for the DPRK.
- ❖ For Russia, its interests while it played a behind-the-scenes role was to make it a vital player in the region, and its involvement in peace negotiations would allow it to shape the Northeast Asian security landscape and safeguard its own interests.

**Speaker 3: Ms Jung. Sonhgyee, Deputy Director, Korean Peninsula Peace Regime Division, the Ministry of Foreign Affairs of the Republic of Korea**

- ❖ Chairman of the session Dr. David Koh intervened to say that he checked with Ms Jung Sonhgyee, who would like to have her comments placed under Chatham House rules. Dr. Sonhgyee emphasized that views expressed were her own and were not representative of her government's official position.



- ❖ She started her presentation by citing a speech of President Moon given on the 6<sup>th</sup> of July 2017 about the readiness of the Republic of Korea for peace and prosperity on the Korean Peninsula. Since then, developments at the Winter Olympics, easing of family reunions, and the establishment of a North and South liaison office, eased the tensions between the two Koreas. She noted that the DPRK was willing to disassemble nuclear testing sites if the US engaged in reciprocal action. The Panmunjom Declaration (First Summit between Chairman Kim and President Moon) consequently was a substantial commitment to peace and trust building to alleviate tensions.
  
- ❖ Afterward, Mrs. Sonhgyee discussed several firm outcomes of the Pyongyang Summit:
  - i. a set of concrete measure to denuclearize the peninsula;
  - ii. practical steps for boosting Inter-Korean exchanges and cooperation;
  - iii. agreement on the implementation of Panmunjom Declaration in the military domain; and
  - iv. confidence building between the two leaders of two Koreas.
  
- ❖ She concluded by discussing ways forward regarding the 2<sup>nd</sup> US-DPRK Summit. She stressed that improving Inter-Korean relations could drive de-nuclearisation, leading to a regime of peace. In these efforts, the security concerns of the DPRK needed addressing. There should be full and expeditious implementation of agreements through the Inter-Korean Joint Military Committee, building peace through a virtuous circle.

## **Q&A of Session II**

- ❖ Mr. Mom Saroeun asked the first question: whether the two Koreas could achieve reunification if there were no outside factors? Dr. Larry Strange asked about the prospects of easing sanction for the DPRK. Dr. Schaefer asked what the next move of South Korea could

be in the event that the US and the DPRK suspended their talks. Mr. Rob York asked about the prospects for more economic cooperation look between the two Koreas.

- Ms. Sonhgyee said she thought that for a Korean peace to be sustainable, support from the international community was required. It could not be limited to simply a bilateral question between the two Koreas alone. Easing of sanctions should be approached slowly in accordance with developments in the UN Security Council. Generally, the Republic of Korea was in constant and close consultation with the US.
- Dr. Un-Chul Yang volunteered to answer the question on the prospects of economic cooperation after a sustainable peace regime was established. He explained South Korea saw it as a goal to integrate the DPRK into the global society of states, but the DPRK was demanding too much in exchange. The reasons for Russia's cooperation with the Korean Peninsula were the prospects of connecting energy pipelines to Japan, given that the DPRK market was too small and the DPRK was dominated by China. In terms of cooperation, such as railway projects, investments of such scale would be unlikely unless the DPRK opened up and provided guarantees to them.
- Dr. Govindasamy said the multilateral framework to achieve peace on the Korean peninsula was necessary, given the lack of trust all around. Parties external to the Peninsula would act as guarantors for either Korea. An easing of sanctions could lead to economic cooperation, which would be one of the easiest confidence building measure to take, no matter how small, given that the DPRK needed investment, especially for the 13-14 Special Economic Zones that it maintains. She noted that President Moon had unilaterally asked for the easing of sanctions, and that he had brought along South Korean chaebol leaders to his third summit meeting with Chairman Kim.

- Dr. Sun Wenzhu mentioned the need to include China in eventual arrangements for peace, due to its status in the UNSC. In terms of sanctions, China had to follow the lead of the UNSC, and it ignored criticisms that China was too strongly supporting sanctions. But she stressed that all sanctions should go through the UNSC. She said that the DPRK contained long-term economic potential, in the field of mining for instance. This potential could help make the whole region better off economically, but the DPRK needed to be secure and denuclearized.
  
- ❖ Dr. Koh opened the second round of questions and comments by asking what the panelists thought about China pushing the current momentum for six party talks.
  - Dr. Sun Wenzhu said that China was interested in multilateral talks, but these talks were hampered by a lack of trust between the DPRK and the US.
  
  - The deputy chief of mission of the embassy of the Republic of Korea offered his personal perspective. He said there were many media reports and the mood at present was one of pessimism. He urged all not to become mired in such as perspective as in such a case peace efforts would not move forward. Peace on the Korean peninsula was a complex subject consisting of many issues; it was an issue of life and death, not just an intellectual issue. The current forward momentum should be cherished, and patience was needed.
  
- ❖ H.E. Pou Sothirak asked about similarities between the past and the present in terms of efforts made and the status of the process at present. He said it seemed a small, reclusive state was able to sideline the six-party talks, in the past, as well as now. Russia and China seemed to be wanting a re-assessment of the UN sanctions. He requested the speakers explain why the second Trump-Kim meeting had been postponed.

- ❖ Dr. Bradley Murg asked what Russia would bring to the table that China could not.
  - Dr. Govindasamy started the round of answers. She explained a nuclear DPRK would not be a threat to Russia, but Russia was sitting at the table due to its own national interests in the region. Russia would play a role in consultations with China. In fact, Russia had supported every initiative and move by China on Korean Peninsula, so far.
  - Dr. Sun Wenzhu emphasized the unacceptability of a nuclear armed DPRK for China, given that China was a neighbour. China considered its role on the problem as a contribution to the public good as well.
  - Ms Sonhgyee said prior to the second US-DPRK summit, the DPRK cancelled the high-level talks to be held in New York in preparation for that summit. She said, speculatively, that the cancellation might have been due to internal problems in the DPRK, but she was unable to elaborate on that point.
- ❖ Dr. Koh remarked that Japan was not represented at the conference. He said he would not be presumptions to say that he knew the Japanese position well but on the other hand he would also not assume that the Japanese position is identical to that of the US. Thus, Japanese views should have been included.

### **SESSION III: ECONOMIC IMPLICATIONS FOR NORTH AND SOUTHEAST ASIA**

The third and last session of the first day was hosted by H.E. Dr. Chap Sotharith, Board Member of CICP.

**Speaker 1: Kavi Chongkittavorn, Senior Fellow, Institute of Security and International Studies (ISIS), Thailand**

- ❖ Dr. Chongkittavorn explained the role of ASEAN in the current debate. He began by mentioning that Thailand has been the biggest receiving country of North Korean asylum seekers in transit. Thailand also hosted the biggest *Juche* study group in Southeast Asia. The DPRK had also provided refuge to the royal family of Cambodia in the past. Therefore, Thailand and ASEAN can boost understanding of the rationale and fears of the DPRK and could help in socializing it. On the side of South Korea, President Moon had personal links with ASEAN's government leaders. Thus, both Koreas maintain positive relationships with ASEAN. On its part, ASEAN has been discussing the Korean Peninsula issue in its ASEAN Regional Forum, since the Forum's inception in 1995. There was a consensus view within ASEAN on the Korean Peninsula in that, annually, the issue is referenced in ASEAN's official documents, which has mentioned ASEAN's position on various issues of war and peace on Korean Peninsula, nuclearisation, UNSC Resolutions, and dialogue for mutual understanding. ASEAN also maintains a Southeast Asia Nuclear Weapons Free Zone Declaration, which more than adequately spelled out the ASEAN vision. In 2005, ASEAN expressed a wish to play a role in the six-party talks. On the DPRK's part, it had also joined the ARF in 2000 and acceded to the ASEAN Treaty of Amity & Cooperation in 2008. In early 2018, the DPRK appealed to ASEAN to help ease the tensions on the Korean Peninsula. In general, other than the episode in Kuala Lumpur in which Kim Jong Nam was assassinated, the DPRK and ASEAN have had stable and good relations. The DPRK has embassies in all ASEAN countries except Brunei, and five ASEAN members have embassies in Pyongyang. In general, the other four parties of the six have reacted positively to ASEAN's offer to play a role in the six-party talks.

- ❖ Mr. Kavi mentioned that ASEAN could work to familiarize North Korea with all ASEAN activities and other regional programs. The Trump administration pressured ASEAN to take a strong stance against the DPRK; meanwhile, China preferred ASEAN to maintain its existing diplomatic course with the DPRK. He noted ASEAN's stance towards the DPRK has cooled significantly since the assassination of Kim Jong Nam, and afterwards ASEAN adopted tougher stands on sanctions and illicit DPRK networks in their jurisdictions. Between Malaysia and the DPRK, ties could be described as “deteriorated”. What was clear, nevertheless, was that ASEAN would adhere to UNSC sanctions. The recent thawing of Inter-Korean relations and the summits had improved the international image of the DPRK somewhat, and ASEAN was back on track to socialize the DPRK.
  
- ❖ As a result, Thailand, as the ASEAN Chair in 2019, might invite DPRK leaders to attend specially-designed sessions at the 36<sup>th</sup> ASEAN Summit in November 2019.

**Speaker 2: Dr. Bradley J. Murg, Seattle Pacific University, Assistant Professor of Political Science and Asian Studies, and Visiting Senior Research Fellow, CICP**

- ❖ Given the floor, Dr. Bradley Murg raised the scenario of the denuclearization process having succeeded. He thought by then the DPRK's next priority was infrastructure development. The DPRK would have approximately 63 billion US dollars in investment needs, and 11.6 billion in the next few years requiring almost immediate provision. In comparison, the long-term spending needs in the same sector for the entirety of Southeast Asia was over 110 billion. The estimated amount of funds required was enormous, but the size of the global pot of funds remains limited. If the DPRK were to open up and investors redirected their funding priority to the Korean Peninsula, Southeast Asia would be effected significantly given that

less funds would be available. He thought the BRI and the AIIB could possibly be able to fill the gaps, but this was still based on the assumption that it would be allowed to extend into the DPRK.

- ❖ In the event of a positive outcome, the DPRK would compete against cheap labor-intensive industries like the garment factories of Myanmar and Cambodia, where the industry was well-developed. South Korea could gain access to the labor force of North Korea and adjust by shifting into services. The Russian Far East would not provide significant opportunities for Korean economic influence owing to the existing deep influence of Chinese firms.
- ❖ He questioned, however, how the reform process, which was assumed to accompany the denuclearisation and the regime's priority on economic development and prosperity, would proceed and change the country. Would the process be similar to that of China of the 1980s? Reforms could destabilize the regime and its leaders. He said the industrial stock – assets used for industrial production – in the DPRK was practically worthless, and much investments were needed. However, the DPRK would be a strong competitor to other economies that were labour-intensive. He noted China also wanted to develop its northeast, neighbouring areas to the DPRK, and the two countries could be competing through erection of Special Economic Zones next to one another.

The other scenario mooted was if the denuclearisation process failed. Possibly, there would still be peaceful coexistence, because the DPRK would still have nuclear weapons and would feel less threatened, but most probably would not initiate a nuclear war. Most likely, inter-Korean economic relations would significantly improve. However, at the same time significant questions remain outstanding as to how US-ROK relations would develop in the context of the Free and Open Indo-Pacific strategy and how the DPRK fits into that reality.

**Speaker 3: Dr. Un-Chul Yang, Director, Center for North Korean Studies, Sejong Institute, Seoul, Korea**

- ❖ The final speaker of the panel was Dr. Un-Chul Yang, who opened with a metaphor of how when people arrived at a prison, they tended to hate the system, but over time they became accustomed to it and ultimately became dependent on the prison environment and system for their needs. While interviewing refugees from the DPRK, he encountered different ideas from those that he had taken for granted in South Korea. For instance, the refugees could not answer or comprehend some of the questions he had that related to standard understandings of how life was in the south. They could not understand the concept of teenage angst and why they resisted or rebelled against their parents.
  
- ❖ He stated that if the aim of the current sanctions was a regime change, we have to admit that they might not be successful. First of all, the DPRK economy was resilient, achieving 3.5% GDP growth in 2017. This was despite mineral exports to China decreasing by 11%. After sanctions were in place, trade with China decreased tremendously, and one had to note the DPRK's trade dependence (90%) on China. He noted the agricultural productivity of DPRK farmers was four times that of Chinese farmers. He thought the extent of China's ability to influence the DPRK or bring it into line through economic measures or other measures was over-estimated.
  
- ❖ Nevertheless, Dr. Yang continued to explain that Chairman Kim had certain fears, for example the operation "bloody nose strike" of the US. He did not, however, believe it would be a good idea for the US to conduct a surgical strike because it had wider implications across the region.



### Q&A of Session III

- ❖ Mr. York asked what direction future sanctions could take and how they could be made more effective. H.E. Pou Sothirak wanted to know if the sanctions were really working. Dr. Yang said that at present sanctions were the only way to control the DPRK, but the trouble was that the sanctions were not working properly. Regarding the suspicions that trade with China was sustaining the regime, he said statistics on this trade were available but he could not obtain them due to the high costs that its providers – Chinese websites – charge for access.
  
- ❖ Dr. Govindasamy requested the panel to comment on the reasons why ASEAN apparently was not taken seriously for North Korean negotiations. After all, the DPRK could be an ASEAN observer or included in an ASEAN+4 concept and thus brought into a multilateral framework.
  - Dr. Yang explained that the sanctions were a political tool, not just an economic one, to weaken the DPRK's position and send them a message of the need to compromise. Mr. Kavi stated his support for ASEAN to invite the DPRK to engage with ASEAN, which would build the DPRK's confidence and make them part of the exchange.
  
  - As to Dr. Govindasamy's question, Dr. Yang indirectly answered that the goal of the ROK was to help the DPRK become a “normal” state, and then it would be able to focus on development and not feel threatened by or act threatening towards anyone. Currently, the DPRK is very weak and has limited resources for engagement, which could explain why it was not engaging by much. Meanwhile, Mr. Kavi was confident that Thailand as ASEAN Chairman in 2019 would be able to make inroads into engaging the DPRK, because all around, not just in ASEAN, states within the region were now quite positive towards the

DPRK. He said ASEAN countries, while obeying the UN sanctions, have refused to cut diplomatic relations with the DPRK.

#### **SESSION IV: WHITHER MULTILATERALISM?**

The session was chaired by Ms. Pich Charadine, Senior Research Fellow, CICP.

#### **Speaker 1: Mr. Michael A. Newbill, Deputy Chief of Mission, U.S Embassy in Cambodia**

- ❖ After expressing his gratitude towards the hosts of the event and the other distinguished speakers, he claimed North Korea to be the greatest security challenge of our time. Under President Trump, the pressure on the DPRK regime has been significantly increased. A nuclear-armed North Korea will not be accepted. President Trump however also emphasized his openness to dialogue.
- ❖ Mr. Newbill stressed the priority was to find a peaceful solution to the situation on the Korean Peninsula. The USA would not accept a state belligerent to it and its allies that possesses nuclear weapons. President Trump was intending to hold Chairman Kim to the commitments made at the Singapore Summit. He noted there were no nuclear tests for one year by the DPRK, but denuclearisation by the DPRK must be independently verified, before there could be any weakening of sanctions. He hoped that China and Russia would play active roles in this process.
- ❖ Touching on the Indo-Pacific strategy, Mr. Newbill reiterated support for responsible government, the rule of law and the protection of individual rights, as expressed in that strategy. U.S. Vice-President Pence explained that when nations have their sovereignty respected, and commerce unimpeded, they would

prosper. He concluded by underlining the importance of this region to the security and prosperity of the US and that the US would work with like-minded nations to pursue those goals.

**Speaker 2: Dr. Kim Youngjun, Professor of National Security Affairs at the National Security College of the Korea National Defense University, Seoul, Korea**

- ❖ Dr. Kim Youngjun opened his presentation showing pictures of Korean students in Moscow from August 1950. He told how they were sending letters home and telling their families about their studies. They did not engage in arguments about which “Korea” (north or south) would be better, but were preoccupied with studying such that they could provide for their families. Kim Il Sung was securing upward mobility for peasants, who were his long-term support base. Chairman Kim Jong-Un now wanted to copy the success of his grandfather and, to reach similar successes.
- ❖ He continued by explaining the dominance of China in the North Korean market and that the *Juche* ideology of self-reliance, which contradicts the reality of this dominance. The DPRK-China relations were a love-hate relationship: providing support, but also creating dependencies. He added that the regime would not collapse due to economic sanctions.
- ❖ Dr. Kim raised the question as to why Chairman Kim started the peace initiative? One had to understand his strategic goals to answer this question. Strategically, Chairman Kim wanted to diversify the DPRK's sources of prosperity and to cultivate more relationships so as to create a more diverse market for the DPRK. Essentially this is a statement that he did not trust fully those who were already doing business with the DPRK. He recalled the 1957 incident in which Kim Il Sung, the father of Chairman Kim, asked Chinese military forces to withdraw from North Korea, because the US was introducing tactical nuclear weapons into the Korean theatre. That would have tipped

the military balance against North Korea. It was often thought that Kim Il Sung thought that the best way to pre-empt that was to ask for a withdrawal of Chinese forces. In fact, Kim Il Sung also wanted to develop its own military force, and it could not do so with dependence on the Chinese military. More recently, there was a survey done by a Korean academic, Oh Kong Dan, among factory workers in the DPRK. One of the findings was particularly intriguing: China was cited as both the number one friend and number one enemy of the DPRK. This love-hate relationship was also often heard in the testimonies of defectors from the DPRK.

- ❖ There would be many factors effecting the realisation of the Second Trump-Kim Summit and the future of the peace process. First there was the US Presidential elections in 2020, and if Democrats take the White House, US policies might change. The second factor was the ROK Presidential elections.

**Speaker 3: Dr. Min, Tae Eun, Director/Research Fellow, International Cooperation Research Division, Korean Institute for National Unifications**

- ❖ Dr. Min began by considering the conceptualization of the denuclearization of the Korean Peninsula being a game in regional power competition. Denuclearization of North Korea was not the ultimate goal for the ROK, and what it really wanted was an improvement of Inter-Korea relations, for which six party talks might be needed. The two Koreas and the US were the key players on this issue. The US was skeptical about DPRK's offer to denuclearize and would only lift sanctions after such denuclearisation, on its terms, was completed. US policies towards the DPRK had also been dynamic, going from a concept of pre-emptive first strike to bilateral talks at present. Dr. Tae explained that the US wanted strong sanctions as a tool to practically show leadership on the issue and to exert power over the DPRK, since the DPRK posed a direct threat to

the US. There would be no reason for the US to rush or to make early concessions, and there was also advantage in doing so as this is a card to play in US-China bilateral relations. The US also had to consider how quick denuclearisation could impact the development of the US-ROK alliance and the overall strategic and military position of the United States in East Asia.

- ❖ China, she noted, sought peace and stability in the region, a denuclearized peninsula, and reinstatement of six-party talks. Chinese priorities were inspired by the country's own need for economic stability. Keeping the nuclear issue alive without resolving it would be in China's interest, as a way to put pressure on the USA. Chinese interests could be served by maintaining the status quo.
  
- ❖ Japan did not have much interest in the nuclear issue, and did not have high hopes on denuclearisation. Neither does it trust the DPRK. However, Tokyo supported improvements in inter-Korean relations, since denuclearization could only be achieved by the US and they wanted to avoid tensions with the Republic of Korea over historical differences.
  
- ❖ Finally, Dr. Min said her preference was for the inter-Korea conflict to be detached from great power geopolitical rivalries.

#### **Q&A of Session IV**

- ❖ Mr. Kavi commented on the slow opening of the DPRK's economy, and he asked if economic reforms or economic difficulties might lead to regime collapse. Did the stream of people leaving North Korea tell us anything about this matter? Dr. Koh asked from which classes the refugees usually came from and if it would be mainly people who did not benefit from government economic policies.

- ❖ Another question concerned what effective concessions the Republic of Korea and the US could offer to the DPRK, contending that perhaps the ROK needed to be in the UNSC as a permanent member.
  - Taking the lead, Dr. Kim threw light on the real state of affairs in North Korea. From the outside, observers saw people fleeing the regime in times of crisis under a dictator, but the reality was much more complex. The outside world had always expected collapse, but it has not happened.
  - Dr. Min explained that expectations based on the East German case could not be applied to North Korea. Most of the refugees were from the lower middle class, who suffered under the current sanctions. On the contrary, the number of higher class defectors had decreased.
  - Mr. Newbill mentioned that different administrations had different ideas about the Korean Peninsula, and this administration focused on bilateral talks, leveraging the ability of President Trump to negotiate. The difficulty however was the large number of stakeholders with interests in the issue. It did not look like there would be six-party talks soon, but many concerns have been voiced and heard.
- ❖ H.E Pou Sothirak stated that the US was open for dialogue and requested the panelists to consider the different paths to denuclearization, and how. He followed up on the issue of social classes in North Korea and asked if upward mobility existed. He asked Mr. Newbill if the Trump administration had a Plan B, if all present efforts failed.
- ❖ Dr. Murg asked about the domestic perception in North Korea of any possible roles in the peace process to be played by Japan. Mr. Mom Saroeun enquired about a possible role for India, and how the strategy of the Indo-Pacific influenced the issues at hand.

- Mr. Newbill shared that there was a Plan B, but he could not inform the audience of what it was. It was very positive that the US and the DPRK stopped their Twitter wars and started talking, but there remain significant differences that need to be addressed. The US could toughen sanctions in the event that the process stalled, but this would require obtaining the approval of the UNSC in a more difficult environment than before. The US would keep its options and offer open as long as possible. India also has an historical role here, dating back to the Korean War; but New Delhi has not registered or exerted any effort in the current period.
- Dr. Kim highlighted President Moon's ideas about multilateral railway and energy projects with the DPRK in the event that a peace deal was struck. However, these projects would be hugely costly to the DPRK if for any reason it violated the terms of the deal. He encouraged more participation for the North and more interdependence among all stakeholders. He mentioned that he had not heard about Japan's willingness to also be included in the current talks.
- Dr. Min stressed the vital role of Russia in the process of denuclearization. But many problems between the US and Russia remained, which means the US might not agree to Russian involvement. On the other hand, Russia wanted to play a role yet remained very vague in their stance regarding their own policies towards the Korean Peninsula. Concerning India, President Moon had emphasized the importance of ASEAN and India and he was opened to including them in talks.

## **SESSION V: OPEN AND FREE DISCUSSION**

This Open and Free Discussion – the last – session was chaired by H.E Amb. Pou Sothirak, Executive Director of CICP. He welcomed any

comments on any related topics, and asked speakers to also provide what they have been able to learn from the past one and a half day of the conference.

- ❖ Dr. Un-Chul Yang started by stating that the US sanctions were not strong enough to force regime change. He said stronger sanctions in the area of finance were probably warranted and that it was important to ask or make China toe the line in this area. A collapsed North Korea would be the worst case for China, if it led to streams of refugees crossing into China. A collapse might also activate the contingency military plans of the ROK and the USA. Between collapse and status quo, however, he thought there was also the possibility of a new DPRK emerging, reformed, less threatened and less threatening, and more at ease with itself and neighbours, and perhaps even prospering and integrating slowly with the region.
- ❖ Mr. York explained during his former job as editor of North Korea News he would regularly accept contributions from North Korea to include their perspective into things. Once people understood their views, there could be a more collaborative approach. He also thought there were unrealistic promises made by US politicians on the US election campaign trail.
- ❖ Dr. Sun Wenzhu asked for Dr. Schaefer's view as to when US-ROK military exercises in the south would resume, and whether the Double Freeze was acceptable to the USA. Dr. Schaefer said resumption could jeopardize everything achieved to this point, unless North Korea first violated terms of the agreements so far. He doubted resumption. He shared that in the weeks preceding the conference, the Pentagon wanted to resume exercises, but President Trump held back the horses. Dr. Murg noted that North Korea was a high security priority for the US population, but so were anti-China sentiments.
- ❖ H.E. Pou Sothirak asked specifically what needed to be done to reach the next level of the peace process.



- Dr. Schaefer said an action plan with gradual steps would be needed, showing the DPRK what they could achieve if they stuck to their side of any deal. However, the US was not very forthcoming on concessions, which was a difficulty.
  - Dr. Murg added there was a shift of US foreign policy focus from the Middle East toward Asia, and the security threat posed by the DPRK was the top security challenge confronting the USA.
  - Mr. Kavi highlighted the role of ASEAN in this context. ASEAN could introduce a set of rules and socialize North Korea, politically, economically and culturally. He said Cambodia emerging from the Cold War was a successful example of this ASEAN approach. ASEAN was well-placed to play this role because it had no enemies and the DPRK realised that.
- ❖ H.E. Pou Sothirak enquired with speakers on how to make ASEAN visible in the Korean Peninsula peace process.
- Mr. Kavi said informal meetings at ASEAN and other formal international meetings could be helpful. He added that it could be possible for significant engagement with the DPRK in 2019 by ASEAN. Dr. Govindasamy said more think tank engagement between ASEAN and DPRK could be useful, and Dr. Koh suggested that ASEAN should send delegations to North Korea to find out their needs and build confidence through sharing and dialogue. Dr. Kim said ASEAN could try an ASEAN+2K (Koreas) dialogue regularly, perhaps tied in with a regular summit with Chairman Kim.
- ❖ A student participant requested comments on the idea of South Korea as a permanent member of the UNSC to solve the issue closer to the ground. Dr. Min Tae Eun explained that the sanctions were US-led and there would be little reason for further complication with a new member of the UNSC meddling with the US-led approach under the UN umbrella.

- ❖ H.E. Pou Sothirak wrapped up the session with a summary of the points raised throughout the conference. On suggestions to bring the peace process forward, he was a sceptic, yet he thought the idea of socializing North Korea to be quite helpful. Last but not least, the “To-Do List” suggestion from Dr. Schaefer, where steps tied to rewards and to the next step were listed, was useful. He noted that the US removed the time frame for the denuclearisation process although Washington still insisted on Complete, Verifiable, and Immediate Denuclearisation. This might show that the US realized it needed more patience, but it certainly demonstrated that the peace process would be a long, drawn out affair.

## ANNEX

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### WELCOME REMARKS

*H.E. Ambassador Pou Sothirak*  
*Executive Director of the Cambodia Institute for Cooperation and Peace*

**During the Regional Conference on  
Inter-Korean Relations in 2018 and Beyond:  
New Realities, New Challenges**

**At Raffles Hotel Le Royal, Phnom Penh  
14-15 November 2018**



H.E. Amb. Pou Sothirak (at the Podium) /Photo Credit: CICP

- Excellency the High Representative from the Ministry of Foreign Affairs and International Cooperation of Cambodia
- H.E. OH Nak-young, Ambassador of the Republic of Korea to the Kingdom of Cambodia
- Mr. Mom Saroeun, Senior Program Manager Konrad-Adenauer-Stiftung (KAS), Cambodia
- Distinguished Chairpersons and Speakers of the Conference
- Excellencies, Ladies and Gentlemen

On behalf of HRH Samdech Norodom Sirivudh, Founder and Chairman of Cambodian Institute for Cooperation and Peace (CICP), I am pleased to welcome all of you to this conference examining the topic of “Inter-Korean Relations in 2018 and Beyond: New Realities, New Challenges.”

Especially this year, the world has watched, with fascinated attention and high hopes, the truly remarkable developments taking place on the Korean peninsula.

Divided since 1945, the first meeting between leaders of the two Koreas President Moon Jae-In and Chairman Kim Jong-Un in late April 2018 sent a welcoming expectation that the threat of war has been averted and reduced on the peninsula. Following the second meeting, an emergency one in May, paved the way for the possible historic meeting between North Korean leader Kim Jong Un and President Donald Trump in Singapore in June. Whereas the third summit between two Korean Leaders in September this year has been seen as ongoing effort by Seoul to galvanize serious negotiation toward delivering something more substantive that goes beyond previous vague statements on denuclearization to help get US - North Korea talks back on track again. With these series of important meetings between the two Korean leaders, we can look forward to the prospect of a formal peace treaty to officially end the Korean War which will depict the opening of a new era in Inter-Korean relations.

At the same time, the meeting held in Singapore on 12 June, 2018 between President Trump and Chairman Kim has laid down a foundation for a prospect of the much anticipated peace at last in the Korean Peninsula. The two leaders’ expressed commitments to jump start the denuclearization process have also been a remarkable milestone illustrating further, necessary progress if a sustainable peace is to be achieved - in light of the key role the United States has played and continues to play in Northeast Asian security since the close of the Second World War.

While we should recognize the relentless efforts made by the US Secretary of State Mike Pompeo to prepare for the second Trump-Kim summit capitalizing on the US commitment to persuade North Korea ends its nuclear weapon programs under the supervision to outside inspectors and narrowing down the definition of concessions, we cannot underestimate the much hard and complex works that are required to totally and immediately denuclearize North Korea under a complete, verifiable and irreversible disarmament scheme that the US has pursued, given North Korea's reliance on existential deterrence that by having a small and undisclosed nuclear and missile capability Pyongyang can coerce the US and South Korea to threat the North seriously. The Second US-North Korea Summit which supposes to happen this year is now postpone to next year due to scheduling complication, a reason that is more perplexing than straightforward.

Nonetheless, the rapprochement between north and south and sustained commitment from the US and other important powers such as China, Russia, and ASEAN will fundamentally alter the geopolitics and security structures of the Asia-Pacific region - and today, those of us gathered here at this conference seek to examine the realities of that process, the impediments that peace building confronts, as well as the potential implications for the region and the world.

### **Excellencies, Ladies and Gentlemen,**

Examination of these new realities and new challenges is precisely the objective of this conference.

With the first session this morning, the conference is set to explore what has transpired and, perhaps even more importantly, the questions of: How should we assess the progress that has been made to this point? What metrics can provide a firm basis for analysis as to where things stand at present and the likely near-term trajectory of the peace process? Furthermore - what are the potential stumbling blocks that the

main actors are confronting? And, ultimately, what is the likelihood for the achievement of a stable, peaceful equilibrium for the region?

It is also essential to recognize these negotiations are taking place against the increasingly complex backdrop of structural change in the region. China's rise continues to alter the strategic dynamics of Northeast and Southeast Asian security as shown through the Belt and Road Initiative, a deepening Sino-Russian partnership, and Beijing's expanding economic hegemony across the region. While the creation of the minilateral Quad grouping of the United States, Japan, Australia, and India along with the continued development of the Free and Open Indo-Pacific Strategy couple with the ongoing trade war between the US and China raise further questions as to how the Korean peace process will play out at this time of vast regional change.

The second session focuses on Denuclearization and Peace Building. While recognizing the significant, laudatory progress that has been achieved to date, it is also incumbent on us to question all potential scenarios - including the possibility that these discussions will not achieve a resolution of the questions at hand that is satisfactory to all parties. Recognizing that real possibility, today our distinguished panelists will also discuss the implications for all parties should the current negotiations end with a less than positive outcome.

How would Pyongyang respond to this eventuality? Would North Korea "lash out" - and if so, what measures might they take along those lines? If negotiations do fall through, how would US-South Korean relations develop within the context of the Free and Open Pacific Strategy? Additionally, what options would be available to incentivize Pyongyang to return to the negotiating table? Responsible discussion of these questions requires a full examination of all of these potential scenarios in order to help to facilitate more informed dialogue and discussion by all actors as this important process moves forward.

The third session is designed to deliberate on the Economic Implications for North and Southeast Asia. Conversely, assuming the longed for, positive outcome of the the achievement of a lasting, institutionalized peace on the Korean peninsula is realized – what would the impacts be for Northeast Asia as regards the region’s economic development? The Tumen River Development Initiative proposed in the 1990s was designed to build on the economic complementarities of the region in order to support development across a region where security questions have long impeded economic integration and “win-win” cooperation. Could this process be re-vivified? If not, what are the alternatives at hand to support sustainable development in the region and beyond? And what is the role of sanction in making denuclearization more effective?

Finally, the fourth session will address the fundamental question of Whither Multilateralism? It is essential to note, particularly here in Phnom Penh, that Inter-Korean relations are not just important for Northeast Asia but also have implications for Southeast Asia. From security to the deepening of cross- national foreign direct investment to the expansion of trade relations – the ASEAN states in general, and Cambodia in particular are following with intense interest the developments taking place in Seoul, Pyongyang, Washington, Beijing, Mosco and Tokyo. The interests of these states also need to be clarified in order to achieve a more thorough understanding of the realities at hand. Therefore, today and tomorrow, we also seek to discuss these questions and to help to clarify the salience of inter-Korean relations for ASEAN in general and Cambodia in particular.

### **Excellencies, Ladies and Gentlemen,**

Directly following me, we will have the privilege to hear the perspectives of two eminent speakers.

First, Mr. Mom Saroeun, Senior Program Manager at the Konrad Adenauer Stiftung who will take the floor to say a few welcoming

remarks as the main sponsor of this event and to offer his thought on the holding to this conference.

Second, we are honored to have H.E. Oh Nak-Young, Ambassador of the Republic of Korea to the Kingdom of Cambodia who will provide further context and insights as to the vital questions that today confront the Korean Peninsula, East and Southeast Asia, and indeed the world as the inter-Korean dialogue continues to develop. We will hear from him the specific and important policy of President Moon Jae-in in working with all the pertinent major powers to achieve the ultimate goal of denuclearization and achieve complete peace in the Korean Peninsula.

Throughout the four sessions, we will also be exposed into the depth of issues concerning the Korean Peninsula by a selected speakers and regional experts who will enlightening us with their deep knowledge on the prospect of long term strategy to create lasting image of positive development in denuclearization process and how to achieve complete and lasting peace in the Korean Peninsula.

In conclusion, I would like to extend my sincere appreciation to the institutions that have supported these discussions over the next two days namely CICIP's core partner, the Konrad Adenauer Stiftung and the Embassies of the Republic of Korea and the United States of America to Cambodia. Only through their kind and generous contributions has this conference been possible.

I would like to thank all of my friends – internationally known experts on the topics at hand and the panel chairpersons who are local and regional distinguished individuals who have travelled from across the region and the globe to provide valuable insights that will make this conference both interesting and timely. I am hoping that there will be funding support to produce the outcome report proceeding this conference in order to disseminate what have been discussed to wider audience for the benefit of a better understanding of this important evolution concerning security issues in the Korean Peninsula.



Last but not least, I would like to extend my appreciation to all of your Excellencies, ladies and gentlemen, and the distinguished local and international participants for being so generous with your time in attending this conference.

I wish the conference a fruitful deliberation. Thank you very much for your kind attention!



## OPENING REMARKS

*Mr. Mom Saroeun*  
*Senior Program Manager*  
*Konrad-Adenauer-Stiftung (KAS) Cambodia*

- Excellency **Ambassador Pou Sothirak**
- Executive Director, Cambodian Institute for Cooperation and Peace (CICP), Phnom Penh, Cambodia
- Excellency **OH Nak-young**
- Ambassador of the Republic of Korea to the Kingdom of Cambodia
- Dear national and international distinguished speakers!
- Excellencies, ladies and gentlemen and national and international distinguished guests!



*Photo Credit: CICP*

First of all, on behalf of the Konrad-Adenauer-Stiftung (KAS), it is a great honor for me to be here and I would like to express my sincere gratitude to the Cambodian Institute for Cooperation and Peace (CICP), a long outstanding partner of KAS, for hosting this regional conference on the topic of “Inter-Korean Relations in 2018 and Beyond: New Realities, New Challenges” in cooperation with and funded by KAS Cambodia.

At the same time, I would also like to extend my warmest welcome and sincere thanks to Excellency ambassadors and all representatives of the diplomatic corps of the Kingdom of Cambodia, Excellencies, ladies and gentlemen, national and international distinguished guests, especially international speakers who have traveled from your countries to attend this meaningful regional conference today. Moreover, the regional conference is a center point by bringing together all stakeholders such as regional experts, scholars, researchers, political analysts, government officers and students in sharing experiences to find out how the relations between South and North Korea shall look like in the mere future.

- **Excellency Ambassador Pou,**
- **Excellencies, Ladies and Gentlemen!**

The topic of the regional conference today is telling us not only about the relations between the two countries but also about the tensions recently developed in the new era on the last consequence of the meeting between both presidents of the two countries.

I would like to highlight a bit of the history of the Korean peninsula before it was split into North and South Korea. The Korean War from 1950 - 1953, which happened because of the deep seeded conflicting ideologies, power struggle and external influences, have provided such harmful consequences for the once united Korea that has been deeply divided into two parts-North and South Korea-for approximately 70 years now. The potential breaks out of a conflict in Korea has become a threat to the Korean Peninsula, the region and to the international community as a whole due to the development of North Korea's nuclear program and the ignorance of the opening of the North Korean market to international cooperation.

There have been numerous attempts by regional powers and the two Koreas in the past for peaceful negotiation, national reconciliation and a

possible reunification, but those initiatives have failed and turned out to be a source of disappointment.

However, the relations between South and North Korea have become the center of international attention since the historic meeting between President Moon Jae-In and Chairman Kim Jong-Un earlier this year. In addition, the recent Singapore Summit, which was held in June, brought together the leaders of the United States and North Korea to potentially start a new era of peaceful negotiation. This has further intensified global interest in the region.

The situation of the Korean Peninsula needs to be properly assessed and resolved, especially the issue regarding finding complete peace with an effective solution to the denuclearization of North Korea.

Therefore, today the regional conference will be focused on the following topics: *1) on assessing the peace process on the Korean Peninsula: Current Realities and Future Challenges. 2) The need of discussion on Denuclearization and Peace Building. 3) Economic Implications for North and Southeast Asia and 4) Whither Multilateralism?*

In other words, this is to further understand the status quo of the Korean peninsula, and to highlight potential next steps and various scenarios anticipated for the security of the peninsula. Besides, the need of discussion on Denuclearization and Peace Building is a must because it will provide a better understanding on North Korean denuclearization and a comprehensive peace mechanism on the Korean peninsula, for example, the progress/lack of progress made since North Korea announced its initial commitment and the challenges regarding the monitoring and trust-building. In the best case scenario which North Korea is ready and is willing to cooperate with its neighboring countries, what would that cooperation look like? Moreover, the discussion on economic implications for North Korea and Southeast Asia would build a regional economy for North and South Korea and its neighboring countries. The importance of multilateralism, in

particular, the role of other powers in the region such as Japan, India, China and Russia also needs to be addressed as those actors also have an interest in a secure and stable Korean peninsula. How do these states perceive the current peace process and how do they see its development in light of their own, respective national interests?

I do hope that the regional conference today will bring fruitful results from sessions raised by national, international speakers and participants; and then it will conclude with potential findings for next steps of the Korean peninsula.

- **Excellencies, Ladies and Gentlemen!**

Before I finish my remarks, I would like to inform your Excellencies, Ladies, and Gentlemen about the role of KAS in the world and in Cambodia. We are a political foundation that is active globally. We have been working in more than 120 countries worldwide and our offices serve more than 200 projects around the world. Our headquarters are in Sankt Augustin near Bonn and Berlin. In particular, KAS has been working in Cambodia since 1994. We promote peace, freedom and justice through political education. The main scope of work is the consolidation of democracy, the promotion of the rule of law, political think tanks, social market economy, and new trends of digitalization. We are working in diverse fields and we have a powerful cooperation with our partners such as the Department for Media and Communication (DMC), Buddhism for Development (BfD) and last but not least the Cambodian Institute for Cooperation and Peace (CICP) which consist of national, international and political think tanks. We are also engaged with the Cambodian government, in particular to promote civic education which is the main cooperation with the Ministry of Education, Youth and Sport (MoEYS) and the Ministry of Interior (MoI) on enhancing Ombudsmen. We are here if you need our support - just sending your requirements to us and we will take them into further consideration and discuss them

Once again, I would like to express my most sincere gratitude to CICP for organizing this regional conference. With this significant cooperation between the two institutions, I strongly hope that the Konrad-Adenauer-Stiftung (KAS) can continue its cooperation and financial support to the Institute to organize such important events in the following years.

Last but not least, may I wish Excellencies, ladies and gentlemen and national and international distinguished speakers, discussants, moderators and all participants with the four gems of Buddha's blessings: Longevity, Nobility, Health and Strength. And may all international distinguished guests have a very pleasant and safe stay in the smiling city of Phnom Penh, the heart of the Kingdom of Cambodia.

**Thank you for your attention!**





## SPECIAL REMARKS

*H.E. OH Nak-young*

*Ambassador of the Republic of Korea to the Kingdom of Cambodia*

Your Excellency Ambassador Pou Sothirak, Executive Director of CICP  
Distinguished guests, and Ladies and gentlemen,

It is a great honor and privilege for me to have this opportunity to speak here at the Cambodian Institute for Cooperation and Peace, which is a leading think-tank of Cambodia.

Let me start by conveying my special thanks to H.E. Ambassador Pou Sothirak and all members of CICP and the KAS (Konrad-Adenauer-Stiftung Cambodia) for organizing this event wonderfully.



*Photo Credit: CICP*

I think today's Seminar entitled "*Inter-Korean Relations in 2018 and Beyond*" is very much timely and relevant at this moment. This year 2018, excellent progress and steps are being made in the path to peace and co-prosperity on the Korean Peninsula.

### *Recent Developments on the Korean Peninsula*

Taking this opportunity, I will give you a brief summary of background and update on the recent developments of the Korean Peninsula.

Even a year ago, the news was usually about North Korea's nuclear or missiles provocations against the will of the international community. This year, however, the news has been mostly about the start of dialogue to resolve the long-standing issues and about inter-Korean reconciliation. This year began with North Korea responding to our repeated call to revive dialogue and to come to the Pyeong-Chang Winter Olympics and Paralympics.

With the North's participation in those Games, the two Koreas moved forward the first inter-Korean summit in eleven years, on 27<sup>th</sup> April at Panmunjeom. Another inter-Korean summit followed on 26<sup>th</sup> May in order to ease the way towards the first-ever U.S.-North Korea summit. More recently, in September, President Moon visited Pyongyang for three days and the two leaders showed that another great milestone has been reached in pressing forward for a new future.

In the outcome of these summits, the Panmunjeom Declaration, Pyongyang Declaration between President Moon and Chairman Kim Jong-un, as well as the Sentosa Statement between President Trump and the Chairman Kim, committed to work for the establishment of lasting peace on the Korean Peninsula, and to achieve complete denuclearization.

So far, some concrete results have been already made. The inter-Korean military communication was completely restored. The two Koreas agreed not to apply any military pressure to each other. Cross border reunions of separated families were held at Geumgang Mountain in celebration of Liberation day. Sports and cultural talks and exchanges are also taking place. This August, the unified Korea team joined the Jakarta-Palembang 2018 Asian Games. Moreover, both Koreas will go to the Tokyo Olympics as one team and will try to hold the 2032 Olympics in Pyongyang and Seoul.

Suffice it to say here that two Koreas are moving forward for achieving a complete denuclearization, and thus establishing a lasting peace on the Korean Peninsula. The two Koreas will continue to make their journey into the final destination of national reunification, though there might be some twists and turns in the path.

### *International Cooperation*

Excellencies,  
Distinguished guests, Ladies and gentlemen,

As we move forward North Korea's complete denuclearization, we count on the abiding support of our close friends. The Kingdom of Cambodia, as a special friend of the Republic of Korea, shares our aspiration to achieve lasting peace on the Korean Peninsula and beyond.

His Excellency Prime Minister Hun Sen repeatedly lauded inter-Korean Summits and expressed Cambodia's commitment to peaceful and constructive dialogue in order to reduce tensions and achieve complete denuclearization. Taking this opportunity, I would like to convey deep appreciation to the government and people of Cambodia.

The Korea-Cambodia ties have grown deeper and wider over the last 20 years. And I firmly believe that with my government's "New Southern Policy" which would set the tone for Korea's closer relations with ASEAN, the bilateral relations between the ROK and the Kingdom of Cambodia will be advanced to new heights and further for the mutual benefits of our two peoples.

## *Conclusion*

Now, we are at crossroads toward a permanent peace on the Korean Peninsula. We hope this momentum will continue, leading to the peaceful resolution of the North Korean nuclear issue and the establishment of lasting peace on the Korean Peninsula. To our friend countries, we ask for valuable supports and coordination in these endeavors. We ask for the solidarity of the international community.

I strongly believe that all of us here today have the same hope and dream to see peacefully reunified Korea in some days to come. I look forward to a productive discussion today with diverse ideas and viewpoints, together with valuable suggestion, on the affairs on the Korean Peninsula and its future.

In doing so, you are kindly requested to pay attention to the two aspects of Korean issue, respectively international and national characters. The divided Korean peninsula is not only the arena of competition among major powers with conflicting interests, but also the valuable basis of livelihood to Korean people. I hope this two-day conference can provide us with more insightful viewpoints and suggestion.

Thank you for attention!

## PEACE AND SECURITY FOR THE KOREAS: WHERE WILL THE PENINSULA GO?

*Dr. Bernd Schaefer*

*Senior Scholar at Woodrow Wilson International Center's Cold War International History Project and Lecturer at George Washington University*



*Photo Credit: CICIP*

The North Korean nuclear quest to pursue nuclear weapons can be traced back to the early 1960s when the Democratic People's Republic of Korea (DPRK) lost trust in the Soviet Union and observed the successful Chinese build-up of nuclear capacities against the explicit will of USSR. The North Korean rationale was to acquire a safeguard against attacks, as the DPRK no longer fully trusted Soviet or Chinese assertions to defend North Korea in case of war.

However, for the entire duration of the Cold War until 1991 neither China nor the USSR were willing to share nuclear technology with the DPRK. Especially Moscow actively worked behind the scenes against any North Korean attempts to acquire nuclear technology from third countries. The Soviet Union only cooperated with the construction of a civilian nuclear reactor in Yongbyon.

After the dissolution of the Soviet Union in 1991 and Chinese diplomatic recognition of South Korea in 1992, North Korea pursued nuclear arms more than ever and now encountered no more external control or restraint. Mostly Pakistan, and a few other unwitting countries, provided the DPRK with nuclear technology that led to

international crises and temporary defusing agreements in 1994 and 2005. However, the North Korean nuclear path proceeded clandestinely after 2009 until in 2017 nuclear status was successfully achieved. In addition, medium- and long-range missile technology had reached an advanced state. The DPRK now felt protected from threats and efforts of external regime change, and leader Kim Jong Un declared in November 2017 permanent nuclear power status and paused further nuclear tests or missile launches.

The Trump Administration in the United States felt throughout 2017 until early 2018 extremely challenged by North Korean nuclear tests, missile launches and arrests of U.S. citizens in North Korea. The U.S. responded with military rhetoric and planning to take out the DPRK's nuclear technology. A 'bloody nose' limited non-nuclear strike on the DPRK was advised from the White House and its National Security Council while the Department of State and the Defense Department pushed for negotiations and a diplomatic solution as the only viable option to deal with the North Korean nuclear arsenal. Ultimately, due to South Korea's peace diplomacy, the latter option gained the upper hand when President Trump agreed to a summit meeting with Kim Jong Un in Singapore in June 2018.

The Singapore Summit Statement produced a joint U.S.-North Korean statement of which three provisions stand out while their order or sequence is highly relevant:

"Convinced that the establishment of new US-DPRK relations will contribute to the peace and prosperity of the Korean Peninsula and of the world, and recognizing that mutual confidence building can promote the denuclearization of the Korean Peninsula, President Trump and Chairman Kim Jong Un state the following:

1. The United States and the DPRK commit to establish new US-DPRK relations in accordance with the desire of the peoples of the two countries for peace and prosperity.

2. The United States and the DPRK will join their efforts to build a lasting and stable peace regime on the Korean Peninsula.
3. Reaffirming the April 27, 2018 Panmunjom Declaration, the DPRK commits to work towards complete denuclearization of the Korean Peninsula.”

While in the United States the President and his government publicly define this statement as a “North Korean commitment to complete denuclearization”, the DPRK insists on “new US-DPRK relations” and a “peace regime for the Korean peninsula” first. The current status quo basically consists of a “freeze for a freeze”, this is no DPRK nuclear tests or missile launches vs. no large-scale US/ROK exercises with nuclear components. Both sides, and especially so the DPRK, blame each other for an “all-take-but-no-give” attitude. The U.S. is demanding a complete declaration of North Korean nuclear sites, an end of all nuclear activity, verifiable first steps of dismantling and ultimately “complete, verifiable, and irreversible denuclearization”. In return, the U.S. is offering gradual sanctions relief and investment. The DPRK on the other hand is expecting American steps towards a grand ‘peace regime’ package with treaty and security guarantees and mutual diplomatic recognition, accompanied by gradual reciprocal steps until a “complete denuclearization of the entire peninsula”.

For future developments, the personal factor of President Trump is highly important. He clearly has a personal interest in an unprecedented historical achievement and has made numerous public statements in this regard. With his statement after his return from the Singapore Summit that “North Korea is no longer a nuclear threat to the U.S.”, he has created a dynamic and expectations that are not easy to walk back from. There exists a window of bilateral American-North Korean progress and agreement before the 2020 U.S. presidential election. However, for 2019 domestic turbulences are to be expected for the President and his administration. The question is whether those turbulences will foster the President’s preference for foreign policy success or rather for the opposite of foreign policy tension. Or whether

they will consume and distract him to an extent that diplomacy with North Korea will completely stall. Certainly the U.S. public, Congress and the military embrace a high level of skepticism over the DPRK's sincerity. The "Trump factor" will be paramount: How much political capital will the U.S. President have in 2019/2020, how much and for what will he be willing to spend it? After all, and making things more complicated, the U.S. administration's internal discussion of what the U.S. is willing to offer to the DPRK beyond an end of sanctions is far from settled and completed. One might even wonder whether the U.S. is willing to offer anything at all.

So far, the DPRK has attempted to utilize a "spirit of Singapore" and "faith in President Trump", but practicing leadership diplomacy (letters by Kim Jong Un) might not be enough. The U.S. is interpreting that "spirit" very differently and talks about the North Korean leader having made a "commitment to denuclearize". Both the United States and the DPRK must make new additional offers and deliver on them in order to change the status quo. At this point, it seems doubtful that they are willing to do so without the other side coming up first. High-level talks have been cancelled and stalled, U.S. Secretary of State Mike Pompeo does not seem to be able to gain trust with the North Korean leadership. All might depend whether there will be a second Trump-Kim summit in 2019 or not. This looks currently as the only option for creating new dynamics - unless either South Korea or China take matters in their own hands and improve their relations with North Korea without waiting for what the United States might do or rather not do.



## **SOUTH KOREA, NORDPOLITIK AND THE LEGACY OF AGGRESSIVE DIPLOMACY WITH NORTH KOREA**

***Mr. Rob York***

*Editor at South China Morning Post and  
Former Editor of North Korea News*



*Photo Credit: CICP*

As the Moon Jae-in administration, with the blessing of the Donald Trump administration in Washington, pushes for peace, de-escalation, and mutually beneficial economic projects with North Korea, dedicated watchers of the peninsula have surely heard comparisons to the Sunshine Policy. Sunshine was not the first policy of a South Korean regime that sought reconciliation with the North, but between the iconic

photographs of the Korean leaders embracing in Pyongyang and the Nobel Peace Prize it won for Kim Dae-jung, it is certainly the most iconic. Because of the publicity the Sunshine Policy attracted and because of the present administration's efforts to follow in its footsteps, a preceding policy that aimed at inter-Korean détente has been shunted to obscurity, though its impact was arguably greater for South Korea's status as a whole: the Nordpolitik of Roh Tae-woo.

That Nordpolitik has largely been overshadowed in the discussions of inter-Korean relations by the Sunshine Policy, initiated by former President Kim Dae-jung (1998-2003) and essentially continued by Roh Moo-hyun (2003-2008), is understandable: the Sunshine Policy gave the peninsula its first summit (in 2000), and then second (in 2007), between the leaders of the two Koreas. For subsequent administrations, its

approach has symbolized either the sincerity and courage of the progressive administrations that carried it out, or of their naivete in assuming North Korea could be won over with, it is alleged, good will alone. The present administration headed by Moon Jae-in, Roh Moo-hyun's former chief of staff, has revived the sentiment of the Sunshine era, and as such the current rapprochement between the two Koreas is occasionally, if derisively, called "Moonshine."

Nordpolitik, which proposed but never actually delivered any inter-Korean summits, receives comparatively little recognition now compared to the Sunshine Policy. There may be any number of reasons for this; Nordpolitik not only failed to improve inter-Korean relations, it ended in the first Korean nuclear crisis. It was also proposed by a center-right administration, and subsequent conservative administrations have tended toward skepticism of their predecessors' approaches to the North, even by those of similar political inclinations. Progressive administrations, of course, prefer to tout the measures proposed by their own bloc, especially given that Nordpolitik's booster, former President Roh Tae-woo (1988-1993), would eventually face the disgrace of trial and conviction not only for corruption, but for his participation in the December 12<sup>th</sup> coup of 1979 that made his friend and fellow general, Chun Doo-hwan, an especially hated dictator for seven years. As such, neither conservative and progressive administrations have been eager to exhume and rescue it from historical obscurity.

Nordpolitik's impact, however, extends beyond inter-Korean relations, into greater East Asian security matters and South Korea's relations with Europe, and on those terms the policy was a massive success. China and South Korea would open their markets to one another, and today China is far and away South Korea's largest trading partner.<sup>1</sup> It also initiated ties with Moscow, which would survive the collapse of

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<sup>1</sup> World Trade Organization. Jean H. Lee, "Republic of Korea." No date, The World Trade Organization, <http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Country=KR&Language>

the Soviet Union and remain to the present day, despite Vladimir Putin's contentious relationship with South Korea's Western allies and his efforts to maintain harmonious Russian-North Korean relations. As it succeeded in winning these former enemies over, South Korea became increasingly confident of its own position relative to the North, and proposed summit talks between Roh and North Korean founder Kim Il-sung.

However, by attempting to, so to speak, kill the North Koreans with kindness after it had poached their primary allies, Nordpolitik can be seen as the first example of South Korea attempting "aggressive" diplomacy with the North. The result would be a North Korea that accelerated efforts to achieve a nuclear program and threatened to exit the Nuclear Non-Proliferation Treaty. Roh Tae-woo's confidence evaporated and, rather than put the cap on his diplomatic achievements with an inter-Korean summit in 1993, Roh backed out citing the North's pursuit of nuclear weapons. The end result would be the first North Korean nuclear crisis, in which the US entertained the idea of targeted strikes on the North, the North threatened to turn South Korea into a "sea of fire," Pyongyang ultimately reached a deal with the United States postponing the launch of its nuclear program, and no inter-Korean summit took place until 2000.

Nordpolitik's results were mixed, and so is its reception among scholars. Though largely forgotten compared to its successor policy, it receives credit for capping South Korea's miracle economy, having risen from an impoverished client of the US in the early 1960s to a bona fide middle power,<sup>2</sup> capable of granting aid rather than receiving it. On the other hand, its approach to inter-Korean ties, specifically, is criticized, and even blamed for the failure to resolve differences between the two sides ever since. While aspects of South Korea's approach and its preparation for North Korea's reply clearly seem flawed in retrospect, this paper argues that Nordpolitik succeeded

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<sup>2</sup> Jeffrey Robertson. "South Korea as a middle power." *International Journal of Korean Unification Studies* 16.1 (2007), 151-174.

where its success was possible; North Korea's historical circumstances and ideology meant that an inter-Korean breakthrough was highly unlikely under the circumstances of the time and, perhaps most critically, the circumstances have not improved since then despite the gloss of recent events.

### **Scholarly reception**

Though generally overshadowed by the inter-Korean initiatives that followed, Nordpolitik has received favorable analysis from scholars, though generally for its initiation of South Korean relations with states other than North Korea. While otherwise critical of Roh Tae-woo's legacy, Choong Nam Kim declares Nordpolitik a success, not only for breaking open the export markets and diplomatic channels in Beijing and Moscow, but also for overcoming South Koreans' own wariness toward communism.<sup>3</sup> Yasuhiro Izumikawa describes South Korea's outreach to the Soviet Union and PRC in this time period as a rare example of "positive sanctions," especially considering the former hostility of its targets, as well as their size vis-à-vis South Korea.<sup>4</sup> Charles Armstrong notes that the declaration of Nordpolitik as a policy in the "July 7 Declaration" of 1987 mainly concerned inter-Korean relations, but that Nordpolitik's great success lay in its increasing of contacts with China, the USSR, and former communist countries generally.<sup>5</sup> Analyzing strictly within the confines of Soviet-South Korean ties, Joo Seung-ho<sup>6</sup> argues that Nordpolitik was "spectacular" in its success in changing relations between North Korea's once-primary benefactor and the North's competitor for regime legitimacy.

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<sup>3</sup> Choong Nam Kim, *The Korean Presidents: Leadership for Nation Building*. (Norwalk, 2007).

<sup>4</sup> Yasuhiro Zumikawa, "South Korea's Nordpolitik and the Efficacy of Asymmetric Positive Sanctions." *Korea Observer*, (2006): 605.

<sup>5</sup> Charles K. Armstrong, "South Korea's 'northern policy'." *The Pacific Review* 3.1 (1990), 35-45.

<sup>6</sup> Seung-Ho Joo. "South Korea's Nordpolitik and the Soviet Union (Russia)." *The Journal of East Asian Affairs* (1993), 404-450.

When scholars have examined the policy's approach to North Korea specifically, though, their reaction has been less effusive. Sung-jo Park considers the subsequent Sunshine Policy as a continuation of Nordpolitik in that both envisioned a gradual approach to reunification a la German Ostpolitik, but suggests that the German model of unification means that South Koreans optimism, during the heyday of Sunshine, regarding unification was misplaced, as the inter-German experience was a lengthy and complicated one.<sup>7</sup> Jangho Kim considers Nordpolitik unsuccessful because it failed to resolve the foundational differences between the two Koreas and, in fact, solidified them. The administrations that have succeeded Roh Tae-woo's, Kim argues, have had few options as a result of Roh's strategy, which took North Korea – a country already more isolated than East Germany had been – and furthered their separation from the outside world. West German Ostpolitik, Kim argues, was more successful because it stressed upholding “the rights of all Germans” before warming up ties with East Germany's allies in Moscow. Also, Kim notes, Willy Brandt's successors as chancellor of West Germany largely maintained his policy, as opposed to the South Korean tendency to repudiate predecessors' policies and claim an entirely new direction, making Northern policy “zigzag and unpredictable.”<sup>8</sup>

## Results and analysis

The relative isolation of the communist half of the republic is not the only difference of note between inter-Korean and inter-German ties, of course. But Nordpolitik is one episode where the often-abused comparison of inter-Korean and inter-German relations is entirely appropriate. The West German policy of Ostpolitik under Chancellor Willy Brandt lends Nordpolitik its name, and just as Brandt proposed

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<sup>7</sup> Sung-jo Park, "The unification issue in the context of globalization: theoretical notes on the Berlin declaration." (2000).

<sup>8</sup> Jangho Kim, "Ostpolitik Revisited: The Lessons and the Remaining Consequences of Nordpolitik." *International Area Review* (2010), 73-88.

easing relations with not only East Germany, but Moscow, Nordpolitik proposed that improved ties between the two Koreas could be achieved more easily once South Korea “went north,” reaching out to both Moscow and Beijing. This took several forms: with China it included maintaining relations after the suppression of the Tiananmen Uprising and advising them on hosting of the Asian Games in 1990.<sup>9</sup> With the USSR, the newly rich South Korea extended an aid package to the foundering communist government in 1991 in exchange for their breaking of military cooperation with the North.<sup>10</sup> Plus, with South Korea’s successful hosting of the 1988 Summer Olympics, Seoul had already announced its arrival on the world stage, particularly to North Korea’s old allies in Eastern Europe. In 1989 and 1990, as revolution spread across Eastern Europe, South Korea initiated official foreign relations with a wave of soon-to-be capitalist countries; when the USSR followed in 1991 and China in 1992, they were but late (if welcome) additions.

Yet while South Korea initiating ties with Moscow and Beijing certainly was a positive development economically and diplomatically, Nordpolitik did not, as Ostpolitik had, initiate closer ties between counterparts in a divided nation. When parallel talks between the North and major powers more closely aligned with the South – the United States and Japan – went nowhere the North concluded it had no option but to go nuclear. A better option, scholars such as Jangho Kim assert, would have been to cooperate with the North first, gradually break down the barriers that had developed over the decades of separation, and work in concert to achieve objectives such as entering into the United Nations together<sup>11</sup> (something both Koreans achieved in 1992 anyway, though via separate bids).

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<sup>9</sup> Chung Nam Kim 235-246

<sup>10</sup> Ibid

<sup>11</sup> 2010

There are problems with such reasoning, however. For one, Ostpolitik had unfolded in much the way critics suggest Nordpolitik should have – much mutual contact-building and event coordination, accompanied with ice-breaking between West Germany and Russia but no effort to isolate East Germany from Moscow – and yet, by 1990 it would have been clear to the North what that approach risked: loss of control over their populace and the dissolution of their system. The assumption that an approach even more conciliatory than what the Roh administration actually attempted seems to require that the North's leadership be unaware of events in the outside world.

For another, would it have benefitted South Korea to have postponed its outreach to Moscow and Beijing on the assumption that better terms with the North could be achieved? North Korea had, after all, had the opportunity to achieve similar breakthroughs with the United States and Japan, and failed because they and Tokyo could not come to terms over compensation for the pre-war period in which Japan had colonized Korea,<sup>12</sup> and because members of the George H.W. Bush administration concluded early on that the North was negotiating in “bad faith.”<sup>13</sup> Since 1972, when the two Koreas issued the North-South Joint Statement, through the Sunshine era and up to the recent de-escalation agreements the North has reached with the US and South Korea, it is clear that the North is willing to accept negotiations under certain terms. Those terms, however, never have included interference in how it governs its own affairs or acceptance of a submissive position. Also, from the 1972 agreement the North reached with the South, documents later declassified suggested that the North has sought to turn negotiations to its favor,<sup>14</sup> making propositions that it believes will undermine the South Korean position. More recently, high-ranking

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<sup>12</sup> Pan Suk Kim, "North Korea: Japan." *No Title*.

<sup>13</sup> Robert A Wampler, "Engaging North Korea: Evidence from the Bush I Administration," *National Security Archive*. National Security Archive.

<sup>14</sup> Sergey Radchenko and Bernd Schaefer, "'Red on White': Kim Il Sung, Park Chung Hee, and the Failure of Korea's Reunification, 1971–1973," *Cold War History* (2017), 259-277.

North Korean official-turned-defector Thae Yong-ho has suggested that North Korea's call for US personnel to leave the Korean Peninsula is motivated by its desire to promote instability in the South, after which they could achieve "communization."<sup>15</sup> Even assuming a situation that dire did not take place, by following Kim's suggestions South Koreans would have missed the benefits of having China and Russia as markets while they waited for a breakthrough that would likely have never come.

### **The South's aggressive diplomacy**

The significance of this episode in inter-Korean relations, though it did not succeed, is that its subtext has remained in South Korea's attempts at outreach to the North. Recognizing that a competing regime that claims legitimate right to rule the whole of the peninsula presents a potential danger, even though Seoul's economy is clearly superior, the South has attempted to defang the North through aggressive diplomatic ventures that, if accepted, would not only eliminate the North as a threat, but ultimately its entire reason for existence. Lee Myung-bak's Vision 3000, and Park Geun-hye's Dresden Doctrine both proposed grand bargains in which the North traded away its nuclear program in exchange for extravagant aid and were understandably rebuffed, as both may be seen as Seoul effectively calling on the North to disarm itself and prepare for absorption on a timeline convenient for the South.

However, even the progressive approach associated with the Sunshine Policy had as its premise the idea that diplomatic outreach necessarily means North Korea's behavior can be changed. It is, after all, named after Aesop's fable "The North Wind and the Sun," in which the sun wins a bet with the wind that warmth will compel a man to take off his cloak when wind, (i.e. pressure) fails. What Kim Dae-jung, and then

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<sup>15</sup> No Author, "Top N. Korean Defector Warns of North's Forceful Unification Plan," English.donga.com, Nov. 7, 2017.



Roh Moo-hyun, effectively promised was that diplomatic outreach would one day bring about a climate in which North Korea no longer vigorously competed for supremacy on the peninsula. While the supporters of this approach have been inclined to blame the military adventurism of the George W. Bush administration for this not coming to pass, it was at this time that North Korea departed the Nuclear Non-Proliferation Treaty and tested its first nuclear device. George W. Bush's approach was ill-advised on several levels – without his insulting of Kim as a “pygmy” early in his term, declaring North Korea part of an “Axis of Evil,” and carrying out regime change in a Middle Eastern country that lacked a nuclear deterrent the North might still have acquired a nuclear program, but his administration's actions went a long way toward crafting the North's narrative for them.

Still, the explanation that Bush should be blamed for the North's decision to go nuclear despite the Sunshine Policy is too simple. Multiple skirmishes between the South and North took place in disputed waters during this time period, indicating the North had no intent in surrendering what it considered its sovereign claims to the lands and waters of the peninsula. Towards the end of the Bush administration and beginning of the Obama years the US took a far more conciliatory approach, removing the North from its State Sponsors of Terrorism list, and indicating an interest in negotiating directly with the Kim regime without preconditions. A veteran diplomatic source engaged in track 1.5 diplomacy with the North at the time, however, later said that the message coming out of the North was that the US should not expect an improvement in the situation.<sup>16</sup> Indeed, the Obama years were marked by a steady escalation in nuclear and missile testing.

What North Korea revealed in Nordpolitik and has subsequently reinforced through events that followed is that it recognizes the aggressive and potentially destabilizing effects of diplomatic outreach,

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<sup>16</sup> Rob York and Joseph Sugarman. "Track II Negotiations and North Korea's Nuclear Program: Are They Effective?" *NK News*, May 23, 2018

provided such outreach requires a change in its behavior. As such, there are abundant reasons to suspect the current outreach by both the South Korean and US administrations to bring about denuclearization on the peninsula will not succeed.

While it is fashionable in certain quarters of the anti-communist commentariat to suggest that the Moon administration is willing to sell out South Korea's democracy and unify on North Korea's terms,<sup>17</sup> the scope of the Moon administration's aspirations for integration into Asia by breaking down not only its barriers with the North, but the North's with its Asian neighbors, leads to the conclusion that Moon sincerely believes South Korea's economic future depends greatly on greater integration that North Korea presently blocks.<sup>18</sup> Furthermore, given the (to put it diplomatically) unique approach taken by the present US administration to bring North Korea to the negotiating table, it has been argued that South Korea's approach has largely revolved around placating the Trump administration while providing a façade of progress.<sup>19</sup>

However, the US administration, despite extravagant statements by the man at its head, appears to be losing momentum on North Korea. Figures within the administration have argued against lifting sanctions on the North absent verifiable denuclearization or granting sanctions exceptions to South Korea so that inter-Korean proposals can get off the ground. And while North Korea is willing to offer gestures, such as returning POWs' remains, reaching agreements to clear mines from the DMZ, and the demolition of older nuclear facilities not critical to its program's development, its actions have thus far have not done anything that would significantly hinder its ability to resume

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<sup>17</sup> Gordon G. Chang, "Will North Korea Take Over South Korea?" *Gatestone Institute*, Sept. 25, 2018.

<sup>18</sup> Ramon Pacheco Pardo, "No Denuclearisation? South Korea Will Accept Economic Integration with North," *South China Morning Post*, Sept. 14, 2018

<sup>19</sup> Robert Kelly, "A Korean Deal Based on Flattering Trump as a Useful Idiot Will Not Hold," *Robert Kelly – Asian Security Blog*. Oct. 09, 2018

production. Furthermore, it appears to be losing patience, threatening to undo its recent restraint by displaying and developing its nuclear deterrent if US sanctions are not lifted.<sup>20</sup> As with previous administrations' approaches to resolving inter-Korean tensions, North Korea has refused to submit.

## **Toward a realist understanding of North Korea**

Daniel Pinkston has argued that North Korea's outlook regarding international affairs should be seen as essentially realist, stemming from its *Sŏn'gun* or "military-first" policy, officially in place since the early days of Kim Jong-il's rule in the 1990s. "*Sŏn'gun*," he writes, "is an amalgamation of ideologies, beliefs, and mindsets including Marxism-Leninism, neo-Confucianism, realism (in the sense of international relations or political science), militarism, anti-colonialism, ethnic-nationalism, fascism, and Christian symbolism."

He goes on:

In sum, *sŏn'gun* ideology makes North Koreans the world's greatest realists. In the traditions of the Melian Dialog in Thucydides, Machiavelli, and the Hobbesian state of nature, North Korea is obsessed with power. From the North Korean perspective, all political outcomes—both domestic and international—are determined by power balances. The international system is viewed as a menacing, self-help Hobbesian world where power is the only instrument for survival. Abandoning nuclear weapons in exchange for negative security assurances and a collective security mechanism is irreconcilable with *sŏn'gun* ideology. Until North Korea

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<sup>20</sup>Tong-Hyung Kim. "North Korea Threatens to Resume Nuke Development over Sanctions," *Military Times*. Nov. 4

abandons or modifies its *sŏn'gun* ideology, denuclearization will remain a fantasy.<sup>21</sup>

North Korea's push for "self-reliance" – including its purges of figures too loyal to the Soviet Union or Maoist China in the 1950s, and successful exploitation of its great power neighbors for aid during the Sino-Soviet split – is consistently invoked by those seeking to understand the regime, and often attributed to *Juche*, an allegedly original system of thought developed by Kim Il-sung. More recently, though, scholars' have begun dismissing *Juche* as meaningless window-dressing<sup>22</sup>; the North's distrust of the great powers can instead be understood as an extension of its realist worldview.

If realism best explains North Korea's view of the international political order, then the question surrounding diplomatic endeavors such as those undertaken by the Moon and Trump administrations is less "Will North Korea cooperate with the US' and South Korea's proposals?" and more "Why would North Korean cooperate with what is essentially an act of aggression against its state?" To say they will not cooperate with such endeavors is not to say that they will not engage in any sense, at least not if they see an opportunity to seize an advantage. As previously stated, in 1971 Kim Il-sung proposed an agreement that included the reduction of both Korea's military forces; he later confided that this proposal was meant to destabilize the South when, he assumed, its military could no longer contain the populist backlash that would build up. Its participation in the Sunshine Policy was also carefully controlled, as the summits of 2000 and 2007 both took place on North Korean soil, as were the inter-Korean money-making projects of Geumgang and Kaesong. Meeting with South Korea's leaders and operating high-profiled joint projects with them also, in retrospect, appear to have bought Pyongyang time to make great progress in developing its nuclear deterrent.

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<sup>21</sup> Pinkston, Daniel. "North Korean Domestic Factors and Peace after the Third Inter-Korean Summit." Asia Society, May 1, 2018

<sup>22</sup> Brian R. Myers, *North Korea's Juche Myth*. Busan: Sthele Press, 2015.

At present, if the US sanctions hold and this present round of talks stagnates, what has North Korea gained? For one, as of last fall, after its long-distance missile and nuclear programs' progress became starkly evident to the world, there were not only US sanctions in effect but trepidation over the Trump administration's next move had contributed to China and Russia signing onto tougher sanctions at the UN level. Such international pressure has largely dissipated and Russia, and possibly China, are now widely believed to be operating in violation of UN sanctions.<sup>23</sup> Furthermore, while a breakdown in negotiations may stoke the tensions of 2017 once again, certain of Trump's statements – such as noting that Seoul is “right there,” that is, right within North Korea's range should hostilities erupt on the peninsula<sup>24</sup> – may make his “madman” approach less convincing next time around. Furthermore, the optics of inter-Korean relations having bloomed in recent months will boost the claim, in that event, among North (and South) Koreans that US hardliners sabotaged the momentum with their refusal to temper sanctions.

No North Korea policy offers a clear-cut solution, or a painless one, but a reasonable first step is to acknowledge how North Korea views the international system, and what stakes even “peaceful” negotiations hold for a state that has purposefully limited its people's exposure to the outside world, resisted liberalization of its economy, and always sought to present its interactions with foreign actors in a light favoring their own power and prestige. The Trump administration is unlikely to budge on sanctions, and North Korea unlikely to on nukes. The “good” news, so to speak, is that Trump's administration may prefer the illusion of ongoing progress between the two Koreas rather than to admit that its approach is not working. North Korea may have bluffed in its recent editorial, and may be content to further its talks with the South to see what concessions it can gain rather than take a gamble and

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<sup>23</sup> Amy Lieu. "Pompeo Warns Russia, China about Violating North Korea Sanctions," FOX News Network, Aug. 4, 2018

<sup>24</sup> Jennifer Williams, "Read the Full Transcript of Trump's North Korea Summit Press Conference." *Vox.com*, June 12, 2018.

start testing nuclear weapons again. Highly regarded scholar Andrei Lankov was recently quoted as saying, "North Korean policy is aimed at only one goal now: they want to win time. They want to postpone everything without annoying the Americans too much."<sup>25</sup>

There may be limits to how long such tactics are sustainable, however; Moon Jae-in's once towering approval rating has slumped as of late and he has reshuffled his economic team in acknowledgement that his platform has not performed as well as hoped. The conservatives, in disarray after Park Geun-hye's impeachment, are beginning to find their voice again through online media channels that skip traditional filters. If they rally, Moon may pay in local elections and find his broad mandate voided; history suggests that the North will have nothing to do with anything a future right-wing administration will propose.

Because, just as was the case in 1992, North Korea has its own interests, and those do not usually involve being cooperative.

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<sup>25</sup> Andrew Salmon. "Cancellation of Talks in New York Casts Shadow over Korean Summit," *Asia Times*, Nov. 8, 2018

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## PEACE PROCESS ON THE KOREAN PENINSULA: CURRENT REALITIES AND PROSPECTS

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*Photo Credit: CICP*

The peace negotiation process on the Korean Peninsula is defined by both the structure and agency factors. From the international structure vantage point, the North Korea issue has been largely shaped by major power politics especially the relationship between China and the US. As the regional order in East Asia is undergoing power shifts and transformations particularly, the Korean peninsula has gained more tractions from

both China and the US in their competing role in claiming who matters more in shaping the geopolitics of the region. China-US bilateral relations largely influence the evolving regional order in East Asia as well as the peace process on the Korean peninsula.

The agency factor perhaps counts the most here. South Korean President Moon Jae-in is the key actor in pushing forward inter-Korean reconciliation and facilitating dialogue and bridging trust between North Korea and the US. President Moon, who has faith and belief in inter-Korean reconciliation, has emerged, Daniel Russel describes, as “a persuasive advocate for US-North Korea rapprochement with direct access to Donald Trump. He assures Trump that Kim is in fact sincere

about denuclearization. He recommends patience, inducements, and compromise by the United States.”<sup>26</sup> Moreover, the personality and leadership of North Korean leader Kim Jong-un, Chinese President Xi Jinping, and American President Donald Trump also play important role in defining the future dialogue and negotiation on the Korean peninsula. Kim Jong-un wishes to be a “modern leader” of a “modern North Korea” and he seems to be supportive of reforms and opening up<sup>27</sup>.

The Korean peninsula is entering a positive phase of development after a series of leaders’ meetings took place in early 2018. Mutual trust between the North and the South has been gradually improved. The first North Korea-US Summit in Singapore was a breakthrough in paving the way for future dialogues between both countries. China has played relevant role in facilitating the dialogues, especially in giving North Korea certain security and strategic confidence. As a result of intensive dialogues, North Korea has reportedly set denuclearization timeline by early 2021 but there were no clear indications on concrete steps and phases. There are remaining uncertainties with regards to negotiation towards a holistic solution on the Korean peninsula. The second North Korea-US summit, which is yet to decide, will be a defining moment of whether the negotiation process remains on track. The US-North Korean dialogue and inter-Korean dialogue are the two wheels that can lead to a breakthrough in the nuclear crisis and these two wheels should be aligned with a strong US-South Korean alliance.<sup>28</sup>

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<sup>26</sup> Daniel Russel, “Getting North Korea to negotiate”, *Nikkei Asian Review*, 4 October, 2018, <https://asia.nikkei.com/Opinion/Getting-North-Korea-to-negotiate>

<sup>27</sup> Eleanor Albert, “North Korea’s power structure”, *Council on Foreign Relations*, 19 July 2018, <https://www.cfr.org/backgroundunder/north-koreas-power-structure>

<sup>28</sup> Jinwook Choi (2018) How to stop North Korea’s nuclear ambition: failed diplomacy and future options. *Journal of Contemporary East Asia Studies*. Vol.7, Issue 1, pp. 1-15.

Previously, bilateral and multilateral negotiation towards an end of North Korea's nuclear and missile development programs failed to produce any substantial outcomes due to the lack of trust and sincerity. Now the US wishes to see sincere commitment from the North Korean side on "complete, verifiable, irreversible denuclearization", while North Korea wishes to see sincerity from the US in reciprocal, simultaneous removal of sanctions as North Korea has taken concrete steps to cease nuclear tests and test-firing missiles. In the joint statement issued after the historic Kim-Trump Summit in Singapore in June 2018, both sides agreed to "establish new U.S.-DPRK relations", "build a lasting and stable peace regime on the Korean Peninsula", and the DPRK pledges to "work toward complete denuclearization of the Korean Peninsula". Although the statement failed short of mentioning "complete, verifiable, irreversible denuclearization", North Korea stresses on establishing a peace regime and has compromised its nuclear program, to a certain degree, with the expectation that in return US and its allies would relieve economic sanctions to allow for economic development and reforms. However, the US still hold the view that North Korea has not taken enough measures to convince the US to relax sanctions yet. The US remains steadfast in its demand for denuclearization before economic concessions and a formal peace treaty.

The gap of trust remains an issue in US-North Korea negotiation.<sup>29</sup> The US should assume that denuclearization is a long-term process, so it should not expect quick solution to it. The next step forward is to sustain the momentum of dialogue. Denuclearization is of course important, but there should be opportunities for all sides to discuss whatever issues they want to raise. Philip Zelikow proposes six-track approach. First, it should clarify the nature and future of inter-Korean relations. Second, it should focus on economic measures, most notably sanctions. Third, it should target nuclear security, including long-range

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<sup>29</sup> Nate Kerkhoff, "Commentary: The gap between the US and North Korea hasn't closed since the Singapore Summit", Channel News Asia, 21 August 2018, <https://www.channelnewsasia.com/news/commentary/united-states-and-north-korea-can-t-agree-on-peace-10618770>

ballistic missile issues, which are relatively familiar and obviously important. Fourth, it can be devoted to general security, including the size and deployment of conventional armed forces on the peninsula. Fifth, it could focus on humanitarian and cultural issues. Sixth, should focus on regional security issues.<sup>30</sup>

To move the dialogue and trust building forward, we need to introduce multi-track approach including formal negotiation and informal diplomacy. ASEAN's experiences in confidence building measures are valuable for the peace process on North Korea. The parties concerned need to foster the habit of constructive dialogue and consultation on security and political issues of common interest and concern in order to make significant efforts toward confidence building and fruitful peace negotiation. While top leaders' meetings are important in trust building, other channel of communication at the working level and Track 2 or Track 1.5 level are essential to sustain and enrich the dialogue process. Track 2 diplomacy complements official efforts and permit the exploration of new or potentially sensitive options without necessarily locking participants into established, rigid government positions.<sup>31</sup>

ASEAN's informal diplomacy- generally refers to durian diplomacy, Karaoke diplomacy and golf diplomacy- has proven to be essential element in trust building among the member states. Parties concerned on North Korea issue should develop informal mechanism to promote frank dialogue which is critical to mutual understanding and trust building. Such informal diplomatic track can be experimented between the two Koreans and gradually expanded to bilateral informal dialogue between North Korea with the US and other countries. People diplomacy plays a critical role in sustaining the momentum of dialogue.

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<sup>30</sup> Philip Zelikow (2018) How diplomacy with North Korea can work. Foreign Affairs, 9 July 2018, <https://www.foreignaffairs.com/articles/north-korea/2018-07-09/how-diplomacy-north-korea-can-work>

<sup>31</sup> Ralph A. Cossa (1998), Asia-Pacific Confidence-Building Measures for Regional Security, CBM Handbook, p.23, <https://www.stimson.org/sites/default/files/CBMHandbook3-1998-cossa.pdf>

For instance, the Winter Olympics 2018 was a breakthrough in Inter-Korean relations (Kim Yo-jong- sister of Kim Jong-un, led a North Korean team to South Korea, under the so-called Olympic charm offensive).

ASEAN can play a complementary role in promoting multilateral dialogue on the Korean Peninsula. North Korea is a member of the ASEAN Regional Forum (ARF) since 2000 and this is the only regional multilateral mechanism that North Korea is part of. Moreover, five ASEAN member states – Cambodia, Indonesia, Laos, Malaysia and Vietnam – have diplomatic missions in Pyongyang. The broadening of DPRK's engagement with ASEAN member states will give Pyongyang a higher stake in the maintenance of regional peace and stability.<sup>32</sup> Hoo Chiew-Ping suggests that "ASEAN Political and Security Community envisions ASEAN playing a more active role contributing to regional peace and security. Hence, it is high time for ASEAN to do so in relations to the Korean peninsula. ASEAN should not shy away from proposing any forms of initiative or cooperation to South or North Korea governments, for the window of opportunity is now".<sup>33</sup>

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<sup>32</sup> Tang Siew Mun, How ASEAN supports the Korean Peninsula peace process, ISEAS Commentary, 14 June 2018, <https://www.iseas.edu.sg/medias/commentaries/item/7765-how-asean-supports-the-korean-peninsula-peace-process-by-tang-siew-mun>

<sup>33</sup> Hoo Chiew Ping, Asean as an interlocutor for peace on Korean peninsula, Khmer Times, 24 July 2018, <https://www.khmertimeskh.com/50514829/asean-as-an-interlocutor-for-peace-on-korean-peninsula/>



# DENUCLEARIZATION AND PEACE BUILDING ON THE KOREAN PENINSULA: AT CROSSROADS AGAIN

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*Photo Credit: CICP*

## **Lessons from the Past**

The denuclearization of DPRK has repeatedly become spotlight of regional and global security since early 1990s. During near a quarter of a century, the circle of “confrontation -negotiation-détente -upgraded nuclearizing” become common.

There have been seven major crises about the DPRK nuclear issue since 1992. Except for the latest two, all these crises were dealt with some kind of agreements between DPRK and other countries, which were to be broken up very soon and followed by a new round of upgraded nuclear development.

DPRK first started nuclear related research in 1950s. The collapse of Soviet caused anxiety for DPRK, and provided some intellectual resources. In 1993, DPRK refused the IAEA to check nuclear site in Nyongbyong, and declared to withdraw from NPT for the 1<sup>st</sup> time. This first crisis was followed by the 1994 US-DPRK Agreed Framework signed in Geneva, in which US promised to provide two light water reactors to DPRK, and the latter to freeze its nuclear program until finally demolish nuclear facilities. However, the two reactors were never provided to DPRK, and DPRK doubted that US only want to

delay its national development. Similar mode repeated itself in 1998(when DPRK launched missile/rocket “Taepodong1”), 2002(when DPRK confirmed that they were trying to enrich uranium),2006(when DPRK took the 1<sup>st</sup> nuclear test) and 2009(when DPRK took the 2<sup>nd</sup> nuclear test). All these crises were dealt with some kind of agreements made bilaterally by US-DPRK or multilaterally through Six Party Talk, just as the two cases in 2005 and 2007. In these agreements, one may find everything they need such as DPRK promise to denuclearize totally under the international supervision, stop developing long ranged missiles, US-DPRK normalize their relations, US provide economic assistance to DPRK, etc. Problem is, why these good agreements all failed?

One of the reasons is the security dilemma, in which both DPRK and ROK believes that the other part is going to destroy their regime and unify the peninsular once they find chance. Sometimes such doubt is reasonable because in many’s eyes the regime of DPRK were not a qualified counterpart of dialogue and preferred coercion. We may recall President George W. Bush’s “Axis of Evil” and President Park Hyn hye’s “absorbing unification” and even President Obama’s “strategic patience” after 2012. Domestic politics may also complicate matters since all these good promises take years even decades to implement, and when a new administration come into office there is often a lust to make some changes, especially to those seemed had no quick and visible progress.

But after all, at least we may find that no regional actor wants war or actual use of nuclear weapons, and peace and stability is a shared goal for all parties. That’s the reason we are sitting here today instead of in the bomb shelters.

### **Different this Time?**

However, there are several reasons to be optimistic to the new round of denuclearization started this year. Ironically before everything it is the



achievements of DPRK nuclear and missile programs that pushes everyone to look at this problem with anxiety and eagerness to find a way out instead of procrastination.

First, it is reasonable to believe that DPRK has started a serious strategic shift, changing the primary goal from nuclearizing to economic building up. On Apr. 20th 2018, the DPRK Workers' Party made a critical decision to change the party's work priority to the economic development of DPRK so that its people may have a better life. It can be seen as a political promise made to the public. Chairman Kim has also promised internationally that DPRK will work for "total denuclearization on the whole Korean Peninsula" several times this year. For practices, DPRK demolished test sites in Punggye-ri and Dongchang-ni, and talked about demolishing Nyongbyong nuclear test site, the heart of its nuclear development, if US take reciprocal steps.

Second, both the US and ROK has taken an approach that is more lasting, serious, and cooperative with DPRK in dealing with the denuclearization. Both highlighted negotiation, instead of coercion for the denuclearization. They started to deal with the security concerns of DPRK together with nuclear issues, instead of solely demanding DPRK to denuclearize unconditionally. President Moon's progressive policy toward DPRK has been leading the regional situation toward a positive direction this year. A better DPRK-ROK relations will erase the security anxiety felt by DPRK and provide incentives of denuclearizing. President Trump has also showed flexibility in meeting with Chairman Kim without prerequisites

Third, the stable stance of China on denuclearization, to keep peace and stability on the peninsula, and negotiation in dealing with disputes has been accepted by other regional countries. Fourth, other regional countries, including Russia and Japan, welcome such changes.

## **Possible Obstacles**

Meanwhile, obstacles in the process should not be overlooked. US and DPRK still disagrees on many issues. There is still serious lack of trust between US and DPRK, when the former insists on the latter to declare its nuclear facilities and the latter insists on the former to declare the end of war state. It is also tricky to find a way to provide proper economic incentive for DPRK to move forward in denuclearization, but not to prize them too early so that they feel there is no need to take follow up denuclearizing steps. Timing and tempo also matters. For the domestic political need of US and ROK administrations, the shorter denuclearization takes is the better. But for DPRK, it needs longer time and repeated positive interaction to build enough confidence to make denuclearizing steps. On the other hand, now we are in a special window of chance with President Moon and President Trump in office at the same time. Things may get changed, even reversed after new administrations take office. The lack of trust from US to China, especially during the trade fraction, can also complicate matters. Progress in inter-Korean negotiations may cause tensions within the US-ROK alliance.

## **Suggestions for the Future**

The key to push forward the current process of denuclearization and peace building is “keep the momentum” and “build trust”. For the moment, it is necessary to encourage DPRK with more incentives to continue its strategic shift away from nuclearizing. Specifically, it will include actions in both security area and economic area. More “visible” engagements, including dialogues, especially summits, between DPRK and other countries, including US and ROK, should be encouraged in order to show DPRK, not only the government, but also the people, that their security concerns about invasion is unnecessary. A declaration to end the Korean War should be encouraged on the basis of DPRK stopping nuclear and missile tests and gradually destructing related

facilities, and US/ROK stopping large scale military exercises. It will also be helpful to conduct multilateral security dialogues, or multiple bilateral security dialogues, to design the future security regime in Northeast Asia, but maybe after a proper mutual trust is established between US and DPRK. Economically, each country should stick to abiding the UNSC sanctions, but UNSC should also start discussions about the reversible clauses, in accordance with the latter's actions of following these sanctions. Last but not least, creative discussions should be encouraged to find new mode of denuclearization other than Libya, e.g. South Africa.



# RUSSIA'S ROLE IN THE NORTH KOREAN DENUCLEARIZATION PROCESS: SOME OBSERVATIONS

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*Photo Credit: CICP*

## **Introduction**

Though the North Korean denuclearisation is an on-going process, the lack of progress is quite concerning and offers opportunities for other key players to intervene. North Korean leader Kim Jong Un has pledged to work toward the “denuclearisation” of the Korean Peninsula in numerous summits with Moon Jae In as well as Donald Trump. However, multiple reports indicate that Pyongyang is continuing to develop its nuclear weapons program. This is not surprising, given that Kim has not made any public promise to halt work on the North’s nuclear and missile facilities. Many interpret Kim’s commitment to denuclearisation as a promise to immediately surrender or dismantle the country’s nuclear arsenal. But thus far, Pyongyang has only given in to certain parameters, like no nuclear testing and no ICBM testing. The result is that the United States (US) and South Korea are dissatisfied with the lack of progress in getting Pyongyang to denuclearise. Since the US has refused to lift economic sanctions against Pyongyang, North Korea has warned it could revive its *Byongjin* policy which aims at further strengthening its nuclear arsenal. Pyongyang is of the opinion that Washington has betrayed the essence of the June summit by making unilateral demands for denuclearisation without taking any reciprocal

measures. In other words, the North is expecting some concessions from the US and its allies. The question remains what is the role or position of the Russian Federation in the denuclearisation process. While South and North Korea are courting Russia economically and politically, the United States remains reluctant in allowing Russia a greater voice in direct negotiations.

## **A Flurry of Summits Without Russian Involvement**

The year 2018 has seen Kim Jong Un meeting his South Korean counterpart, Moon Jae-in, U.S. President Donald J. Trump, and Chinese President Xi Jinping. However, Kim has yet to meet with Russian President Vladimir Putin. In this new era of North Korea's open door policy, Russia has not been privy to discussions about North Korea's denuclearisation. Given its long ties with Pyongyang as well as Seoul, this is surprising. This brief paper argues that the Russian Federation understands that it has been side-lined and now is attempting to play a key role in managing the issue. Therefore, it was not surprising when in August of this year, Putin stressed his wish to establish a bilateral dialogue with Kim Jong Un. A summit between Kim and Putin is expected soon, but the date remains unclear. It can be argued that Russian objective of developing the Far Eastern region coincides with Russia's intention of improving its international image as a responsible stakeholder on the Korean peninsula peace process. A Putin-Kim meeting would certainly enhance Moscow's position as an intermediary for building bridges between Seoul and Pyongyang.

## **Russia- North Korea Bilateral Relations**

It is pertinent to understand the historical background as to why Russia wishes to play a key role as well as the extent to which it can be an effective interlocutor. Relations between Russia and North Korea are based on Cold War legacy and diplomatic cooperation. Russia shares a 17 kilometres border with North Korea. Russia's ties with North Korea

date from the late-1940s since before the creation of North Korea in 1948. Relations saw fluctuations based on changes in the international system as well as Russian leaderships. After the Cold War ended in the early 1990s, the then-President Boris Yeltsin devoted more attention towards the West as well as South Korea instead of North Korea. Partly, this was because Russia was struggling with its own economic problems after the collapse of the Soviet Union. However, with the breakthrough in inter-Korean relations in June 2000 between Kim Dae Jung and Kim Jong Il, President Vladimir Putin became the first Russian leader to visit Pyongyang in July of the same year. The visit can be interpreted as Russia's way of establishing itself as an influential player in the Asia Pacific region (*ABC News*, 2000). During the meeting, Putin suggested that Russia, South Korea, as well as the United States, China and Japan should work with North Korea to resolve the nuclear issue (*ABC News*, 2000). In so doing, Putin managed to revive deteriorating Pyongyang-Moscow relations with his visit. Relations worsened when Putin was forced to support United Nations (UN) Security Council Resolution 1695 in July 2006, condemning a North Korean missile test. A few years later, Russian President Dmitry Medvedev endorsed UN sanctions after the North Korean nuclear test on 25 May 2009. Bilateral relations improved once again when Putin again became the Russian President in 2012. Interestingly, on September 2012, Putin decided to write off 90% of North Korea's \$11 billion historic debt to Russia with the expectation that it will improve bilateral economic cooperation and expand Russia's influence in East Asia (Dyakina and Kelly, 2012). As a result of this generous gesture bilateral relations continue to improve. In 2017, Pyongyang's state-controlled news agency, KCNA, listed Russia at the top of the list of countries friendly towards North Korea.

It is quite clear that Putin is seeking opportunities to advance Russian economic interests on the Korean Peninsula. Moscow's pursuit of closer economic ties with North Korea constitutes part of Russian policy of 'turning to the east'. Thus far, Russian investments in the North Korean economy has assisted Kim regime's survival. Although, in reality

Russia's ability to benefit economically from North Korea is rather limited, Putin is attempting to deepen Moscow's alliance with Pyongyang in order to cement Russia's role as a patron in promoting long-term peace on the Korean peninsula. In line with this, Russian technical expertise is being exposed to North Korean workers at the Rajin-Khasan railway, which links Russia to the Korean peninsula. South Korea was supposed to be the third party in the Rajin-Khasan railway project but it withdrew in March 2016 following North Korea's fourth nuclear test in 2016 (Yeo, 2018). Despite the setback, Moscow is continuing the project as one way to strengthen its relations with the North Korean regime. Russian policymakers hope now that inter-Korean relations are on the mend, South Korea will re-join the Rajin-Khasan railway project. There is always the possibility that South Korea might re-join the Rajin-Khasan project as it is exempt from UN sanctions imposed on Pyongyang (Yeo, 2018). A trilateral cooperation between Moscow, Pyongyang and Seoul would surely increase trust and security for North Korea. If the project succeeds in attracting South Korean participation, Russia would be the first major power to be involved in an economic project with both Koreas (Danudoro, 2018).

Under Kim Jong Un, Russia seems to feature as an advantageous ally in Pyongyang's foreign policy. Russia maintains air, rail, sea, and internet linkages with the North. It is the second most important economic partner to North Korea after China (Chansoria, 2018). Russia's assistance in helping to provide North Korea to attain hard currency through various means is well documented. Since Pyongyang faces energy disruptions due to sanctions, Russia has played a crucial role in providing oil to North Korea. It is reported that Siberian oil companies sell fuel to North Korea which is then processed in chemical plants and Pyongyang exports the item to China (Ramani, 2017). Conversely, squeezed by sanctions, North Korea has also benefitted from sending guest workers to construction projects in many parts of Russia. The US State department estimates North Korea earns around \$150-\$300 million annually by providing guest workers to Russia (*VoaNews*, 2018). While the North gains much needed hard currency, Putin benefits from



cheap North Korean labour in developing the Far Eastern region (Ramani, 2017).

## **Russian Involvement in the North Korean Denuclearization Process**

Russia has long been involved in regional multilateral attempts in persuading North Korea to denuclearize. It was one of the six countries involved in the now-defunct Six-Party Talks process. The Six-Party talks which aimed to negotiate with Pyongyang concerning its nuclear weapons programme involved North Korea, South Korea, Japan, China, Russia and the United States. However, the talks were suspended in 2009 at Pyongyang's initiative. When situation on the peninsula worsened, Russia, China and South Korea, spoke out in favour of resuming talks within a multilateral context like that of the Six Party Talks.

President Putin has openly publicized that Russia wants to be an integral part of any comprehensive agreement on the Korean Peninsula. Consequently, Moscow supported Beijing's idea of a 'dual freeze' initiative in July 2017. Under this scheme, Moscow and Beijing proposed a simultaneous freeze of missile and nuclear activities by North Korea and large-scale joint exercises by the US and South Korea. Further, it was suggested that a suitable peace and security mechanism be created to iron out sensitive issues through dialogue and consultations. Consequently, such a mechanism was expected to lead to future normalization of relations between the countries in question. In counteracting to North Korea's missile and nuclear programmes, both Moscow and Beijing opposed any extra military presence or provocations on the Korean peninsula (The Ministry of Foreign Affairs of the Russian Federation, 2017). In order to promote trust, Russia emphasized that Pyongyang's interests and security concerns should also be taken into consideration. Russia not only wants to achieve North Korea's denuclearisation but also assist in establishing a peace treaty. Russia like China is in a unique position in having relations with

both Koreas which renders it a mutually trusted party in the context of inter-Korean mediation. More importantly, Moscow and Beijing firmly believe that phased measures are more conducive rather than waiting for complete North Korean denuclearisation. To both these key players, a multilateral framework would be the best way to create an atmosphere of mutual trust when dealing with North Korea.

Unfortunately, the momentum to decrease tensions on the Korean peninsula became disrupted when North Korea launched a nuclear test in September 2017 which forced Russia and China to support sanctions adopted by the United Nations Security Council. As a result, relations between Pyongyang and Moscow became strained. Russia hurriedly dispatched a delegation of parliament members to Pyongyang for a three day visit between 27 November and 1 December 2017 (Furukawa, 2017). During the visit, members of Russian parliament discussed possible solutions to denuclearization with the North Koreans who were already suffering from a barrage of international sanctions. The leader of the Russian delegation Kazbek Taysayev reported that North Korea viewed Russia as a potential intermediary in any talks (Sharkov, 2017). In addition, Vitaliy Pashin, another member of the Russian parliamentary delegation commented,

*The Democratic People's Republic of Korea is ready to conduct negotiations with the U.S. in conditions of parity and with Russia's participation as a third party (Sharkov, 2017).*

Such parliamentarian “diplomacy’ was not new as the Chairman of the State Duma Viacheslav Volodin already had met with his South Korean counterpart as early as June 2017. This indicates that Russia consciously has been trying to position itself as a key player in the Korean peninsula peace process despite the fact North Korea refused to endorse its ‘dual freeze’ plan. In May 2018, ahead of the proposed Kim and Trump meeting, Kim Jong Un met Russia’s Foreign Minister Sergey

Lavrov. The meeting was significant as this was the first time the North Korean leader met with a top-ranking Russian official. The timing of the meeting was seen as a move by Moscow to guarantee its voice was heard in Pyongyang's diplomatic meetings with the US and South Korea. According to Anthony Rinna, a specialist in Korea-Russia relations at the Sino-NK website, Kim's meeting with Lavrov was designed to acquire backing to push the US to make concessions (Balmforth, and Smith, 2018). The Russian Foreign Minister did not disappoint when he called for lifting of sanctions and implied that a comprehensive solution to the North's nuclear problem will not materialize without the lifting of sanctions (George, 2018).

Besides cooperating with China, Russia is moving head in strengthening its relations with South Korea. Russian policymakers understand that an improvement in bilateral relations could increase Moscow's influence not only in the denuclearisation talks but also in the Asia Pacific region. The coinciding of Putin's "new eastern policy" and Moon's "new northern policy" is an excellent time for Moscow-Seoul relations to flourish. Given this, Putin and Moon Jae In met in Moscow in June 2018. During the meeting Russia indicated it wanted to attract more South Korean investments to its Far Eastern region and Moon requested for Russian support for the denuclearisation process on the Korean peninsula. Both leaders agreed to promote peace on the Korean peninsula through some form of trilateral cooperation between Moscow, Seoul and Pyongyang. According to a report from the Blue House, during the meeting Moon remarked that,

*I believe South Korea and Russia are key cooperation partners on the Korean peninsula and the Eurasian continent and therefore place great importance on strategic cooperation with Russia as an important part of our government's foreign and security policies (The Straits Times, 2018)*

With inter-Korean relations showing signs of improvement, Putin and Moon are hoping that joint economic and infrastructure projects can be promoted when sanctions are lifted so that South Korea and Russia will be linked through North Korea. Both leaders discussed possible cooperative projects in the fields of electricity, gas and railways in between North Korea, Russia and South Korea (*The Straits Times*, 2018). Since large scale infrastructure projects are deemed as one way of bringing peace to East Asia, it is likely that the Rajin-Khasan railway project will see South Korean participation in the near future. More importantly North Korea will likely be part of the construction of a Trans Korean pipeline carrying Russian gas to South Korea via North Korea (Cohen, 2018). ). If these investments do come to fruition, Russia can fulfil its goal of acting as a mediator between Pyongyang and Seoul in denuclearisation negotiations.

## **Conclusion**

Russia is desperate to improve its international image. The annexation of Crimea in 2014 and the fact that many believe that the Russians meddled in the 2016 American presidential elections have severely damaged Moscow's international profile. Thus, if Moscow proves to be an effective mediator in the Korean peninsula, Russia will not only emerge as a major powerbroker in the Asia-Pacific region but its international image will be one of a responsible major power.

Increased contacts between top ranking Russian officials and North Korea is evidence that Moscow does not want to be side-lined in the denuclearisation process. It cannot be denied that Russia's strong ties with North and South Korea make it a vital player in negotiations. Though the US has accused Russia of wide-ranging violations of the sanctions imposed on North Korea, it is possible that with Moscow's growing ties with Seoul and Pyongyang, the US might eventually want to engage with Russia on the North Korean crisis. For now, though Russia wants to have greater say in regional affairs, unless Trump allows Moscow to play a more active role in the denuclearisation process, it will always remain behind the scenes.

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## EMERGING PEACE AND STABILITY ON THE KOREAN PENINSULA – “THE CURRENT SITUATION AND THE FUTURE”

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*Photo Credit: CICP*

This article is mainly comprised of three parts: A brief review of the situation, the key outcomes of the Pyongyang Inter-Korean Summit and finally, the ROK’s vision for a peaceful Korean Peninsula.

First, let me explain the developments on the Peninsula since the launch of the Moon administration.

Last year, Chairman Kim Jong-un asserted that North Korea was at its final stages of launching an ICBM. And they continued to escalate tensions by conducting reckless provocations including a sixth nuclear test and ICBM-class ballistic missile launches, as well as claims to be a “nuclear–weapon state” by firing yet another ICBM-class missile in November.

However, the ROK government believed that North Korea would ultimately return to talks for three reasons.

First, North Korea cannot achieve economic growth amid ‘maximum pressure’ and sanctions.

Second, North Korea would be eager to secure the safety of its regime from the international community but that would be impossible to earn unless it works toward its denuclearization.

Finally, such a guarantee for regime security cannot be provided without the U.S.; thus the North needs to improve the US-North Korea relations.

Against this backdrop, we kept the door open for dialogue with North Korea. President Moon Jae-in made clear in the "Berlin initiative" that if North Korea chooses the right path, the ROK government stands ready to walk with North Korea towards the path of peace and prosperity on the Peninsula.

Also, President Moon stressed in his speech at the U.N. General Assembly back in September 2017 that we are pursuing denuclearization of the Korean Peninsula which would guarantee the safety of the North Korean regime.

In these two occasions, he further expressed his long-term view of economic co-prosperity with his neighbor and invited North Korea to the PyeongChang Winter Olympic Games.

Earlier this year, in his New Year's speech, North Korean leader Kim Jong-un responded. He said that he would like to improve inter-Korean relations drastically, and also expressed his intention to participate in the PyeongChang Winter Olympics.

Since then, inter-Korean relations have made significant progress, including three inter-Korean summits and five high-level talks which all took place this year.

In particular, the leaders of the two Koreas adopted the Panmunjom Declaration as the outcome of this year's first inter-Korean summit. They also reconfirmed the faithful implementation of the Panmunjom Declaration in the second inter-Korean summit in May.



Now, I would like to briefly explain the key aspects of the Panmunjom Declaration. The Panmunjom Declaration consists of three aspects: improving inter-Korean relations, easing military tensions and establishing permanent peace.

First, the improvement of inter-Korean relations. Relations between the two Koreas had been strained due to North Korea's nuclear weapons program. However, the two Koreas have agreed not only to completely denuclearize the Korean Peninsula, but also to engage in exchanges and cooperation through the Panmunjom Declaration.

As a result of these efforts, the two Koreas participated as unified teams in the 2018 Asian Games and had their athletes march together at the opening and closing ceremonies under a unified flag. Also, separated family reunions which had been suspended since 2015 successfully resumed, and the first South-North joint liaison office opened in September in Kaeseong.

Second, easing military tensions. As I mentioned earlier, all throughout last year, military tensions continued to escalate on the Korean Peninsula. Through the Panmunjom Declaration, however, the leaders of the two sides expressed their determination that there would no longer be a war on the Korean Peninsula. Furthermore, they agreed to completely cease all hostile acts against each other, and to devise a practical scheme to prevent accidental military clashes between the two Koreas.

Third, the establishment of peace on the Korean Peninsula. The two Koreas technically remain at war since the Korean war ended with an armistice, not a peace treaty. Now, in order to end hostilities on the Peninsula, we need to sign a peace agreement to replace the Armistice Agreement as well as to achieve complete denuclearization of the Peninsula. To that end, the two Koreas affirmed the common goal of realizing a nuclear-free Korean Peninsula through complete denuclearization and also agreed to declare the end of the war within this year and to actively promote the holding of trilateral and quadrilateral talks to conclude a peace agreement with relevant parties.

As you all know, the 3<sup>rd</sup> Inter-Korean Summit was held in Pyongyang from 18 to 20 September, and the two leaders signed the Pyongyang Joint Declaration.

The main outcomes of this summit are as follows.

- We reaffirmed Chairman Kim's firm will to implement a set of concrete measures to denuclearize the Peninsula. It's significant that the leader of North Korea personally expressed his commitment to denuclearization in front of world media and to 150,000 citizens of Pyongyang.
- In the Pyongyang Joint Declaration, the two Koreas agreed to develop the nation's economy in a balanced manner and promote inter-Korean exchanges. The ROK government will pursue all of these inter-Korean exchanges and cooperation projects in line with the international sanctions against North Korea.
- Subsequent to the Pyongyang Joint Declaration, the Defense Ministers of the two Koreas signed the "Agreement on the Implementation of the Historic Panmunjom Declaration in the Military Domain". This Agreement provides an opportunity for the two Koreas to substantially alleviate the threat of war on the Korean Peninsula.

Most importantly, during the three days in Pyongyang, President Moon and Chairman Kim continued to communicate directly and frankly, which is significant for confidence building between the two Koreas.

Let me give you a more detailed explanation on each of the outcomes.

First, denuclearization. Chairman Kim promised to shut down the missile-engine testing facility and launchpad at Dongchang-ri, which is on the western coast of North Korea, under the observation of experts from relevant countries. Kim also said he was willing to permanently close the Yongbyon nuclear site, where the country produced the plutonium used in its first nuclear weapons test, if the U.S. took reciprocal action in accordance with the spirit of the June 12 US-North Korea Joint Statement.

Right after the Summit, President Moon held another summit meeting with President Trump in New York, on the occasion of the UN General Assembly meeting. President Trump welcomed the results of the Pyongyang Summit and said that he expects to have a second summit with Chairman Kim in the not too distant future.

Following the KOR-US summit, U.S. Secretary of State Pompeo visited Pyongyang on 7 October. Secretary Pompeo and Chairman Kim reached an agreement to hold a second US-North Korea summit at an early date and to form working-level negotiation teams to have consultations on North Korea's denuclearization process and on scheduling their second summit. Also, Secretary Pompeo reaffirmed Chairman Kim's resolute willingness for denuclearization.

Furthermore, when South Korean envoy met with Chairman Kim on September 5th, Chairman Kim mentioned that he wants to denuclearize North Korea before President Trump's current term ends.

There are widespread doubts and worries about North Korea's will for denuclearization. But considering its regime structure in which the top leader has all the power, I think it's another step forward, as the leader of North Korea expressed his position on further denuclearization measure in detail, including the timeline.

Next, on easing military tensions between the two Koreas. The Agreement on the Implementation of the Historic Panmunjeom Declaration in the Military Domain consists of five main agendas.

Completely ceasing all hostile acts against the other side; Devising military measures to transform the Demilitarized Zone into a peace zone; Establishing a maritime peace zone around the NLL in the West Sea and ensure safe fishing activities; Military assurance for invigorating exchanges, cooperation, contacts and visits; and devising various measures for military confidence building.

Through this agreement, for the first time in 65 years, the two Koreas established military measures to realize the intent of the Armistice Agreement and set the conditions to advance effective measures to ease military tensions and build confidence.

Moreover, this Agreement provided the opportunity to enable denuclearization and establish lasting peace on the Korean Peninsula. It also sets a meaningful basis for the sustainable enhancement in inter-Korean relations in various fields.

The Pyongyang Joint Declaration of September accelerates the implementation of the Panmunjom Declaration. To be more specific, the South and North agreed to develop inter-Korean relations in various fields such as Sport, Railways&roads and economic cooperation. Furthermore, Chairman Kim agreed to visit Seoul at an early date upon the invitation of President Moon.

I know that I talked much on the inter-Korean Summit and the results. That's because, my government thinks that in order to advance inter-Korean relations can work as a driving force for denuclearization process on the Peninsula.

As you can see in the diagram, the improvement of inter-Korean relations, denuclearization of the Korean Peninsula and the establishment of a peace regime are three important pillars that work together. Only when these three pillars reinforce one another can permanent peace be achieved.

The most important among these pillars is denuclearization. My government is taking a comprehensive approach to resolving the North Korean nuclear issue. We have worked toward establishing a peace regime in order to relieve North Korea's security concerns along with the complete denuclearization of North Korea. This task is now proceeding in cooperation with relevant countries, especially the United States.

Now, we await the second US-North Korea summit and hope to see substantial progress toward complete denuclearization at the upcoming summit. Many people have doubts on the feasibility of denuclearization. The ROK government will endeavor to narrow gaps between the U.S. and North Korea regarding denuclearization process.

In addition, we will sincerely implement the Agreement in the Military Domain in close cooperation with the international community.

With regard to inter-Korean relations, the ROK government will build relations in a way that creates a virtuous circle for complete denuclearization and the establishment of permanent peace on the Korean Peninsula. But the ROK government is fully aware that the process will go on within the sanctions framework set by the UN Security Council.



## ASEAN ROLE IN THE NORTH'S REGIONAL INTEGRATION

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*Photo Credit: CICP*

ASEAN has an important role to play in preparing North Korea to integrate with the region in the future. If the ongoing efforts to denuclearize Democratic People's Republic of Korea (DPRK) prove successful and verifiable, bringing the Hermit Kingdom to the embrace of regional and international community would be a priority. As one of the world's most dynamic regional grouping, ASEAN can socialize DPRK at all levels and dimensions to facilitate its integration with the broader region.

Judging from the recent 33th ASEAN Summit on 14 November 2018 in Singapore, the ASEAN leaders were hopeful that one day peace and stability would prevail in the Korean Peninsula. Brunei Darussalam, the coordinating country of ASEAN-South Korea relations (2018-2021), has already urged ASEAN to take active roles in the peace and reconciliation process among the Koreans. ASEAN has urged all concerned parties to continue working towards the realization of lasting peace and stability on a denuclearized Korean Peninsula. This has been the grouping's key objective.

Furthermore, ASEAN has also called for the full and expeditious implementation of the Panmunjom Declaration, the Pyongyang Joint

Declaration and the Joint Statement by the US and DPRK leaders. ASEAN strongly supports the efforts of President Moon Jae-in and his nascent New Southbound Strategy. That helps explaining why ASEAN has already agreed to hold another special South Korea-ASEAN summit next year to commemorate the 30<sup>th</sup> anniversary of their friendship cooperation. ASEAN decided to give Seoul this privilege, even though the previous summit was held to mark 25<sup>th</sup> anniversary in 2014. According to the grouping's protocol, a ten-year cycle is required for a special summit with ASEAN.

At this juncture, ASEAN is trying its best to contribute to the ongoing international efforts to denuclearize DPRK. For instance, ASEAN also welcomed the DPRK's stated commitment to complete denuclearization and its pledge to refrain from further nuclear and missile tests. Other non-ASEAN countries might not follow this pathway. For ASEAN, it is pivotal to give North Korea ample opportunities to prove itself through actions. At the same, granted the numerous United Nations Security Council resolutions, ASEAN also has reiterated its commitment to their full implementation of all relevant sanctions.

Pyongyang has close relations with the ten-member grouping. Five of them have diplomatic missions in Pyongyang. DPRK has maintained all around cooperation with Singapore, Vietnam, Malaysia, Thailand and the Philippines. Other members have their own uniqueness in maintaining ties with DPRK. Until recently, Cambodia relied on DPRK security guards to protect the kingdom's monarch. Before the assassination of Kim Jong-nam in February 2017, ties with ASEAN were cordial. However, after the scandal, over all ties deteriorated. Malaysia, which used to grant visa-waiver to DPRK passport holders, revoked its policy. Now, the ASEAN-DPRK relations are more focused and realistic.

DPRK has been a member of ASEAN Regional Forum since 2000 and signed the ASEAN Treaty of Amity and Cooperation in 2008, which allows DPRK to take part directly in the key ASEAN-led mechanisms



dealing with region-wide security. So far, DPRK has not utilized these available platforms as much. However, of late, with more openness at the leadership level, friendlier contacts increased between DPRK and ASEAN and its dialogue partners. It is hopeful that through the ASEAN goodwill both collectively and individually, good practices could be transferred to the DPRK leaders and bureaucrats.

In retrospect, judging from Washington's diplomacy towards North Korea, it was wise for ASEAN resisting the US pressure especially after the Trump Administration came to power two years ago. Ever since North Korea's attempts to go nuclear two decades ago, ASEAN has always opted for diplomacy and sustained dialogues with Pyongyang. ASEAN has been refusing the demand to isolate the beleaguered nation and curving in to Washington's demands.

For instance, former Assistant State Secretary for East Asia and Pacific Affairs, Joseph Yun, who made a series of shuttled diplomacy in East Asia, particular in ASEAN, at the end of 2017, to convince their leaders to further isolate North Korea. During his visit to Bangkok in January 2018, he urged Malaysia, Singapore and Thailand to end all trade transactions with Pyongyang and vigorously implemented all relevant resolutions imposed by the UN Security Council.

It is interesting to note that Washington has long viewed Bangkok as a hub of North Korea's illegal trade and non-economic transactions due to extensive diplomatic and commerce linkages. As part of confidence-building measures to improve bilateral US-Thai relations after the infamous coup in May 2014, Thailand agreed to limit the number of North Korean diplomats to six and halted the accreditation of one diplomat pending on the progress of denuclearization talks. After Yun's visit, Thailand also effectively ended all exports to North Korea in February.

The Trump Administration also wanted to encourage Thailand to take a stronger position against North Korea. As the co-host with Canada of

Vancouver's Foreign Ministerial Meeting on Security and Stability on the Korean Peninsula held in mid-January 2018, the US sought to highlight Thailand's role in compliance with the UNSC resolutions. However, Thailand was a bit reluctant as there was no consensus from ASEAN. Instead of dispatching the country's foreign minister as the team leader, a director general official substituted the minister. In Vancouver, the leaders from 20 countries agreed that all future dialogues must be backed up with strong military options.

In Vancouver, while Washington maintained its hard-lined position, the US officials also reiterated the four No's related to North Korea – the US has no intention to change the current system; no support for regime change; no rush for reunification and no dispatch of troops across the demilitarized zone. The Vancouver participants opposed China's proposed idea at the time of "freeze for freeze" – exchanging freeze on nuclearization with joint US-South Korean military exercise.

After the Vancouver meeting, there were talks about the revival of Six-Party talks (SPT), which was suspended in 2003, raising hope that ASEAN could play a facilitating role as its members are all in the ARF. At this juncture, the pending second summit between Trump and Kim Jong-un early I 2019 as well as Kim's schedule visit to Seoul would impact further on the denuclearization and verification process and the SPT.

Granted ASEAN ongoing efforts to integrate new members (Vietnam, Laos, Cambodia and Myanmar), which used to deploy centralized economic systems, ASEAN is in an excellent position to provide these valuable lessons to the DPRK decision makers in all dimension – political/security, economic, social/cultural, especially through existing Track 1, Track 1.5 and Track 2 activities to ensure that DPRK can incrementally end its isolationist's tendency. Finally, the ASEAN chair in 2019 is planning to invite the top DPRK leaders to attend ASEAN events to jump start and pave the way for DPRK's future cooperation and integration.

# KOREAN RECONCILIATION: ECONOMIC CONSEQUENCE FOR NORTHEAST AND SOUTHEAST ASIA

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*Photo Credit: CICP*

## **Introduction and Overview**

The significance of political reconciliation on the Korean peninsula as regards the economic development of both Northeast and Southeast Asia can hardly be over stated. As has been noted by myriad observers, the continued division of the peninsula has had severe, negative implications for the economic integration of the Democratic People's Republic of Korea (DPRK), the Republic of Korea (ROK), China's northeastern region (Liaoning, Jilin, and Heilongjiang), and the Russian Far East (Primorski Krai and Khabarovsk). However, a formal end to the conflict through the signing of a peace agreement will not immediately resolve the challenges confronting this region. Rather this event will only be a first step in a very long road of investment, infrastructure development, and institution building that is necessary if the region is to reap the benefits on offer from integration. At the same time, while peace on the Korean peninsula is an inherently positive for East and Southeast Asia as a whole, it is necessary to point out that countries in ASEAN at the lower end of the value chain should also expect certain changes, i.e., the arrival on the scene of a new competitor for both low skill production (e.g., textiles) and South Korean investment. This brief

paper sets out some of the main challenges and opportunities that Korean reconciliation presents for both regions.

### **After the Peace: Infrastructure and Investment**

Following decade of division, the economies of the two Koreas have taken wildly divergent paths. While the ROK achieved high income status at record time as one of the “Asian Tigers” and today can boast of myriad globally competitive firms across the spectrum of sectors of the global economy, the DPRK remains mired in anemic growth and a state-dominated economy where Chinese-style reform is always “just around the corner” but never seems to appear. After decades of Stalinist central planning, the DPRK’s maintains a set of state owned enterprises that are essentially worthless to foreign investors and an infrastructure that can best be described as “dismal.” The gap between the two Koreas is significantly wider than that between East and West Germany at the close of the Cold War, with costs that are equally eye watering. The first priority to support inter-Korean and regional economic development is the upgrading of that infrastructure. Estimates vary widely, however a conservative figure of USD 11.5 billion in infrastructure investment in the short term is certainly well within the realm of possibility. The DPRK will coming to an infrastructure funding well that is already heavily depleted, Southeast Asia alone requires medium to long term infrastructure investment of over USD 110 billion. In the event that peace is achieved on the peninsula, the DPRK’s needs will place significant strain on the existing funding sources. Even with the seemingly unlimited financial resources of the People’s Republic of China for global infrastructure development in the form of its Belt and Road Initiative (BRI), funding is likely to remain tight and gaps will continue. Moreover, countries with existing needs will find a significant new competitor for the pool of global infrastructure funds, raising questions as to the future development of new economic corridors across Southeast Asia.

Conversely, for Northeast Asia – the picture is significantly more positive. The connection of South Korea to China’s northeast and the Russian Far East (through linkages already being developed as part of China’s efforts at revivifying the historically stagnant region) will have clear benefits in the near term. The Tumen River Development initiative – first promoted by UNDP in the 1990s and since then a consistent “work in progress” with very little to show in terms of concrete achievement would finally be able to hit the ground running and China will gain a direct, land transport link to South Korea for its exports with additional positive impacts as regards transport costs for exports to Japan.

### **Low Cost Labor and Models of Reform**

In addition to the question of infrastructure, the DPRK’s low cost, under-employed labor force is likely to eventually be deployed in low value-added manufacturing, e.g. textiles – the historical “first step” on the global ladder of production. Countries such as Cambodia and Bangladesh will find a new competitor in this area, one that could very well be buttressed by “preferential” access to FDI from South Korea in light of the political and geographic realities at hand.

Finally, there is the question as to what model of economic reform the DPRK would adopt in the event of reconciliation. While the Chinese model is assumed by many, this approach also has risks in the form of potential popular backlash – as was seen with the Tiananmen Square protests in 1989. An interesting parallel case is that of Cuba, a regime that has in recent years begun a (very) gradual process of reform that has seen myriad false starts and a constant “two steps forward, one step back” approach as the government in Havana becomes concerned that widening disparity and a growing private sector represent a threat to its maintenance of its monopoly on power. It is much too early to assume immediate adoption of Chinese-style reform in the DPRK in light of the potential threats that could arise as regards the continuity of the Kim regime.

## **Maintenance of the Status Quo: Whither North Korea's Economy?**

In the event that the peace process fails, how is the North Korean economy likely to develop? While the regime has made very mild reforms in recent years – primarily owing to the collapse of the state planning and state food distribution system during the “Arduous March” years of the famine in the 1990s – Korea’s capital stock remains essentially worthless. If current talks do not succeed, South Korea could feel significant pressure from the North to (at the minimum) provide support to facilitate the country’s economic reform and return to developing more projects along the lines of the Kaesong special economic zone. How this would exist in the event that the U.S. government maintained sanctions on North Korea is an open question – however it would appear that Seoul would be placed in an untenable position of attempting to continue a gradual/soft approach towards the DPRK while maintaining positive relations with its main security guarantor, the United States.

By way of conclusion, while peace on the Korean peninsula will have myriad positive externalities for the region – including in the economic sphere – there remain myriad outstanding questions as to how the DPRK will reform, who will fund its infrastructure development, how it will integrate with its neighbors, and the potential negative externalities for other states already competing for FDI at the lower end of the value chain.

# THE EXCHANGE OF DENUCLEARIZATION AND ECONOMIC COOPERATION: EQUIVALENT OR NOT?

*Dr. Un-Chul Yang*

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## 1. The trade-in value of NK WMD

### 1.1 The Completion of Nuclear Weapons



*Photo Credit: CICP*

On September 15, 1989, French commercial satellite SPOT 2 released the picture of North Korean secret nuclear facilities. Consequently, the North Korean nuclear issue was emerged as an international issue, which had given United States, Japan, and South Korea great cause for concern. Ignoring neighboring countries' stance, North Korea has continued to devote all its energies to develop nuclear weapons despite the pressure and

conciliation of the international community. Conducting its sixth nuclear test on September 3, 2017, North Korea proclaimed the success of hydrogen bomb test for ballistic missiles.

On April 20, 2018, North Korea declared that it would abandon the “parallel line” at the plenary session of the Labor Party and start to push for economic construction. Chairman Kim Jong-un announced that the nuclear weapons were completed at the expense of huge sacrifices. Then, Kim pledged himself to the resolution for the economic development in the near future.

## 1.2 The opportunity cost of developing nuclear weapons

North Korea's parallel line could not be attainable. It is the violation of simple economic principle called "law of diminishing marginal substitution rate". As Paul Samuelson described it is the choice issue between military good (gun) and consumption good. The country cannot produce more both goods with a given condition. The country may need the increasing labor forces, capitals, technological innovation and so on. North Korea cannot catch two rabbits running away in a different direction. There's trade-off attaining economic development and producing nuclear weapons. Kim Jong-il emphasized the military-first policy but Kim Jong-un instead calls attention economy-first policy.

For a poor country such as North Korea, it is rare to sacrifice the economy for national security. In general, poor countries focus on maintaining a good relationship with rich countries and expecting economic benefits. In addition, they even eager to get into the international community and obtain the advantage as a latecomer.

North Korea's ambition to be a nuclear armed state is far beyond than expected. Or North Korea felt a serious anxiety regarding national security. In any case, the opportunity cost of abandoning its nuclear weapons for North Korea is very high. According to the testimony by recent exiled diplomat Mr. Tae Young Ho from UK, North Korean diplomats have repeatedly been taught that countries with nuclear weapons do not collapse in history.<sup>34</sup> He added that North Korean leaders are seriously concerned about the sudden collapse of Gaddafi power after Libya abandoned its nuclear weapons.

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<sup>34</sup> Speech contents at a closed door seminar with Mr. Tae Young Ho. The Institute of North Korea Studies, November 7, 2018.



### 1.3 Repetition of same risk: Libya case

In the case of Libya, a representative example of national security and economic assistance, Libya voluntarily proposed denuclearization first, unlike North Korea.<sup>35</sup> Libya achieved the improvement of relations with the US through step-by-step nuclear dismantlement. However, the behind truth to abandon its nuclear program was that Libya had a serious flawed program that could not produce any tangible results. After Libya escaped from the list of terrorist sponsors, Libya was excluded from economic sanctions.

With Libya's denuclearization, Russia had written off all in debt. The amount was about \$4.5 billion. After lifting of US economic sanctions in 2004, Libya's gross domestic product (GDP) rose three times over five years, from \$ 31.8 billion in 2004 to about \$ 95.2 billion in 2008. Though Libya's GDP had been declining since 2009 due to the counter action of abnormally increased oil prices, Libya achieved at least a transitory effect through implementing denuclearization.

At that time, the future of Libya looked bright by the success of denuclearization. However, while carrying out the massacre of rebels in the civil war triggered by the Arab Spring, Gadhafi was defeated in a battle by the NATO-led coalition. Then, he was killed by the people. The collapse of Gaddafi regime was a great shock to North Korea.

The Libyan case can be evaluated that the lift of economic sanction will not guarantee the regime safety. Though Libya was forced to exchange nuclear weapon and economic aid by the West, it is not suitable to apply to North Korea. For example, Libya did not have capable long-range missiles mounting nuclear weapons. This shows that the Libyan nuclear weapon was not a powerful bargaining chip. In addition, the downfall of Libya was mainly due to the unexpected external factors of

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<sup>35</sup> In reality, Libya offered to abandon nuclear weapons repeatedly while the US and UK insisted on incremental approach after settling down the issues such as exploding Pan Am flight 103. Elizabeth N. Saunders, "This is why North Korea reacted so strongly to Bolton's mention of the Libya model," *The Washington Post*, May 17, 2018.

Arab spring. In this context, Donald Trump told a meeting with NATO Secretary General Jens Stoltenberg that the role model of North Korean denuclearization will not be Libya but North Korea.

## **2. Lifting Sanctions and beyond**

### **2.1 The goal of economic sanction**

Currently, North Korea's economy is becoming more fragile due to continuous economic sanctions by the international community. Officials of the US Department of the Treasury's Office of Foreign Assets Control (OFAC), who are in charge of sanctions on North Korea, emphasized that the purpose of the sanctions was not to disrupt the North Korean economy, but to cut down the inflows of slush fund into Kim Jong-un. For example, the trade in North Korean welfare is not subject to sanctions, and the "secondary sanction" for economic agents who illegally support North Korea is decided very carefully after official discussions with several ministries. OFAC pointed out that China's Dandong Bank, which received strong sanctions, is different from the Macao BDA (Banco Delta Asia) case, which was conducted independently by the United States in the past because it has detected violations through joint investigations by various agencies. The US Department of the Treasury OFAC has also stressed the fact that North Korea's trading volume is based on dollars and that the '50% rule' is applied. It means that if a person subject to sanction owns less than 50% of a company's stake, it will not block the transaction.<sup>36</sup>

However, in the case of sanctions against North Korea, the subject of sanctions are not mainly some companies or banks, but rather a comprehensive sanction against the state. Therefore, the suffering of North Korea is relatively large. In the case of Iran, it is easy to impose sanctions on illegal activities because the economy is more globalized than North Korea. Since North Korea is associated with "high level politics" such as US-China relations, the sanctions against North Korea

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<sup>36</sup> Meeting contents with OFAC personnel on April 24, 2018.

always have the potential to become a diplomatic issue. However, the US Treasury Department is positively evaluating the effectiveness of sanctions against North Korea and believes that the effectiveness of sanctions has greatly increased due to China's participation.<sup>37</sup>

It seems that the strengthening of sanctions on North Korea has proved effective in attracting Kim Jong-un to the international community. Fear of economic sanctions could be a major factor for North Korea to pursue economic benefits instead of giving up nuclear weapons. That is the reason why Kim Jong-un was active in the inter-Korean summit and the U.S.-DPRK summit would be the same. If Kim Jong-un's ultimate choice is to escape from international sanctions, it leads to the question of whether Kim choose between keeping nuclear possession and pursuing economic development.

## **2.2 Cure-all for NK denuclearization?**

North Korea is operating its economy despite sanctions but the prolonged economic sanctions on North Korea are backing the growth potential of the North Korean economy. In particular, trade restrictions with China have had a considerable impact. China's participation in sanctions on North Korea has resulted in the sharp decrease total amount of trade volume between North Korea and China trade over the last and this year.

If Kim Jong-un tries to overcome the present weak economy, inducing foreign capital is the ultimate solution. In this sense, the debate on denuclearization of North Korea should weigh more on the economic aspects in North Korea. To handle this issue, South Korea and U.S. should not underestimate the North Korean planned economy and overestimate its high economic reliance on China.

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<sup>37</sup> An official of OFAC pointed out that there are many false information such as China's sanctions against North Korea has been relaxed in relation to the meetings of Kim Jong-un.

The internal stability of the Kim Jong-un regime is linked to the imperfect (weak) market structure in North Korea. It is necessary to approach the denuclearization negotiations based on a clear understanding of North Korean economy. North Korea had a very poor food distribution until mid-2000. Since then, the peoples' reliance on the ration system has decreased greatly as the market has expanded. Though most people's daily life depends on the market, the market is still not fully institutionally and legally guaranteed (de facto, not de jure).

On the other hand, due to the market expansion and inflows of Chinese commodities to the market, the state price by planned economy does not function well. The fluctuating price according to the principle of the market based on the foreign exchange rate represents the genuine price. The foreign currencies are necessary medium to make a living in North Korea.

Thus, the lift of sanction will not guarantee the stable economy. The potential of the North Korean economy, rather than the effects of easing sanctions, has a greater impact on the lives of ordinary people. If North Korea has a strong durability against international sanctions, it will have nuclear weapons. On the contrary, if North Korea gives up nuclear weapons and program, the international community will compensate or support the North for reconstruction of its economy. At this moment of choice, North Korea will adhere to more profitable policies.

In the perspective of the economic structure and scale in North Korea, the mitigation of economic sanctions alone will not guarantee the North Korean economy to leap forward. The North Korean economy is basically based on self-reliance and mainly depends on the Chinese economy. The economic difficulties faced by the Kim Jong-un regime are largely due to two causes. First, the economic sanctions governed by China is very critical to North Korea. There have been many discussions on North Korean economy through several talks. It seems

that North Korea will not trust China much because China does not satisfy support North Korea much in various area recently. It is also difficult for China to satisfy North Korea's high demand while North Korea that does not give up its nuclear weapons. In reality, China's economic sanctions on North Korea remain at the level of pressure to denuclearize North Korea. It is absolutely opposed to hardline policies as the economic blockade that affects the existence of the North Korean regime.

The second difficulty is North Korea's oil shortage. For North Korea, crude oil is the most important lifeline among energy resources. And the refined oil is not attractive to North Korea because of high import prices. On the external criticism of the fact that China continues to supply North Korea with crude oil, the Chinese Central Party professor Zhang Yuanqiu said that he should support it because of the Maoist-Kim Il Sung agreement. Two weeks later, the professor Zhang Leng Gei wrote in an article in the Global Times that the Chinese people are tired of supplying North Korea with crude oil. After that, the price of gasoline in Pyongyang temporarily surged about three times.<sup>38</sup>

### **2-3. Searching Path for win-win game**

Considering that North Korea's economy is more than 90% dependent on China, it is clear that China's sanctions on North Korea are shrinking the North Korean economy. Generally, GNI and trade value have a high positive correlation. Therefore, the decline of trade volume with China will bring economic hardship to North Korea. To make matters worse, Kim Jong-un's ruling funds would have fallen sharply due to a decline in trade volume and restrictions all economy activities abroad. Though Pyongyang's remarkable change gives strong impression but also bring serious discrepancies between the rich and poor.

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<sup>38</sup> Contents in conversation with William Brown, Adjunct Professor of Georgetown University, at the Graduate School USA in the State Department on May 25, 2018.

In this economic reality, Kim Jong-un, who has completed the means of transporting nuclear weapons, will be interested in denuclearization and exchange of economic support. In order to satisfy Kim Jong-un's economic ambition, capital inflow is inevitable. Exchange between the denuclearization and economic cooperation with other countries will be a win-win game in which both can profit. Thus, it is necessary to press and persuade North Korea to continue to abandon the nuclear weapon and program.

Overall, the after-effects of North Korean sanctions would have had a decisive impact on the North Korean economy as it affected two countries trade. In 2017, North Korea's mass exports dropped sharply, showing a slight deviation from the synchronized phenomenon. In 2018 so far, North Korea's imports from China fell almost 40%. As the economic cooperation with China declines, North Korea is taking a self-sustaining capacity. Representative phenomenon is localization. For that, the state-owned companies are desperately attracting the moneyed or foreign wealthy investors. For example, Pyongyang Children's Foodstuff Factory and Pyongyang Ryuwon Shoes Factory are the representative companies succeeded in localizing North Korea's propaganda. And, Kim Jeong-sook textile factory are reported to produce more than planned amount. The reason for the increase in production is that, unlike in the past, enterprises are inducing investment from outside, mainly the moneyed.<sup>39</sup> The capital inflows from South Korea, and new management technologies are put into these enterprises, North Korea's production will increase fast.

### **3. Equivalence between denuclearization and economic cooperation**

When North Korea abandons its nuclear program, North Korea may lose its precious wrong value with low chance; the fall of regime, weak

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<sup>39</sup> Instead of invest to the market where the property is not legally protected, rich people invest to the state companies. This a typical symbiosis relationship between the individual and the state companies. Un-Chul Yang, "Unavoidable Economic Reform in North Korea: From Self-reliance to Symbiosis," In Un-Chul Yang edited *North Korea Conundrum* (The Sejong Institute, forthcoming book).

national defense, loss of national pride, opposition from the people and so on. On the contrary, in terms of cost-benefit analysis, the overall benefits from giving up nuclear weapons is much greater than keeping it.

North Korea indirectly expressed its willingness to receive economic support in exchange for the denuclearization. In general, the exchange of nuclear abandonment and economic assistance is largely influenced by political factors related to national security rather than economic factors. In reality, some cases can be found where 'equivalence' is not valid to exchange the military-related security issues to the economic interests.

Of course, North Korea may face some risk of lifting sanctions for the short-term period or denuclearization process in a situation North Korea should give up some of its value. If North Korea shows visible actions in denuclearization, it will be able to get economic assistance or economic cooperation from South Korea and other countries. Thus, North Korea's attitude toward denuclearization will depend on whether the counter payment is enough or not.

- If North Korea begins the process of denuclearization at a level acceptable to the international community, North Korean economy absolutely get benefit. The most representative projects are massive investment from South Korean enterprises. And the joint development of mineral resources in North Korea, renovation of infrastructure facilities in limited areas, utilization of North Korean IT personnel, restart of Kaesong Industrial Complex, participation in North Korean special economic zone development projects, economic education for high ranking officials will launch. Even in order for Inter-Korean Economic Community, North Korea must reduce all incurring costs by involving economic cooperation between the two Koreas prior to the implementation of economic activities. However, these economic cooperation projects must be pursued in parallel with the denuclearization of North Korea.

North Korea still shows a strong animosity against its denuclearization. The Rodong Sinmun said, "It is stupid to wait for our republic to give up its nuclear weapons, rather than waiting for the sea water run dry...It is a wise choice to take the position of peaceful coexistence with our Republic, which has emerged as a nuclear strategic nation."<sup>40</sup>

Analyzing North Korea's behavior patterns so far, it is unlikely that North Korea will give up its nuclear weapons. Kim Jong-un would be willing to negotiate his nuclear and ICBM programs if he is provided with a security guarantee, comprehensive economic incentives, and political support. So far, North Korea will never give up its nuclear weapons. Kim Jong-un may use to buy time to give the impression to abandon nuclear weapons at the right price. This is why it is difficult to draw good results from the talks with North Korea.<sup>41</sup> Therefore, it is difficult to persuade North Korea with only economic incentives. In the short term, North Korea emphasizes political factors such as declaration of war and regime guarantees more than economic factors. If the international community accepts North Korea's demands, then it will require economic assistance.

#### 4. Expecting plausible outcomes

Confidence building is the most important factor in the development of an ideal political relationship between not only two Koreas but also North Korea-U.S. If North Korea implements CVID, South Korea begins to assist North Korea. The South is expected to raise the necessary funds and bears the financial burden for building-up North Korean economy. The present North Korean economy virtually does not have no capacity to contribute to its own financial resurgence. As German

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<sup>40</sup> *The Rodong Sinmun*, "Expect our republic to give up nuke program," February 23, 2018.

<sup>41</sup> Refer to Chung Min Lee, "North Korea's Nuclear Brinkmanship and Changing Threat Spectrums," in Un-Chul Yang edited *Whither North Korea?* (The Sejong Institute, 2018).



unification involved tremendous welfare transfers from West to East, the same thing could happen in the Korean peninsula, which would be a huge fiscal burden for the South. The South has to prepare several ways to raise the necessary funds: taxes, government debts, and earnings from government assets which are part of polity. Another option is to seek loans from international financial institutions. These methods are not easily attainable.

In parallel with South Korea's efforts, North Korea should also prepare itself. The North Korean economy has to make efforts to meet the global standards of the international community: initiating market reform, inducing foreign investment, pursuing economic efficiency in the factor market, and so forth. With equally concerted efforts on both sides, the two Koreas can expand upon such a mutually beneficial partnership. Specific steps need to be developed to achieve political rapprochement and economic cooperation, where two Koreas finally achieve the inter-Korean economic community. This will bring the regional peace and eventually become the best practice of achieving world peace.



## REMARKS BY

*Mr. Michael A. Newbill*

*Deputy Chief of Mission, US Embassy in Cambodia*



*Photo Credit: CICP*

Good Morning everyone. I am delighted to be here this morning to speak on behalf of the United States government about an issue that has been a top priority for President Trump – and indeed for Presidents Obama, Bush, and Clinton before him. So, this discussion today is both timely and extremely important.

Before beginning, I would like to thank Ambassador Pou Sothirak for organizing this conference. CICP plays an important role in fostering robust discussion and debate on important foreign policy issues. I spoke at the last conference Ambassador Sothirak and CICP hosted on the Indo-Pacific Strategy, which was very productive and helped inform the discussions that are taking place this week among leaders in Singapore at the East Asian Summit.

One of the main topics at the EAS will be North Korea. This is the greatest security challenge of our time. We, the international community, need to stand together to ensure a peaceful resolution.

Under President Trump’s leadership, we have significantly increased the pressure on North Korea. We have imposed tough new economic sanctions and other measures to deny North Korea the ability to further

advance its nuclear and missile capabilities. We will not accept a nuclear armed North Korea that can threaten the United States, and our allies and partners in the Indo-Pacific.

But at the same time, President Trump has made clear that he is open to dialogue. He met Kim Jong-Un in Singapore in June, the first American President to meet with a North Korean leader.

Thanks to the tougher measures implemented since he took office, President Trump was able to negotiate from a position of strength. And as a result, that meeting produced real results, including a commitment by Chairman Kim to final and fully-verified denuclearization. We intend to hold him to that commitment.

We've seen progress in other areas as well. North Korea hasn't test fired any new missiles or conducted a nuclear test in over a year. They've dismantled some facilities. But more needs to be done -- and of course, all these measures must be independently verified. We will not lift economic sanctions until that happens.

We will continue to work with our partners and allies in the region and around the world to ensure the full and final denuclearization of North Korea -- and a stable, peaceful, and prosperous Korean Peninsula. That's good for the people of North and South Korea, it's good for the United States, and it's good for the region. We hope China and Russia will play a constructive role in this effort.

Before I conclude, I'd like to explain briefly how our efforts with respect to North Korea connect to the broader "Free and Open Indo-Pacific Strategy" that I mentioned at the start of my talk.

Last year in Vietnam, President Donald Trump laid out the United States' vision for a free and open Indo-Pacific, and Vice President Pence is in Singapore right now explaining this vision to the leaders attending the East Asia Forum. To summarize, we seek an Indo-Pacific - from the United States to India, from Japan to Australia, and everywhere in

between – where sovereignty is respected, where commerce flows unhindered and where independent nations are masters of their own destinies.

This region, which includes more than half of Earth’s surface and population, has experienced great progress when these principles have been respected. While some nations now seek to undermine this foundation, the United States is taking decisive action to protect our interests and promote the Indo-Pacific’s shared success.

Our Indo-Pacific strategy rests on three broad pillars: prosperity, security, and freedom. Given the topic of today’s discussion, I want to focus on the second pillar: security. The United States will continue to work with like-minded nations to confront the most urgent threats facing the region, from nuclear proliferation to extremism and terrorism. This year alone, the United States is providing more than half a billion dollars in security assistance. This includes nearly \$400 million in military support – more than the past three years combined. We will also provide new assistance to help nations protect their borders – on land, at sea and in the digital arena – and we will continue to work with our allies and partners to protect the freedoms of navigation and overflight.

Now as I said, the United States will continue to exert unprecedented diplomatic and economic pressure on North Korea. Our resolve has brought that country to the negotiating table, and we call on all Indo-Pacific nations to maintain the pressure campaign, including sanctions, until we achieve the complete denuclearization of the Korean Peninsula. The region’s continued success and future prosperity depend on the success of this effort.

A full two-thirds of global trade traverses the seas, skies, roads, and railways of the Indo-Pacific. U.S. trade in the region is worth more than \$1.8 trillion annually, and our total regional investment in the Indo-Pacific is nearly \$1 trillion – more than China, Japan, and South Korea’s investment combined.

To spur renewed private investment in regional infrastructure, President Trump recently signed the Build Act into law, which expands U.S. development finance capacity to \$60 billion. Our nation is committed to helping the region build world-class sea ports, airports, roads and railways, and pipelines and data lines.

Of course, none of this investment is possible unless the region remains secure -- and free from the threat of a nuclear-armed North Korea.

Finally, as part of the Indo-Pacific strategy, we will support transparent and responsible government, the rule of law, and the protection of individual rights, including religious freedom.

Nations that empower their citizens, nurture civil society, fight corruption, and guard their sovereignty are stronger homes for their people and better partners for the United States. Conversely, as we see around the world, nations that oppress their people are often weak, poor, and vulnerable -- and threaten their neighbors' sovereignty and prosperity as well. It's clear that authoritarianism and aggression have no place in the Indo-Pacific region.

As Vice President Pence stressed at the East Asia Summit this week, unlike some other countries, the United States seeks collaboration, not control. We engage in transparent, not exploitative, investment. We trade freely and fairly, not predatorily. We support stability and freedom, not division and oppression. We stand for the rule of law as opposed to a system where those in power have impunity from the law and use the laws they write to oppress the weak.

Our nation's security and prosperity depend on this vital region, and the United States will continue to ensure that all nations, large and small, can thrive and prosper in a free and open Indo-Pacific. And as I hope I have explained, all countries in this region -- and indeed in the world -- have a role to play in this vital endeavor, which includes achieving a denuclearized Korean Peninsula.

## REMARKS BY

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*Photo Credit: CICP*

### **I. Introduction**

To South Korea, denuclearization is not an ultimate goal but a process to advance inter-Korean relations. And the ultimate goal of improved inter-Korean relations is for the two Koreas to seek co-prosperity with neighboring countries.

Accordingly, the South Korean government has made all efforts to play a mediating role in North Korea's denuclearization process

considering not only the U.S.-North Korea relations but also the entire Asian region as a whole.

However, it should be noted that the U.S., China, and Japan view North Korea's denuclearization and its related process such as sanctions against North Korea as part of hegemonic competition in Northeast Asia.

Thus, it is very important to solve North Korean issue through strengthening cooperation among all the concerned countries.

In that regard, six party talks might be necessary at a certain point of the peacemaking process on the Korean Peninsula. However, at present, two Koreas and U.S are key players who are directly involved

in terms of settling nuclear issues which is precondition for peaceful Korean Peninsula. Involving more countries at this phase will complicate or even hinder the peace building process from going forward.

Because, surrounding powers in the region have their own respective interests to pursue, which are often conflicting with each other. The concerned countries want the changing circumstances surrounding the Korean Peninsula to bring more security and economic benefits to them. For that reason, they intend to secure their role in the process of peace building on the Korean Peninsula.

## **II. U.S. Perspective on the Korean peninsular**

A majority in Washington has been skeptical about commitment of North Korea and its efforts for denuclearization. They maintain that the North's intention to talk regarding denuclearization has been confirmed but it is still unclear how far it is willing to move toward denuclearization. That is, they question North Korea's credibility in term of their pushing forward denuclearization. Therefore, they claim that corresponding measures such as lifting sanctions requested by the two Koreas should come after North Korea's denuclearization.

However, the U.S. government and experts are unclear as well in its policy toward North Korea, in particular, North Korea's denuclearization. The U.S. uncertainty over the ongoing denuclearization process derives from unpredictable nature of the Trump administration's policies on the Korean Peninsula, including policy toward North Korea.

As a matter of fact, the U.S. policy toward North Korea has gone through tumultuous and dramatic changes so far: For example, the U.S. positions on denuclearization have shifted initially from a package deal



to a phased denuclearization within the Trump's term and then lastly to denuclearization with no timeline imposed.

Such change of attitude is the result of the Trump administration's realization that the denuclearization process would take a long time. But more fundamentally, the Trump administration lacks a comprehensive and consistent policy that encompasses the whole process of the North's denuclearization.

Nevertheless, the U.S. has continuously adhered to its stance on maintaining the sanctions against the DPRK. Why does the U.S. remain firm on keeping the sanctions?

One important reason is implementing sanctions against North Korea is a tool for the U.S to practically exert its power over not only North Korea but also China., showing its leadership to international community. Thus, the overall lifting of the sanctions is likely to be a prolonged process. In this regard, the end-of-the war declaration could also take longer than the two Koreas expect. It is a powerful bargaining chip for the U.S. when engaging in denuclearization negotiations with North Korea. Also, the end to the Korean War declaration is a great window of opportunity for the U.S. to demonstrate its leadership to the international community. Thus, until the US identifies ways of securing its benefits to a certain extent in the process of peacebuilding process on the Korean Peninsula, it would not choose multilateral talks or negotiations over bilateral solution.

In short, even if US does not have a grand comprehensive policy toward East Asia, it clearly perceives the changing circumstances surrounding the Korean peninsula with a hegemonic competition perspective based on geopolitical calculations. US will perceive its concession, if any it would make, as back down in the competition with China. In that regard, it will not make a concession in US-China trade confrontation with ease.

### III. China's Policy on the Korean Peninsula

China, particularly over the last few years, has focused on its domestic issues such as economic stability. Thus, it has hesitated being diverted by North Korea. In that regard, in order to solve North Korea nuclear problem, China, for now, will not push forward six party talks which require much of its effort and commitment. Instead, it will focus continuously on bilateral relations to handle its security and diplomatic issues with neighboring countries including the U.S.

The Chinese government has supported the development of Inter-Korean relations and US and North Korea's dialogues while it has focused on strengthening its relations with North Korea. The underlying reason for China welcoming the improvement of not only inter-Korean relations but also US and North Korea relations is that it does not want U.S. to take advantage of North Korea's denuclearization issue as a strategic leverage to press China to do something. China is concerned that North Korea's nuclear issue gives the U.S. to have upper hands on strategic conflicts with the U.S. over issues of trade and the South China Sea. Because, as discussed ahead, U.S.' insist on keeping sanctions against North Korea is a way of welding its diplomatic influence on China.

However, China wants easing of sanctions against North Korea because it has concerns on any negative impacts on its economy and politics which may result from North Korea's economic grieving or even collapse. However, China also takes heed over the possibility of so-called "China passing, pushing forward having its long term influence on the Korean Peninsula. That is why China shifted its position regarding the end of war declaration from participation to non-participation. As a matter of fact, participation on the declaration in theory does not require China's participation. In addition, participation on the declaration does not give huge practical benefits to China This changing attitude comes from China' will to strategically manage the two Koreas in the denuclearization and to play an important role in

peace building process in the later phase such as participating in the six-party talks.

#### **IV. Japan's Policy on the Korean Peninsula**

North Korean issue including nuclear issue is not a top priority for the Abe administration which has focused on the revision of the Japanese constitution. For Japan, strengthening Japan –US alliance, not solving North Korea's denuclearization issue, is one of the most crucial elements of its security policy. In that regard, it has explicitly mentioned that U.S. is a key man to solve North Korea's denuclearization. However, Japan basically support the development of inter -Korean relations although it is strongly skeptical about whether North Korea will denuclearize itself. Such Japan's position indicates that for now, it does not have much interest in holding six party talks.

#### **V. Conclusion**

As mentioned, the goal of improved inter-Korean relations is for the two Koreas to seek co-prosperity with neighboring countries. Thus, South Korea government should pursue policies to reinforce its diplomatic partnership with both the U.S. and China. It should also try to minimize any negative impacts caused by the U.S.-China conflict over issues of trade and the South China Sea on denuclearization talks and inter-Korean relations. In this context, it is very important to improve its diplomatic position and garner greater support from the Asian community by building the "Responsible Northeast Asia Plus Community" and implementing a "New Southern Policy" –Policy on ASEAN Countries—with a broader and long-term view.



## MULTILATERALISM AND PEACE FOR THE KOREAN PENINSULA

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*Photo Credit: CICP*

Over the decades, Democratic People's Republic of Korea (DPRK), North Korea has developed Weapons of Mass Destruction (WMD) Program and an international community has strongly criticized it because it would lead instability in that region, especially, a making of nuclear weapons would lead domino effects. North Korea had blamed the United States and South Korea had threatened them

and it had to defense its security. Since Kim Jong Un became the leader of North Korea, North Korea had conducted more and more its nuclear and missile tests and almost reached a finalization of nuclear weapons and ICBM missiles to reach the continent of the U.S. The Trump administration seriously a limited attack on nuclear sites of North

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Korea and it now uncovered that it was seriously likely during 2017. Then, the beginning of 2018, Kim Jong Un had a New Year's speech that North Korea would join the Pyongchang Winter Olympics in South Korea in congratulating both Korea's festival and want to talk with the U.S. and South Korea on nuclear issues. And in eight months, South and North Korea have had its Presidential Summits three times, including one in Pyongyang and the U.S. and North Korea had the first Presidential Summit in Singapore and both agreed to reach a peace of the Korean Peninsula. Many experts on the international community still have strong skeptical views on willingness and intention of Kim Jong Un in giving up his nuclear weapons and now a process in denuclearization of the Korean Peninsula has been slower than its early period. Nonetheless, the President Trump openly said that trust between Trump and Kim is strong and he expects a positive future of denuclearization of the Korean Peninsula. The Moon Administration faces many challenges, including skepticism of international community, but it has initiated a path for peace of the Korean Peninsula over the several months, including the South-North Korea Military Agreement. The Moon Administration has a grand strategy in solving North Korea problem and it is not the same as Sunshine Policy of the former two liberal governments, but much more upgrade version for a peace and prosperity in Asia based on multilateralism.

### **Major Factors on the Future of the Korean Peninsula Situation**

The Korean Peninsula situation has historically been influenced by an international and Northeast Asian situation, including great power competition. A division of Korea originated the beginning of the Cold War and a competition of two Great Superpowers. The Korean War was an internationalized civil war and the Soviet Union, China, the United States and other U.N. forces strongly participated in the origins and outcomes of the Korean War. Today, the destiny and situation of the Korean Peninsula are still strongly related its strong neighbors, China, the U.S., Japan and Russia and an international situation. Thus, naturally, diverse international factors will influence of the Korean

Peninsula. They will be the U.S.-China competition, the rise of China and Japan, and others. One of the strong factor in shaping the today's Korean Peninsula situation will be clearly the U.S. and South Korean Presidential election. The U.S. Presidential Election will be in November of 2020, only two years away, and South Korean Presidential Election will be March of 2022. Thus, we can have four scenarios regarding two most important elections coming in shaping the Korean Peninsula situation. If Trump wins and a successor of the ruling party of South Korea wins, the current mood of the Korean Peninsula will continue. If Trump lose and the opposition party (Conservative) of South Korea, the current mood will be stopped and a tension will arise again. Former two scenarios are not difficult to expect. But, later two scenarios are much more complex to expect. If Trump wins and the opposition party of South Kora wins or if Trump lose and the ruling party of South Korea wins, it would be much more complex. The first scenario will be interesting and the new South Korean government will follow the Trump's policy because the conservative SK government will take a posture 'wait and see' and will try to get political benefits from dynamics of the U.S.-NK talks. The second scenario will be similar to Kim Dae Jung/Roh Moo Hyun and the George W. Bush Administration. But, thoes two scenarios will be difficult to expect anyway. The important thing is that 'wait and see' in the U.S. Presidential Election and the U.S.-NK talks are too passive in terms of the South Korean government. That is why the Moon Administration started its grand strategy beyond sunshine policies of the former two liberal governments. In this grand strategy, South Korea is an active player in shaping the dynasty of the Korean Peninsula.

### **A Possibility of New North Korea?**

Before explanation of the Moon's grand strategy, it is needed to explain that the Moon Administration is not just idealistic politicians. Many so-called Nuclear and North Korean experts in Western countries explains that North Korea cheats on South Korea and the U.S. and its goal is to

be a Pakistani model who own its nuclear weapons silently. This explanation will be partly true. But, North Korea, as a nation, wants to be not just a strong nation, but a rich nation. Kim Jong Un as a young leader naturally wants to make its country not just nuclear weapon state, but economic well-being state. Strong and rich nation building is an important for his long-term political survival (at least four decades or more). I argue that Kim Jong Un will keep this mood for two reasons from learning North Korean history unless the new U.S. and new South Korean government stopped this mood by blaming North Korea for many possible reasons, like human right abuse. Firstly, Kim Jong Un despite his dictatorship needs a political support from North Korea version of middle class. In North Korea, today 4 to 5 million of North Korean people owns cell phones and 2 to 3 million of North Korean people lives in Pyongyang metropolitan area. This is not the same as top 1% of North Korean people, so-called Pyonghaetoon, North Korean version of upper-middle or middleclass. Kim Jong Un needs their political support for the long-term political survival. His grandfather in the late 1940's and during the 1950's created wide middle class because of more than 10% of people of North Korea went to South Korea and many of them were middle class of the Japanese Colonial Korea, like school teachers, military officers, police officers, post workers, nurses, factory middle managers, landlords and local government workers, in avoiding Communism's purges. Thus, naturally, most of top-middle positions of industries, schools, hospitals, police offices, post offices, media, courts, universities and local governments are empty. It will be great upward mobility opportunities for young sons and daughters of poor peasants' families. Kim Il Sung needed new workers and elites who own strong loyalties for this regime and legitimacy. Kim's regime provided not only white collar jobs to these young poor people and study abroad opportunities in the Soviet Union, including five year Ph.D study and some months vocational training. Some hundreds of thousands poor youth received study abroad opportunities and good jobs in the new regime during the early period of North Korea. Kim Il Sung created a middle class had strong loyalties to the new regime. This was a win-win relations, not just top-down dictatorship. Now Kim



Jong Un like his popular grandfather wants to get political support by economic development and increasing qualities of North Korea people.<sup>43</sup> This does not mean if Kim is a good man or bad man. This is a natural political process for a legitimacy. Poor class people will be final beneficiaries in this scenario. Thus, Kim Jong Un will continuously pursue in a path for economic development. Nuclear weapons are not only objective in his mind. All about nuclear weapons theory will be a very limited approach in understanding how long Kim will do these new initiatives.

Secondly, not surprisingly, Kim Jong Un wants to make North Korea more independent from China. Now more than 95% of North Korea's total trade is from China. It is almost an economic colonialization of North Korea. It would lead a political intervention. Since the end of the Cold War, because of stopping supply from the Soviet Union, North Korea's dependency on China has been increased. In this monopoly market, Chinese businessmen always winners and North Korea has always suffered from a lack of alternatives. Thus, Kim Jong Un wants to be politically, economically and psychologically independent from China without saying words. Naturally, he needs an insurance in preventing risks of North Korea's game with the U.S. But, it is important to understand a complexity of China-North Korea relations. China needs North Korea for strategic and political reason and its costs are not expensive. But, to North Korea, China is complex. North Korea wants more alternatives. During the Korean War, Kim Il Sung had many tensions with Peng, a Commander of the Chinese Volunteer Forces, and feared Chinese-Korean political factions as a rival. Kim Jong Il remembers some million North Koreans' dies without a significant support from China. It is a time to change China-North Korea relations as supporter and beneficiary relations. To China, North Korea is teeth and lips relations. But, to North Korea, Kim Jong Un wants to be free from China and develop its economy in preventing North Korea's dependency on China. Thus, in this context, Kim Jong Un's motivations

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<sup>43</sup> Youngjun Kim, *Origins of the North Korean Garrison State: People's Army and the Korean War* (New York and London: Routledge, 2017)

for the New North Korea are strong and his goals are not just having nuclear weapons silently. As a young leader, he has a grand plan for rich and strong North Korea even though he will never give up his dictatorship. He wants to be a good and strong king of pre-modern Monarchy who keep a slavery system and its king system. As a king, Kim wants to make his people rich, but keep his dictatorship and slavery system. Nuclear weapons are just one of the significant tool, not objective itself.<sup>44</sup>

In this context, Kim Jong Un's initiative will continue and its denuclearization will depend on how much North Korea will get a security guarantee and lead economic development. Unless the U.S. and South Korea governments stopped this mood, Kim Jong Un will continue to develop new North Korea, but maintains its dictatorship. The Moon Administration reviewed past policy options to North Korea: sanction-and-collapse theory and bloody nose attack. Over the ten years, so-called strategic patience is sanction-wait and collapse scenario, but it will be unlikely happen and there is no historical example that one country collapse because of sanctions. And even North Korea now has more nuclear weapons and longer ICBM missiles because of strategic patience and a myth of sanction and collapse scenario. Bloody nose attack is not a popular option because of potential hundreds of thousands casualties. Thus, the Moon Administration started a new approach and not repetition of sunshine policy, but more upgraded as a grand strategy based on multilateralism.

### **A Grand Strategy of the Moon Administration and Multilateralism**

The goal of the Moon Administration's Grand Strategy is a making of peace of Northeast Asian countries in supporting a peace of the Korean Peninsula. In an age of coming the U.S.-China power struggle, the

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<sup>44</sup> Youngjun Kim's Presentations at UCSC, GWU, USC, UC Berkeley, John's Hopkins University's SAIS, the U.S. Congress, ROK National Assembly and other places worldwide in 2017 and 2018.

Moon Administration initiatives a European model of Northeast Asia, including energy, financial, railway and other cooperation among countries. For instance, the Moon Administration suggests New Northern Policy and New Southern Policy which tries to strengthen a partnership among Northeast Asian countries and among Southeast Asian countries. In this picture, the Moon administration focuses One Road One Belt of China and Pivot to Asia policy of Russia as a significant partnership. Super-Grid (electric partnership) partnership, energy partnership, financial partnership (bit coin) and road partnership (railway and see route) are key factors in making of partnership.<sup>45</sup> North Korea will get practical benefits from this diverse partnership and could be a key state in shaping this partnership makes possible. Moon has tried to talk to Kim that this could be a very key supporting role in developing economic development of North Korea and North Korean people will benefit from this. The U.S. will get benefits from this because a reduction of risks, potential conflicts from China and North Korea and defense costs against them. And the U.S. corporations will invest here and will benefits from economic potentials in that region. A smart city model will be one of example for Pyongyang and a cooperation among local cities will be a future model of 21<sup>st</sup> governance and economic development. In this grand making model of East Asian countries, every nation will get economic and security benefits and just like the EU, every nation is able to focus economic development rather than defense costs in preventing unstable conflicts. This grand strategy looks like too idealistic, but China and Russia has already started its own vision for cooperation and the other countries are able to make them more peacefully and fairly and make them to develop in a practical way.

This idea is from multilateralism and this is against great power nation theory that only great power nation will decide an international situation and their competition will decide a future of every small nation. In this multilateral scenario, every nation has its significant role

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<sup>45</sup> Ideas on diverse partnership appears at the Think Tank of Korea Yeosijae Website. or [Futreconsensus.org](http://Futreconsensus.org)

and North Korea could be one of them. All nations participated in this grand model will get benefits because of reducing security costs and increasing economic development. In this context, countries of Southeast Asia, like Cambodia, will play a very significant role in solving North Korean problem and making a grand cooperative model of East Asian countries. Europe now face diverse challenges, like immigration and terror, but few people expect that a war like the first and second World War will occur in Europe or between Western Europe countries and Russia. Today, East Asian countries faces huge challenges, like arms race and the U.S.-China great power game. Small nations of East Asia experienced colonialism, imperialism, civil wars and the Cold War. People of East Asian small nations have to decide their own destiny. not wait and see a great power game as a passive actor. The grand model based on multilateralism is realistic, not idealistic. Nations of East Asia have more casualties and unforgettable war experiences than nations of Europe. Now East Asian countries have to learn historical lessons and give up its 'wait and see' position, that led more innocent victims historically, among two or three great power countries. Now it is time to end a victim from a great power game. It is not just about nationalism or post-colonialism, it is multilateralism. And it matters for our children's future.



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