Engagement Theory and Target Identity:
An Analysis of North Korean Responses to Contemporary Inter-Korean
Engagement

by

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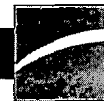
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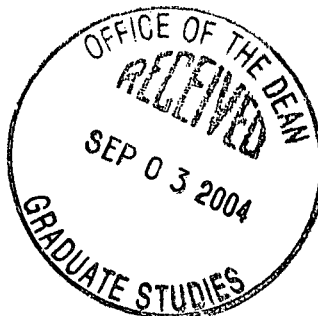
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Abstract

This thesis presents an analysis of engagement theory, as compared and contrasted with deterrence and compellence, as a tool for minimizing the risk of conflict with a dissatisfied power. Using the particular case study of inter-Korean engagement since the 2000 North-South Korea Summit, this analysis proceeds with a model of "active engagement" that attempts the socialization of new norms in the belligerent target, alleviation of negative cognitive biases, and reduction in the target's material domain of losses, while maintaining a strong deterrent against expansionism. This study proceeds from the perspective of the dissatisfied power (the engagement target) in effort to better understand what motivates either cooperative or uncooperative responses to engagement.

Domains of losses are complex and dependent on what goods (economic, political, ideational) a target values most. This study details the particular goods that North Korean leadership values most highly and analyzes internal preference formations that complicate outside efforts to engage the regime. In studying the South Korean engagement project, this thesis finds that a combination of de-politicized economic and cultural engagement streams has had a strong impact on North Korean preference formation. Mindful of negative cognitive biases that skew target states' perspective of external "promises," this study also argues that South Korea has managed to advance its engagement agenda by presenting itself as an internal actor to the divided Korean nation, thus reducing threat perceptions and appealing to North Korean ideational and political priorities.

This thesis concludes that a de-linked, state-based, active engagement process must precede institutionalized, regime-based cooperation. This initial phase may nevertheless see cooperation move intermittently. As engagement is a change-oriented strategy, target states will attempt to resist change in certain issue areas while accepting change in others. However, as resistant to change as the target regime may be, engagement forces targets down a path to engagement that is difficult to reverse. As both source and target develop interests in engagement, reforming an adversarial discourse, the prospects for increased cooperation increase. This is despite the risk that the target may attempt to counterbalance cooperation with belligerence in the short-term.

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Preface

My interest in inter-Korean affairs was first piqued in a convenience store in northern Seoul during the historic North-South Summit of 2000. I was fortunate enough to catch glimpses of the handshake between two powerful ideological foes, Kim Dae Jung and Kim Jong Il, on a modest black-and-white television set behind the counter. The couple working in the store that night were glued to the image as if they were watching a supernova.

A supernova it wasn't, but the event did spark many hard new questions in Korea, and for myself, regarding the nature of reconciliation, the perception of threat, and the path towards lasting peace. I extend my heartfelt gratitude to my professors and colleagues here at UBC who have challenged me to take these questions, refine them, and always push for more interesting answers. In particular, many thanks to my thesis advisor, Professor Brian Job, whose dedication, inspiration, and nuanced insight have helped me enormously during this process. Many thanks also to Professor Paul Evans for all his enthusiastic support, encouragement, and for his stimulating questions and advice.

My family has been a great source of love and patience, and they have undoubtedly been a central part of anything I was able to achieve this year. Thanks to you all, and I promise that I will be able to talk about something besides this project sometime in the near future.

As for the convenience store owners in my old Korean neighbourhood, I hope that their television will be a small stage for peace, hope, and progress for many years to come.

Liam Roberts

Vancouver 2004

For Mrs. Giles

INTRODUCTION

On June 15, 2000, South Korean President Kim Dae Jung and North Korean Chairman Kim Jong Il held an unprecedented inter-Korean summit in Pyongyang, designed to herald a new era of cooperation, engagement, and mutual harmony. Proclaiming a shared goal to move towards establishing the political and economic conditions that would make unification of the Korean Peninsula achievable, South Korea (officially the Republic of Korea, or ROK) stepped up its "Sunshine Policy" of engaging the North and bringing the impoverished state into the rubric of the international community.

Yet, since that time, despite the ground that was gained in sustaining Sunshine Policy initiatives, North Korea (officially the Democratic People's Republic of Korea, or DPRK) nevertheless pursued a clandestine nuclear weapons programme, has abandoned windows of diplomatic opportunity in the Asia Pacific, and has frustrated the international community through a sporadic interpretation of international law.

The nuclear crisis, most especially, has cast shadows on the political utility of the ROK's Sunshine Policy, and has weakened the position of engagement supporters. Yet, at the same time as the DPRK has chosen to play nuclear brinkmanship, it has also enabled economic reforms at home, expanding the capacity for ordinary North Koreans to engage in lateral social interaction, and indicating the empowerment of a business-minded type of technocrat in Pyongyang. Faced with the conflicting logic of domestic reformism and international confrontationalism in the DPRK, I will analyse North Korean responses to South Korean engagement. How does Pyongyang perceive strategic advantage in light of South Korean efforts to engage the regime?

I will pursue this analysis according to the following model: firstly, I will outline three theoretical strategies that status quo powers may consider when confronted with dissatisfied powers: engagement, deterrence, and compellence. Analysing each of these approaches, I will emphasize that a close study of the proposed "target state" must include an understanding of 1) whether the state is

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driven by prospective gains or losses, 2) what the target's perceptible geopolitical ambitions are, and 3) how the target leadership inculcates regime legitimacy domestically. Arguing that neither engagement, deterrence, nor compellence is adequate when used in an isolated fashion, I will demonstrate the DPRK is well-suited to a mix of engagement and deterrence, with a bias towards the former.

Keeping in mind various cognitive biases that obscure relations between powers, I will argue in the second chapter that engagement is a change-oriented strategy that inspires resistance in the target state. As dissatisfied states seek change to the status quo according to their own terms, how can engagement alter the status quo in ways that create mutual and interdependent benefits? I will explore various conceptions of engagement, from broad, institutionalized, and comprehensive approaches, to specific, technical, and flexible approaches. Which approach yields the best returns is dependent on the various domestic and geopolitical circumstances that drive target-state dissatisfaction, and these circumstances can be defined by asking four key questions:

1)   Comparatively, how does the target state value material, political, ideological, and cultural goods?

2)   As such, does the target rationalize "promises" and "threats" through a similar process to the source state?

3)   What are the goals of the target state, and what is it willing to risk in advancing these goals?

4)   What are the historical experiences that create either positive or negative cognitive biases in the target state, and what does the target expect from foreign powers and international institutions?

Utilizing Randall Schweller's understanding of dissatisfied powers, I will detail the key differences between expansionary, revolutionary dissatisfied states and limited-aims revisionist states,

as well as the differences between dissatisfied state strategies when they are faced with prospective losses (risk-acceptant behaviour) versus prospective gains (risk-averse behaviour). Identifying the DPRK as a limited-aims revisionist state with high risk acceptance, the third chapter will demonstrate the domestic and geopolitical circumstances that motivate North Korean dissatisfaction: vulnerability in the security sphere, perpetually hostile relations with other powers, high threat perceptions, a powerful ideological proclivity towards "total sovereignty," and devastating economic breakdown.

These conditions allow us to understand the nature of inter-Korean engagement efforts, as Seoul has calculated that a depoliticised, economic and cultural engagement strategy best addresses North Korean concerns without animating sensitive issue areas. This has led to a "de-linked," compartmentalized engagement approach with limited reciprocal conditions, as opposed to a comprehensive, rigorous, institutionalized approach. Engagement has taken the form of 1) economic channels, to bring the DPRK out of material losses, and to give it a financial incentive to continue cooperation, and 2) cultural channels, emphasizing the "brotherhood" between the Korean people, thus reducing threat perceptions that the ROK is an "external" power encroaching malevolently upon DPRK sovereignty. Thus, even if Pyongyang sees economic engagement as a bitter medicine with certain negative side-effects, then cultural engagement is a potential sugar-coating that makes it politically easier to swallow.

In the fourth chapter, I will analyse how this strategy is perceived in Pyongyang, and what various aspects of engagement mean to the DPRK in terms of promises versus threats. As Scott Snyder has noted, "the central dilemma is that according to a brinkmanship strategy based on toughness, North Korea's greatest leverage is its potential threat, yet as it trades away the threat to gain the benefits of negotiation necessary to ensure its survival, leverage is diminished."[1] While the DPRK regime has been challenged by economic and humanitarian collapse, it has been driven to engage out of necessity. At the same time, engagement costs Pyongyang key political goods in its quest to maintain an "independent," militarist, pseudo-socialist ideological basis for regime

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[1] Scott Snyder, <u>Negotiating on the Edge: North Korean Negotiating Behaviour,</u> (United States Institute of Peace Press, 1999) p 157

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legitimacy. At that, despite North Korean demands for "package solutions" to address its concerns, Pyongyang's underlying strategy has been to accept certain elements of engagement-motivated domestic change, while maintaining a strong nationalist and militarist political position to emphasize regime legitimacy to domestic constituents. Economic reforms and a reorientation of "cultural goods" have occurred in North Korea in response to engagement, and yet these changes have not gone far enough in addressing wider international concerns regarding DPRK development of weapons of mass destruction. As I will illustrate, this should come as no surprise, given that the processes of socialization and reform are long-term, and are unlikely to alter the security landscape in significant ways over a short period of time.

I will conclude with the final analysis that engagement has, ironically, only further motivated certain instances of militarist and political belligerence, including the resurgent drive towards nuclear weaponization and an embellished military-first political policy. As engagement fosters reforms, reforms shift regime legitimacy, which in turn necessitates a revitalization of external threat perception in order to preserve regime legitimacy. These "speed bumps," however, are not predictive of the long-term failure of engagement, as deeper interaction with South Korea reduces the "politics of economic desperation" that contribute to drastically risk-acceptant policy in Pyongyang. In spite of the benefits secured through a sustained engagement policy, the process of integrating North Korea into a broad system of international norms is non-linear in nature, as Pyongyang cuts away from standardized reciprocity as a matter of course. By understanding how the North Korean regime constructs legitimacy domestically, we can better measure the actual effectiveness of the Sunshine Policy on inducing positive behaviour in Pyongyang.

Identifying and Approaching Dissatisfied Powers

This chapter will first analyze the concepts of engagement, deterrence, and compellence, contrasting their methodologies and objectives, and evaluating their effectiveness. Specifically as regards engagement, there are several sub-streams that require analysis before we can conclude whether "engagement" (and what type of engagement) is most useful in responding to dissatisfied challengers. From here, I will evaluate whether the strategies discussed are useful when used alone: I will argue that mixed strategies are necessary for sources to maintain versatility across various circumstances, and that neither engagement, deterrence, nor compellence is likely to yield sustainable cooperation if they are employed dogmatically, without allowance for the incorporation of other strategies.

Engagement, Deterrence, and Compellence

Engagement Theory

We will first need to understand what is meant by "engagement" and what such a course of action might involve. Chung In Moon has argued that engagement can be broadly conceived, seeking to influence "people, policy, government, regime, system, and state sovereignty."[1] Han S. Park has also taken a broad definition, understanding the approach as "intended to induce the reclusive system to engage with the international community in various areas so that the system might be exposed to life environments that are different than its own."[2] Within these definitions, however, one may conclude that exposing a reclusive system, such as North Korea's, to different "life environments" is a goal in and of itself, whereas engagement is better understood as a change-oriented, results-based strategy for source states.[3]

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[1] Chung In Moon, "The Sunshine Policy and the Korean Summit: Assessments and Prospects," in The Future of North Korea (ed. T. Akaha: Routledge, 2002), p 32

[2] Han S. Park, North Korea: The Politics of Unconventional Wisdom, (Lynne Rienner Publishers, 2002) p 105

[3] Liam Roberts, "A Verifiable Peace: North Korea and Prospects for a Non-Proliferation Strategy," Simons Centre for Peace and Disarmament Research document (May 29, 2004)

Moon has elaborated on this point, saying that such exposure is meant to induce change in

the behaviour of the target system, reducing its reclusive nature, and encouraging transparency and

cooperation in various issue areas. Rather than vigorously seek to undermine the target regime,

engagement in the North Korean case "simply presupposes that an increasing frequency in

exchanges and cooperation can spontaneously foster North Korea's institutional and behavioral

changes."[4] I term this approach "pure engagement," which is a very liberal policy of relentlessly

delivering economic goods to targets in aim of reorienting their value systems towards stable

cooperation in other issue areas.

Victor Cha agrees in part, though he advances a stricter engagement agenda with specific

criteria for reciprocation: "hawk engagement." This type of engagement attaches more conditions to

the delivery of goods, though the purpose of engagement is still ultimately to smuggle new norms

into the target, thus socializing the target towards cooperation.[5] Engagement, by both the hawk and

the pure approach, is a change-oriented strategy designed to deal with problems that cannot be

resolved through containment or deterrence measures alone. Hawk engagement, however, differs in

that policy options remain fluid across a spectrum from containment to engagement.[6]

Political psychologists Thomas Milburn and Daniel Christie have examined engagement

strategy through what they term "rewarding." A rewarding approach is "defined as events that follow

a particular behaviour and increase the frequency of the behaviour."[7] There is an intentional directive

on the part of the engager, or source state, to modify the behaviour of the target state through

establishing patterned and dependable benefit flows as a direct, causal result of such modified

behaviour.[8] This resembles a pure engagement scenario in terms of the socializing objective, although

pure engagement requires more source-state initiative. The rewarding paradigm, what I will call

[4] Moon (2002), p 32
[5] Victor D. Cha, "The Rationale for 'Enhanced' Engagement of North Korea: After the Perry Policy Review," *Asian Survey* 39:6 (Dec. 1999): p 849
[6] Ibid, p 846
[7] Thomas Milburn and Daniel Christie, "Rewarding in International Politics," *Political Psychology* 10:4 (1989): p 627
[8] Ibid, p 628

"reactive engagement," leaves the target to take the initial cooperative step in aim of securing consequential source-based rewards. As will be explored, this differs from source-based initiatives to solicit targets with specific goods.

It is difficult to distinguish between utilizing a engagement strategy (to induce specific behaviour) and a deterrent strategy (to deter against specific behaviour). The principle difference between an engagement and a deterrent strategy is in the difference between encouraging a target *towards* a specific behaviour and encouraging a target *away* from a specific behaviour. The latter strategy indicates that there is a clear understanding of what the target is to be dissuaded from (such as proliferate weapons of mass destruction or pursue territorial expansion), thus this strategy encourages target non-action. Through deterrence, then, there is no clear source-state policy regarding what actions the target should take towards certain changes.

Speaking to this point, Robert Keohane and Robert Axelrod have explored the debate with their "backscratching" and "blackmailing" typologies. As they note, "[b]ackscratching entails a promise. Blackmailing, by contrast, implies a threat."[9] Both strategies are directed at influencing a target state's behaviour, with the first enticing cooperative behaviour, and the latter coercing against harmful behaviour. The end result – cooperation – may be the same. The process, however, differs in the important sense that either the target is encouraged to take on unprecedented actions (engagement), or it is encouraged to restrain its actions (deterrence).

Deterrence Theory

Whereas a deterrent strategy seeks to *maintain* the status quo, successful engagement seeks to *alter* the status quo towards a new circumstance in which the target state is behaving in new ways. Milburn and Christie bemoan that "it is inadequate merely to deter unfavorable change; to use the full range of influence strategies, one must also seek to encourage behavior in desirable directions."[10]

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[9] Robert O. Keohane and Robert Axelrod, "Achieving Cooperation Under Anarchy: Strategies and Institutions," *World Politics* 38:1 (1985): p 240
[10] Milburn and Christie (1989), p 629

Patrick Morgan has defined two types of deterrence: general and immediate. A general deterrence strategy is more ambiguous, less issue specific, and predicated around potential and unspecified challenges the target may pose. By contrast, a source state would contemplate immediate deterrence to focus much more clearly on deterring specific actions that are limited in scope and time.[11] General deterrence offers the advantage of incorporating broader security concerns into the defense posture of the source state, yet is problematic in that 1) there is no specific "exit strategy" in a deterrent posture against unspecified challenges, and 2) target states may continually test the bounds of the deterrent posture, thus is "vulnerable to challengers who make menacing moves to see if they can't induce the deterrer to strike a bargain."[12]

Milburn has noted that threats themselves do little to change underlying motives, but rather, they simply constrain a target state's capacity to act on its ostensibly inherent motives.[13] Threats are then used to prepare for a case in which the adversary is seen as incapable of genuine change, and when aggressive or negative behaviour is viewed as an irrevocable component to its policy.[14] While threats are then useful in some measure when dealing with targets that are not transparent or are not demonstrably trustworthy, James Davis concurs with Milburn that successful bargaining must lead to fundamental changes in an adversary's preferences, rather than only the repression of an adversary's capacity to act.[15] At that, changing a target's mind is not equal to simply tying their hands.

Morgan, however, has also argued that deterrence encounters key problems within its logic, particularly regarding how source states may misperceive the decision-making process within the target state. Deterrence assumes that the target will be paralysed from disturbing the status quo when it calculates that such action will result in exorbitant losses, i.e. a military strike. Yet, there are various processes by which a target state may challenge a deterrent threat and pursue a challenge regardless,

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[11] Patrick C. Morgan, Deterrence Now, (Cambridge University Press, 2003), p 80-82
[12] Ibid, p 83
[13] Thomas Milburn, referenced by James W. Davis, Threats and Promises: The Pursuit of International Influence, (Johns Hopkins University Press, 2000), p 19
[14] Peter Hayes, "Bush's Bipolar Disorder and the Looming Failure of Multilateral Talks With North Korea," prepared for the Arms Control Association, (Oct. 2003), <http://www.armscontrol.org/act/2003_10/Hayes_10.asp>
[15] Davis (2000), p 19

and each process may be a rational one when considered through specific preference formations. Morgan poses that, if the dissatisfied power pursues a given challenging objective regardless of the deterrent threat it faces, the target may 1) value the objective more than the probable costs of attack, 2) value the objective enough to call the deterrer's bluff, 3) miscalculate the cost-benefit ratio of challenging the status quo, while still rationally attempting such calculation, 4) have perceived itself as having no acceptable alternative, or 5) simply be irrational.[16] Options 1 through 4 are all rational objectives, and what may appear to be "irrational" action from outside may be either action that is rationalized through a different set of values and preferences, or action that has been rationalized through inadequate intelligence.

Addressing the former point, successfully deterring a target from specific action entails understanding what the target values most, and what it is willing to risk in order to either curtail losses or make new gains. Such values will be specific to each case in question, necessitating thorough qualitative analysis.[17] As Gordon Craig and Alexander George have argued, "not all actors in international politics calculate utility in making decisions in the same way. Differences in values, culture, attitudes toward risk-taking, and so on vary greatly."[18] When faced with the North Korean case, then, we may ask: Is face-saving, reputation, and ideology of greater import than material goods and security? Why would this be so? What experiences have shaped elite preferences, and who is making decisions within the target state?

Compellence Theory

Are threats then solely used to motivate tolerance of the status quo, or can threats also be used to coerce certain non-status-quo actions? Davis explores the question through distinguishing between compellence and deterrence, both of which he argues may incorporate threats and/or promises. A strategy of compellence through threats asserts that the target state must act, or else face

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[16] Ibid, p 69
[17] Ibid, p 77
[18] Gordon A. Craig and Alexander L. George, <u>Force and Statecraft: Diplomatic Problems of Our Time</u>, (Oxford University Press, 1995), p 188

dire consequences, up to and including military action from the source to the target.[19] Deterrence

through threats, though, is limited to asserting that the target simply *not* act in a particular way.[20]

There are specific difficulties inherent in a compellence strategy. Firstly, compellence

through threats is more difficult to justify to either domestic audiences within the source state or to

the international community. Threatening a target state to change its ways, or else face military

action, is difficult to justify, as it impinges upon the target state's sovereignty in a unilateral fashion.

Unless the target is, itself, threatening to disturb the status quo in violent ways, compelling the target

to change its policy through threat of force would be an example of a hegemonic abuse of power.

Deterrence may be seen as strictly enforcing the law, whereas compellence may be construed as

forcing a new set of norms upon an actor at the time of the source's choosing.[21]

Davis argues that it is possible for compellence to be based on a reward structure, arguing

that "[s]uccessful compellence when based on promised rewards may be more efficient than

compellence based on threats. Whereas compellence by threats requires the source to initiate action,

the requirements of compellence based on promised rewards are more like those of threat-based

deterrence. The source sets the stage, structures the incentives, then waits for the other side to

move."[22] While this may place the burden of responsibility upon the target, it is difficult to conceive

of actual "compellence" through promises, as a target state cannot said to be "compelled" to act

through promises of gains. Incentives and promises can induce and persuade a target, but they do

not involve cutting short the absolute baseline of expectations held in the target state. As David

Baldwin has noted, " 'If you do not do X, I shall not reward you' is a punishment if – and only if –

(the target) had a prior expectation of receiving the reward."[23] If such expectation has already been

internalized, it is not a new set of incentives, but has been construed by the target as the status quo.

If a target incurs losses relative to the status quo thanks to actions from a source, then, this is no

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[19] Ibid, p 23
[20] Ibid
[21] Davis (2000), p 23
[22] Ibid, p 24
[23] D. A. Baldwin, "The Power of Positive Sanctions," *World Politics* 24:1 (1971): p 26

longer a coherent definition of promise, but better resembles a threat. "Promises are contingent improvements in a target's value position relative to its baseline of expectations. Threats are contingent deprivations relative to the same baseline."[24]

Amos Tversky and Daniel Kahnemen expound upon this point in noting that an actor will feel "compelled" to act when confronted with losses, but not when confronted with gains. According to them, "the displeasure of losing a sum of money exceeds the pleasure of winning the same amount."[25] In this case, motivated by the fear of losing, a target will be placed in a situation of compellence. If motivated by possible gains, though, the target will preserve its sense of choice in the situation, and thus is hardly "compelled" to act, but rather induced. This would seem to suggest that compellence through threats is more likely to yield positive returns for the source state, whereas engagement is an uncertain strategy that does not rigorously restrict the target's capacity to advance belligerent foreign policy.

It should be noted that this type of rational choice argument is not identical to Morgan's prior argument regarding rationality. The Tversky and Kahneman approach speaks to the differing responses that can be expected depending on whether a target is confronted with gains vs. losses. Morgan and the political psychological school, though, argue that "gain" and "loss" are rather relative terms, and that targets may value certain goods above others according to a process of preference formation that may be different from what the source expects. Thus, it is not only motivations by loss that inspire more risk-tolerant behaviour, but specific targets may perceive loss where external actors would perceive gain.

Furthermore, compellent threats will not necessarily drive a target state to "act" in a way that is acquiescent to the source state. When faced with threats and the prospect of further losses, the target state may become more risk-acceptant, driven by a sense of preserving what it already has. Davis explains that "decision makers motivated by insecurity and fear of loss tend to display

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[24] Davis (2000), p 12
[25] Amos Tversky and Daniel Kahnemen, "Rational Choice and the Framing of Decisions," *Journal of Business* 59:4 (1986): pp 258-9

relatively high tolerance for risk and brinkmanship." It is less likely that a state will take on great risks to secure new gains.[26]

Since a deterrent threat is designed to maintain the status quo, it may be reasonable to assume that the target does not lose significant face by complying with the deterrent by exercising restraint – this is to say, it is possible for the target to justify its maintenance of the status quo. A compellent threat, however, presents the target leadership with a strong dilemma, in that compliance to "follow the leader" is not easily sold domestically, and can undermine regime legitimacy at home. Davis argues that "[w]hen compliance with the terms of another's threats confronts a decision maker with loss of face both abroad and at home, escalation may appear preferable to retreat."[27]

Morgan is not as certain that the line between compellence and deterrence will be drawn identically between source and target states. For example, should the United States use threat persuasion to discourage DPRK nuclear development, the source state in this case may, by its own logic, be following a deterrent strategy: "one more step, and I shoot." By DPRK logic, however, this may be seen as compellence, as Pyongyang had never actually threatened to attack or to disturb the international status quo in specific ways. They may read the threat as: "dance to my tune, or I shoot." Thus, where source state policymakers may calculate target reactions according to deterrent criteria, the target may actually respond in unpredictable (yet no less rational) ways.[28] This is not so much a function of a Tversky-styled, cost-benefit calculation through a universal rational choice model, but more a function of organically-generated preference formations that assign more value to certain goods (ideational goods, demonstrations of face-saving, etc.) than to other goods (material goods, international "backpatting," etc.)[29]

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[26] Davis (2002), p 31
[27] Ibid, p 22
[28] Morgan (2003), p 82
[29] Iain Johnston and Paul Evans have used the term "backpatting" to describe the apparent advances in international prestige that an engagement target may accrue. As targets develop an appetite for an enhanced reputation in international circles (by their argument, especially through institutions), these social goods may become political goods that enter into a target's sense of political endowment. See Alastair Iain Johnston and Paul Evans, "China's Engagement with International Security Institutions," in Engaging China: The Management of an Emerging Power (ed. I. A. Johnston and R. Ross: Routledge, 1999), p 237, 252

Overall

Mindful of the possibilities for misinterpretation between source and target as to which strategy is being pursued, we can distinguish between the theoretical rationale for engagement, deterrence, and compellence by the following definitions:

Figure 1.1: Methods and Objectives in Managing Dissatisfied States

Logic	Method	Objective
Engagement	Rewards-based	Status-quo transforming
Deterrence	Threats-based	Status-quo preserving
Compellence	Threats-based	Status-quo transforming

Engagement, then, is a rewards-based initiative that offers the target gains for cooperative action, and nothing for the status quo. The target enjoys a relatively high degree of space in determining its own participation rate with the source without risking losses. Deterrence works conversely: it is a threat-based initiative that offers the target losses for challenging action, and nothing for maintaining the status quo. The target is relatively constrained by fear of incurring further losses, but neither is it necessarily motivated to alter the status quo. Compellence is more extreme, as a threat-based initiative that demands the target pursue a specific alteration of the status quo, but it may motivate the target to confront the source, and thus may generate tension and raise the odds of conflict.

In the above table, I have not alluded to a link between a rewards-based method and a status quo preserving objective, as we should proceed with an understanding of engagement as a change-oriented strategy. If a dissatisfied state was driven to disturb the status quo in either limited or revolutionary ways, and a source state sought to mete out rewards to encourage a status quo preserving objective, this would not be engagement, but rather "appeasement" – the delivery of gains

has no sunset clause, nor any timetable for reciprocal expectations of any kind, excepting that the target abide by general norms of international behaviour. Appeasement, then, is much costlier than engagement, as only the latter is driven by the endgame of inculcating either specific or broad changes in the target. A variety of engagement sub-streams, as described above, will also vary in terms of their cost, contingent on their applicability to specific targets. In none of these sub-streams, however, do we see appeasement's key flaw: buying targets out without any objective of socialization or status-quo change, and no mechanism to advance long-term compliance.

Mixed Strategies: Striking the Case-Specific Balance

These three strategies are not necessarily exclusive, and can be used in combination. Some scholars have advanced deterrence as an adequate efficient strategy without bringing engagement initiatives into the fray, although I argue that "pure deterrence" policies (or unmixed deterrence) limit the source in its ability to confront new challenges, and do not lead to long-term preference formations towards cooperation.

For example, deterrence is thought to benefit from three characteristics: first, deterrence places the burden of action upon the target, thus also placing the cost of action upon the target. Stephen Rock has intimated that engagement costs the source state when the strategy works (offering incentives), while deterrence only costs the source when the strategy fails (making good on threats).[30] By this argument, engagement requires the source to deliver costly promises in the hopes of receiving returns, but without guarantees for such returns. This makes engagement a risky investment. Secondly, deterrence is seen as a strategy that *does* guarantee positive returns, as states confronted with threats will have less incentive to disrupt the status quo. For actors that cannot be readily trusted to keep promises, manage transactions, and communicate transparently, deterrence is able to

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[30] Rock has used the word "appeasement" in place of "engagement," though he argues that the two words are interchangeable in their definitions. The difference between the terms, he argues, is that "appeasement" has acquired a negative connotation over the course of the 20th Century, stemming largely from Britain's unsuccessful appeasement effort towards Hitlerite Germany in the 1930s. This has had the effect of motivating contemporary policymakers and academics to use the less-tarnished word "engagement" for policies that are essentially appeasement policies. However, I distinguish appeasement and engagement more decisively as rewards-based, status-quo preserving (less sustainable) and rewards-based, status-quo transforming (more sustainable), respectively. See Stephen R. Rock, Appeasement in International Politics, (University Press of Kentucky, 2000), p 7, 22

function without depending on these advances. Thirdly, deterrence enables the source to project itself as stalwart, serious, and prepared to follow through with difficult measures to advance its interests – this, contrasted with what has been termed the "psychological effect" of an engagement strategy, which may indicate to the target that the source is irresolute, weak, susceptible to manipulation, and fundamentally unwilling to commit to conflict.[31]

Rock's understanding of engagement, however, is convoluted with the term appeasement, and much of his critique is a critique of the latter. Despite this, his points regarding the pragmatism of deterrence are points well taken, although I argue that the merits of a deterrence strategy do not hold if deterrence is to be employed as the sole strategy. It is through mixing deterrence with engagement that sources can maximize influence over target states. Each of the aforementioned merits of deterrence can be easily critiqued if taken alone.

Firstly, it is not true that deterrence is essentially less expensive than engagement. In order for threat-based deterrence to be salient, the source must maintain the capacity and the commitment to be a credible threat: this includes military bases, infrastructure, personnel, and materiel within proximity to the target state. The source must continually sustain the advantage in arms competition vis-à-vis the target, which requires a capacity to endure and dominate an arms race. Furthermore, the source must demonstrate its power and its willingness to engage in conflict if necessary, either through military exercises with proximate allies, missile tests, or symbolic and rhetorical policy statements. Should the source be provoked to make good on its threats (i.e. if the target follows through on its challenge despite the deterrent threat), then the cost of conflict can be catastrophic. As former South Korean commander-in-chief General Luck suggested to American scholar Leon Sigal, "If you fight, you win. But you spend a billion dollars, you lose a million lives, and you bring great trauma and hardship on the psyche of both countries, so I'm not sure winning is a win."[32]

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[31] Rock (2000), p 4
[32] Luck as cited by Leon V. Sigal, <u>Disarming Strangers: Nuclear Diplomacy with North Korea,</u> (Princeton University Press, 1998), p 155

There is little doubt that deterrence costs when it fails, but success comes at a high price as well, as the source must constantly maintain the elaborate infrastructure necessary to sustain a credible threat.

Also, by Davis' understanding of threat-based strategies such as deterrence, it could not be expected that the target state will undergo the fundamental changes to its belief structure when confronted with threats. Since threats only paralyse target decision makers from making challenges, rather than reorient preference formation away from challenges, deterrence needs to be maintained indefinitely if used alone (more so by Morgan's understanding of general deterrence). An engagement approach, however, attempts socialization of the target into a new set of norms and expectations, and thus while there is no clear timetable for *when* engagement can be said to truly "end," there is no question among engagers that it *shall* end at the point the target internalizes the benefit flows of cooperation. In a pure deterrence scenario, there is no conceptualization of *how* the strategy is to end, and thus it is with deterrence (not engagement) where we are in want of an "exit strategy." The only conceivable exit strategy is the actual delivery of threats – tantamount to deterrence theory's failure.

As for the second advantage of deterrence, that it guarantees the status quo since target states will be less willing to defect when confronted with potential losses than they will when confronted with potential gains, this over-generalizes the target's potential motivations. As argued before, if the target is already motivated to act aggressively by internalized vulnerability, insecurity, or material losses, further pressure in form of deterrence may drive the target towards confrontation. As Thomas Schelling has argued, deterrence strategies towards targets motivated by losses invites confrontation, unless coupled with an engagement stream that produces assurances. "Any coercive threat requires corresponding *assurances*; the object of a threat is to give somebody a choice... 'One more step and I shoot' can be a deterrent threat only if accompanied by the implicit assurance, 'And if you stop I won't.'"[33] These assurances themselves do not constitute "engagement," but without established engagement streams between source and target, there will be little reason for the target to

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[33] Thomas Schelling, Arms and Influence, (Yale University Press, 1967), p 74

believe in the assurances. Engagement, in combination with deterrence, allows a source can demonstrate to the target that a condition of perpetually continuing losses is not inevitable.

From this point, we can understand how engagement channels deliver more than economic links and material incentives, but also mitigate against threat perceptions and reify "trust." Without such channels, low levels of communication will continue to obscure mutual perceptions, and low levels of trust between adversaries will continue. The political psychological school has developed this point very thoroughly, as Davis has noted that adversaries will tend to "assimilate ambiguous information to pre-existing belief structures."[34] Milburn and Christie also argue that "cognitive biases" between adversaries tend towards suspicion, and so even conciliatory efforts towards rapprochement made by a source towards a target may be interpreted as false, or a kind of "clever trick."[35] By following through on delivering incentives for cooperative action, these cognitive biases can be eroded, leading towards a stabilized relationship between source and target.[36]

Conclusions

We have seen various sub-streams of engagement described above. *Pure* engagement would be unmixed with deterrent measures, and would not involve strict conditions for reciprocity from the target. *Hawk* engagement, conversely, offers targets incentives while also offering a powerful deterrent against challenges. This type, advanced by Cha, also comes with stronger conditions for reciprocity, evidence of cooperation, and specific reforms inside the target. *Reactive* engagement is the most distant of the three: rewards are meted out by the source in response to specific demonstrations

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[34] Davis (2000), p 40
[35] Milburn and Christie (1989), p 631; Davis (2000), p 22
[36] This has been readily observed in the mixed engagement policy pursued by Washington towards Beijing. This mixed strategy supplanted an openly hostile strategy of deterrence in the early 1970s. Nixon's visit to Maoist China came near the height of the Cultural Revolution (generally accepted as between 1966-69), one of the least transparent and most totalitarian periods in modern Chinese history. The tertiary links formed between China and the West (in combination with a deterrent against PRC expansion into Taiwan or Southeast Asia) helped to legitimize and empower reformist elements within the Chinese leadership, notably Deng Xiaoping. For more on mixed engagement with China, see Charles Burton, keynote address to the consultation on the Democratic People's Republic of Korea, Canadian Foodgrains Bank, Toronto (October 20, 2003), <http://www.cankor.ligi.ubc.ca/issues/139.htm>: Also see David Capie and Paul Evans, The Asia Pacific Security Lexicon, (ISEAS, 2002): Even engagement-skeptic Aidan Foster-Carter has observed that the cases of China, and eventually Vietnam, prove that building positive ties over the course of years has led to constructive evolution in regime behaviour. See Aidan Foster-Carter, "North Korea: Here We Go Again," PacNet Newsletter (August 9, 2002), <http://www.csis.org/pacfor/pac0231A.htm>

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of cooperative behaviour by the target, thus advances a much more issue-based, tit-for-tat cooperation.

Whereas pure engagement relies too heavily on the "hope" that norms of cooperation will emerge spontaneously inside the engaged target, reactive engagement does not rely enough on the transformative power of engagement's liberal and constructivist foundation. Between these extremes is the mixed hawk engagement paradigm, which has distinct advantages in terms of its clear results-oriented focus, its flexibility between incentive and threat, and its objective towards socialization of the target. I agree with Cha's mixed structure, although I emphasize less fluidity across the spectrum between engaging and deterring. Engagement streams need to be dependable, and cannot be curtailed at early signs of target resistance. To do so denies engagement its capacity to effect the long-term objective of socializing the target state into new norms.

As such, I combine elements of Moon's (pure) and Cha's (hawk) arguments in what I term *active* engagement. An active approach tends towards pure engagement in 1) its emphasis on exposing the target state to external actors through economic channels, which can generate organic and internal reform (as opposed to explicit, externally mandated reforms) and 2) its "relentless" and constant application, abetting long-term change even when confronted with a belligerent and resistant target. Thus, there is less fluidity across the spectrum of deterrence and engagement than in hawk engagement. Active engagement tends towards hawk engagement, though, in 1) its emphasis on maintaining a parallel deterrent strategy to constrain target deviation from uncooperative action, although abrogation of engagement streams should be avoided, and 2) its higher standard for reciprocity and conditions for engagement to continue. These conditions do not need to be elaborate or potentially threatening in the early stages of an active engagement policy, but can be small , de-politicized, technical and logistical matters should be incorporated as conditions of engagement, thus giving the source nascent footholds into the inner workings of the target state.

To become dependable, "trust" should become increasingly internalized within the target, and this is done through fostering mutual dependence on successful cooperation and reducing the

incentives for defecting from such cooperation. Thus, until these incentives are incorporated into the target's sense of endowment, one cannot say that engagement has yet been fleshed out. The target must already depend on carrots as a staple food, not as a luxury item.

Morgan also sees engagement streams running parallel to a deterrent as the surest way of corroding the key motivations of the target's challenges, be they primarily economic, geopolitical, or diplomatic in nature.

> [B]e tough but not bullying, rigid, or unsympathetic; be conciliatory without being soft. This is because … the strength of the challenger's motivation is crucial – weakening it by concessions and conciliation can make chances of success much higher. However, if the challenger is motivated by hopes of gain only, conciliation may only provoke further threats. Hence it is important to also guard against being exploited.[37]

As we have come to understand deterrence, it is a limited (and rather costly) strategy if it does not include any parallel engagement streams and assurances to provide targets with options for cooperative, status quo modifying behaviour. Pure engagement, without offering any conditions, stipulations, threats, or negative alternatives, may also be seen as functionally limited and costly. This type of rewarding scenario will not be adequate in the objective of socializing the target, as long as the target is free from any reciprocal obligations.

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[37] Morgan (2003), p 162-3

Theoretical Considerations for Engagement Approaches

As argued in the first chapter, engagement and deterrence, when used in concert, can help to structure a flexible, two-tiered approach for sources confronted with dissatisfied challengers. In the following chapter, I will explore in greater detail how this mixed approach can be applied, and to which types of potential target states it is best directed. While the engagement literature generally speaks from the perspective of source states, the perspective of the target has been largely absent. What motivates target reactions to various types of engagement? Negative cognitive biases, domains of losses vs. gains, and target perceptions of "promises" vs. "threats" will all combine to affect potential responses. Such responses may be out of step with source state expectations without particular qualitative analysis of the target. This analysis must focus on determining which goods the target values most, and which goods are threatened by either the status quo or a revised status quo. As will be seen, the example of specifically inter-Korean engagement presents opportunity for cultural symbolic goods to enter into the process, which lends particular advantages to this process.

From the discussion in the previous chapter, we have established various definitions of engagement. From here, I will begin the more detailed analysis through distinguishing more clearly between engagement and appeasement.

Engagement and the Status Quo: Maintenance or Modification?

Deterrence is employed by a source to prevent a target from taking an aggressive action, while engagement is employed by a source to encourage a target to taking a cooperative action. Thus, not only does engagement require the source to develop a more comprehensive program of expectations, but engagement is also driven towards a modification of the status quo – deterrence seeks to maintain the status quo, and to prevent its disruption. In concert, then, engagement and deterrence can combine to "escort" the target towards a modified status quo in a closely guided fashion. As Davis has argued:

When a challenger is motivated by perceived opportunity and is met with credible threats, restraint is the likely outcome. This is the class of events captured by standard deterrence theory. Restraint is also likely to obtain when challengers motivated by vulnerability are met with promises. However, when opportunity-driven aggressors are met with promises, increased demands for revision in the status quo are the predicted outcome. And when aggression is motivated by a sense of vulnerability, threats are predicted to produce counterthreats and deepening spirals of crisis, if not war.[1]

Stephen Rock, for one, does not entirely agree with this: he has argued that engagement can either be short-term in nature (immediate: dealing with direct and limited-aims target concerns), or long-term in nature (general: involving "package solutions" addressing a range of grievances). Secondly, engagement in Rock's view can be either status quo preserving, or status quo modifying.[2]

These understandings are problematic. Firstly, "short-term" versus "long-term" engagement is ultimately the distinction between appeasement and engagement. The delivery of incentives with short-term objectives is tantamount to "buying off" a dissatisfied power.. The "short" nature of such action, though, negates any opportunity for socialization of the target, or the inculcation of new norms of cooperation, thus disregarding the change-oriented, constructivist elements to engagement objectives. Engagement, then, is inherently long-term in nature, and addresses a range of concerns that motivate dissatisfied challengers – as Rock acknowledges in his understanding of long-term strategy, sources pursuing engagement seek to fundamentally change the nature of their adversarial relationship with the target, "securing good will and cooperation on matters of common concern."[3]

Secondly, Rock's view that engagement can be status quo preserving also brings us into an appeasement paradigm. Using an incentive structure to preserve the status quo is akin to the perpetual payout, as there are no criteria by which a target is to be judged a "changed" or socialized state when the source essentially commits to no more than paying a lease on a stabilized status quo. Is appeasement as per Rock inherently problematic and perpetual? Rock unfortunately neglects to address the nature of the target state's ultimate aims in asking this question. Is the target expansionist: does it seek large-scale and global changes to a system perceived as fundamentally flawed? Or, is the

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[1] Davis (2000), p 5
[2] Rock (2002), p 12
[3] Ibid

target revisionist: dissatisfied by its position in the system or in regional power arrangements, but without threatening the integrity of the international system itself?

If a source, desiring status quo preservation, addresses an expansionist target with engagement, this is akin to saying "I will buy you a sandwich if you promise not to go rob the bank." The risk is that the issue at stake is not that the target is hungry, but the target seeks to upset the social order to make profound gains. As such, it is wrongheaded for the source to assume that the target won't simply rob the bank after having eaten the sandwich. Engagement to maintain the status quo only feeds the target without offering any negative repercussions for violating the terms of cooperation, and can only cost more than a deterrent measure, such as "I will arrest you if you go rob the bank."

In the case of targets that do not want to fundamentally alter the international status quo themselves, but are driven by a fear of vulnerability, or a domestic status quo that produces increasing losses, engagement is driven by altering the status quo that drives dissatisfaction or threatening behaviour. "I will buy you a sandwich if you polish my shoes. If you do a good polishing job, I will pay you for the service. If you do an excellent job, I will pay you and refer you to other potential clients." The issue at stake for such a target is not upsetting the social order, but satisfying its own increasing hunger. Engagement here seeks to alter the status quo by inducing the target to change in order to remedy its existent losses. Here, we are reminded of Davis: "Strategies based on promises and assurances appear to be most successful when the (source) state is confronting an adversary driven by security concerns and not intent on exploiting opportunity for relative advantage."[4] Deterrence, then, buffers the capacity for engagement to work by saying "I will arrest you if you loiter on this street," as this gives the target a choice between a) ignoring the work opportunity, thus making no money *and* going to jail, or b) taking the work opportunity, thus making money *and* avoiding a criminal record.

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[4] Davis (2000), p 31-2

Engagement and Target Objectives: "Limited-Aims" or "Revolutionary"?

The balance between deterrence and engagement in inducing specific action can be difficult to strike, and is highly dependent on inferring whether a target is expansionist in its aims, or limited: the more expansionary, the greater the need for deterrence, and the more limited, the greater the utility of engagement. Randall Schweller has outlined the following typology in responding to dissatisfied powers:

Figure 2.1: "Politics in Response to Rising, Dissatisfied Challengers"[5]

	Risk averse	Risk acceptant
Limited-aims revisionist	Engagement, binding	Engagement through strength, deterrence,
Revolutionary	Deterrence, balancing	Preventive war

Schweller's typology describes various source policies in confronting different types of "rising" dissatisfied challengers, which refers to targets with an increasing capacity to wage a sustainable war. Despite this, an engagement strategy is not bound to use with rising challengers, but in the case of loss-motivated risk-acceptant states, may be used with "declining challengers": states which are prone to lashing out or escalating tension from a position of deteriorating relative power.[6]

Schweller rightly notes that engagement with "revolutionary" states is not an ideal option, as these states seek to alter the international status quo: as argued in the previous chapter, sources that desire status quo preservation are best to pursue threat-based measures in order to prevent this type of action. Determining whether or not a challenging state is truly revolutionary or is limited in its ambitions for change is key to developing a coherent policy towards the target. Schweller

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[5] Randall Schweller, "Managing the Rise of Great Powers: History and Theory," in Engaging China: The Management of an Emerging Power, (eds. A. I. Johnston and R. Ross: Routledge, 1999), p 24
[6] Ibid

distinguishes limited-aims revisionist states as merely dissatisfied with their place in the system, and as such, they seek to correct their position through challenging major players within the system. Revolutionary states are more severely dissatisfied, not only with their position in the hierarchy of prestige, but also with the entire constitution of the international system.[7] While revolutionary states "cannot be satisfied without destroying the status quo order," limited-aims revisionist states are typically regional powers that seek adjustments to decision-making procedures within international regimes, and "recognition" among the great powers of the smaller, dissatisfied state as an equal.[8]

Schweller notes that risk averse revisionists may be confronted with binding and engagement. These strategies need to be distinguished from each other. While both strategies share the ultimate objective of influencing the behaviour of a target through creating common, dependable channels, they differ in the sense that a binding strategy creates institutionalized, formal and legal channels (perhaps involving negative security assurances, and at its extreme, alliances) with targets to achieve this cooperative behaviour. Binding is the act of "incorporating the rising power in existing institutional arrangements" in order to satisfy the target state's desire for prestige and to entangle it in a web of institutional arrangements which restrict its capacity for defection.[9] A binding arrangement is thus more legalistic than an engagement strategy, the latter of which seeks to encourage reforming the target's self-identity.

The usefulness of binding is limited to *risk averse* states, however, as the fundamental grievances exhibited by the target will first need to be sustainably addressed by the very states that constitute the institutions being proposed – without socialized and internalized norms of mutual trust between state parties, no institutional arrangements will prove overwhelmingly decisive. I argue that engagement and binding are not two variants of the same strategy, but that there is a linear path from one to the other: engagement must come before binding. This is so because binding relies on institutions and international regimes (including treaties, or agreements reached within international

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[7] Ibid, p 19
[8] Ibid
[9] Ibid, p 13

organizations), and such regimes depend on established state-state cooperation beforehand. This is the prerequisite work of an engagement strategy. As Schweller characterizes engagement as a broader attempt to "socialize the dissatisfied power into acceptance of the established order,"[10] binding can come only once that established order is fundamentally accepted by the target, and only issues of specific coordination remain as obstacles between source and target. Thus, engagement is a state-based initiative that establishes common channels upon which both parties are dependent. After this, binding essentially reifies these channels into elaborated regime structures.

One question is, if limited-aims non-revolutionary targets are not serious threats to the international status quo, why bother engaging them? Why should a source buy sandwiches for suspicious strangers who may want nothing to do with the source's reformist agenda? The first response would be that even limited-aims dissatisfied powers present risks to the international order, particularly when such powers are in a continuing domain of losses. An engagement source seeks to alter the status quo towards delivering gains before the target is driven towards "lashing out" or outright expansionism.[11] A lash out scenario is probable when a dissatisfied power is kept in a domain of continuing losses without hope of reversal, and rationally chooses to close an "expanding window of vulnerability" through provoking tension or engaging in a military strike against adversaries, regardless of anticipated negative repercussions.[12] However, the empirical record is thin with examples of dissatisfied states lashing out through actually provoking pre-emptive war from a position of weakness. Limited-aims states may lash out, though, through repeated relatively low- to mid-level provocations, such as weapons proliferation, nuclear weaponization, abrogation of security agreements, and ultimatum-based brinkmanship negotiation tactics, as has been clear with the North Korean example. Lashing out may also take form as bandwagoning with strong expansionist powers that do seek to challenge the overall hegemonic order.

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[10] Ibid
[11] Victor Cha, ed., <u>Nuclear North Korea: A Debate on Engagement Strategies</u>, (Columbia University Press, 2003), p 18
[12] Ibid, p 19

Engagement with limited-aims powers, then, is a logical strategy for sources that 1) do not want to see targets lash out, 2) do not want targets to collapse or become failed states, and 3) do not want targets to develop into expansionist powers or develop a drive to collaborate with expansionist powers. Deterrence is best employed when dealing with expansionist, revolutionary powers that seek to execute major shocks to the international order, military expansion, and destruction of status quo regimes.[13] Limited-aims revisionists are driven to challenge based on a domain of losses, whereas revolutionary challengers are driven by the possible gains of expansion. Thus, limited-aims revisionists should be dealt with through reducing the prospect of loss, and revolutionary states through reducing the prospect of gain.

Gains-Based vs. Loss-Based Motivations

By what criteria, though, can we deduce whether or not a revisionist regime is motivated by gains or by avoiding losses? Mistaking a gains-driven, revolutionary state for a loss-driven, limited-aims revisionist state poses clear dangers, as Britain's appeasement strategy with an expansionist, gains-driven Hitlerite Germany clearly demonstrated. However, the converse is also a danger to be avoided: mistaking a limited-aims revisionist state for a revolutionary one "unwittingly induce[s] such a conversion" in the target, as the target deems war inevitable and is able to rationalize preventative war or a first-strike policy. In this way, a prudent engagement course would be what Schweller has called "engagement through strength" as the ideal for confronting limited-aims revisionist, risk-acceptant targets. This implies an active engagement strategy as defined in the previous chapter: a policy which is "neither purely cooperative nor purely competitive, but instead a mixture of both carrots and sticks."[14] Cha's hawk engagement position is not far from this, as he notes that "today's carrots are tomorrow's most effective sticks."[15] The argument here is that a source can stabilize the trajectory of continued target by delivering the benefits of international cooperation. The target

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[13] Schweller (1999), p 23
[14] Ibid, p 24
[15] Cha (2003), p 90

consolidates interests in both maintaining the international status quo (refraining from expansion) and enhancing its positional status quo (cooperating with international regimes).

The process of estimating whether a target is motivated by gains vs. losses echoes Morgan's warning that targets may perceive gains and losses according to different criteria, based on a distinct strategic culture and process of preference formation. Material losses, though, are tangible, and have a causal bearing on a state's capacity to survive. Even states that place relatively high value on ideational goods and face-saving will need to avoid absolute material losses if the regime is to remain in power.

There is tension within the engagement debate as to whether successful engagement is pursued by forming issue linkages, or by maintaining issue separation. Should engagement be a comprehensive enterprise, in which the source seeks to place economic, military, political, and cultural issues into one basket, or should these various channels be pursued independently of each other?

Comprehensive vs. GRIT Engagement

There are several channels that an engagement process seeks to create. Communication links can take the form of routinized official meetings, prioritizing transparency and clarity in official communication, and the establishment of security hotlines. Economic links can take form as reduced barriers to bi-national trade and investment, conditional and renewable agreements on mutual most-favoured-nation (MFN) trade status, and a concerted official effort to encourage such trade.

In addition, furnishing a state with access to international financial institutions (IFIs) such as the World Bank (WB) and the International Monetary Fund (IMF) is ultimately both an economic and a political decision, with the consequence that economic benefit flows will come through development loans and/or an established presence in global trade. Strictly political links will take the necessary form of ambassadorial representation, official joint statements on issues of mutual interest, abrogation of the use of force in settling disputes, and ratification of bi-national treaties, most certainly including peace treaties should a state of war technically exist. Cultural links can be

established through sponsorship of sports and arts events designed to bring together citizens from each country, as well as the encouragement of civil society initiatives and Track II dialogue. The creation of para-state commissions directed towards research can also help to focus energy on gathering information and offering policy-oriented direction in each of these spheres.

How, though, is this process to be directed: towards separate agents and elements within a target state through a staggered, mutually exclusive system, or towards all elements simultaneously and interdependently? We can distinguish between the linkage school and the de-linkage school by the terms "comprehensive engagement" and "GRIT (graduated reciprocal initiatives in tension-reduction) engagement."

The comprehensive perspective argues that, for either engagement or deterrence to be effective, promises/threats need to be nested within issue linkages structured in an institutionalized forum, and that engagement through economic, political, military, and social spheres need to be coordinated and advanced holistically. The argument is that, without backing up one's promises with an array of institutional links, defaulting becomes easier, as the "shadows of the future" (the expectations that benefits of a relationship are long-term and sustainable) are shortened.[16] As an advantage, the target will be more reluctant to defect from a political engagement process, since this would also run the risk of compromising security in other engagement areas, such as nascent economic links or progress on security issues. As such, the comprehensive school would advocate that the source should curtail all coordinated engagement activity when one or two issue areas are held up by the target, and "tough international pressure" should be exerted upon the target to comply.[17] As a disadvantage, the comprehensive approach demands too much cooperation from a target state that is essentially adversarial, and thus is less realistic. Comprehensive engagement may not necessarily be regime-based, and can remain bilateral and state-based, although this type of linked engagement essentially puts all eggs into a single basket.

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[16] Cha (2003), p 21
[17] Chung In Moon, <u>Arms Control on the Korean Peninsula: International Penetrations, Regional Dynamics and Domestic Structure</u>, (Yonsei University Press, 1996), p 231

The de-linkage school follows what Charles Osgood has termed GRIT: Graduated Reciprocal Initiatives in Tension-reduction.[18] A GRIT strategy seeks to engage the target across several issue areas without specifically linking progress on one issue to progress on all. GRIT deconstructs large political issues into several small, tangible components, with various source agents acting to improve relations and deliver incentives in specific issue areas regardless of friction and hold-ups in other issue areas. Davis has said that "a state pursuing GRIT devises a series of small initiatives it can take unilaterally without endangering its own security in an effort to induce cooperation from an adversary."[19] The decomposition of a large issue into several smaller ones has the advantage of de-politicizing the large issue (general dissatisfaction), thus avoiding the temptation for the target to defect from the entire engagement process when its suspects the source of being manipulative. As Moon has observed, the GRIT school believes that "decoupling" issues helps to foster opening in the target on an incremental level, and thus is more realistic than presenting a target with a broad array of reform measures to be taken on.[20] Milburn and Christie have noted that de-linking and prioritizing issues through a "gradation" approach allows for incrementally improved contexts for future deal-making, with simpler, small-scale technical issues solved at the negotiating table before any agreements of graver import are dealt with.[21]

Davis argues that the GRIT approach may be pragmatic and moderate, but it does not do enough to bind the target to follow the reformist prescriptions inherent in any successful engagement effort. The target has the opportunity to "return to the posture that gave rise to the promise (from the source) in the first place."[22] The source's promises may be easier for the target to believe when they are small and issue-specific, but they will not be broad enough to allow for the target to develop structural interest in sustained cooperation.

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[18] Davis (2000), p 17; also see Charles Osgood, An Alternative to War and Surrender, (University of Illinois Press, 1967)
[19] Davis (2000), p 17
[20] Moon (1996), p 231
[21] Milburn and Christie (1989), p 638
[22] Davis (2000), p 18

While Davis' critique is sound, Snyder has observed that, in the inter-Korean context, the comprehensive approach has encountered the problem of all eggs being put into the same basket. As Korean leadership has, in the 1990s, assembled "a whole host of visionary objectives in order to achieve a symbolic political 'breakthrough' or 'package deal,'"[23] a risk develops that the entire engagement project can break down and enter into a "cycle of recrimination."[24] Comprehensive engagement, then, may be a case of putting the cart before the horse: constructing binding mechanisms within an institutionalized forum before the necessary diplomatic legwork between source and target *states* has been completed.

Mindful of this risk, and especially given the difficulties in addressing target states with extremely negative cognitive biases towards engagement sources, I argue in favour of a GRIT approach in the short- to medium-term, with a better institutionalized, linked engagement regime to follow *after* certain key issues have been independently addressed. The process of establishing trust will be more sustainable if issue-specific tangible promises can be meted out by the source in exchange for limited and clear political goods relevant to the issue at hand: package solutions are too susceptible to derailing should the engaging adversaries not yet have developed dependable channels of engagement in limited areas.

This flaw in comprehensive engagement is readily observable in the experiences of the Korean Peninsula Energy Development Organization (KEDO) in the late 1990s and early 2000s. As a regime that involved several state actors and the DPRK in regulating the delivery of energy aid to North Korea, hold-ups and funding issues stymied this mandate. The states involved in the regime had not yet solved fundamental barriers to cooperation on bilateral levels, and KEDO's jurisdiction over the supervision of light-water nuclear construction in North Korea was rendered redundant as the states involved in the process remained embroiled in bilateral hold-ups.

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[23] Scott Snyder, "Evaluating the Inter-Korean Peace Process," in <u>Reconciliation in the Asia-Pacific</u> (ed. Y. Funabashi: United States Institute of Peace Press, 2003), p 25
[24] Ibid

As such, if it can be agreed that engagement is a process of sustained source-target effort at maintaining and increasing communication, economic, political, and cultural links in the engager's aim of reifying trust between two adversarial parties, and minimizing the risk of conflict, then it follows that building trust and sustained channels comes before the institutionalization of the process: again, engagement comes before binding. This perspective avoids mandating an explicit drive by the engager to induce deep and immediate systemic change within the target system, and instead focuses the process more directly on the engager's principal ambition: to sustainably minimize the risk of conflict while diversifying policy options away from a sole reliance on deterrence. Out of this, Moon's observation that "spontaneous" policy adjustments will emerge in the target state towards positive behaviour is still valid: if a target state is hitherto "unengaged," thus relatively isolated from the international community and unbound by international conventions, the shift away from this status quo towards increased integration will naturally force adjustments in the target's domestic policy. These adjustments, however, are not so much directed or instructed from the mandate of the engager, but are expected to emerge through an active engagement that smuggles new values and exploits new factions within the target. The term spontaneous is not meant to connote an inevitability of target initiative: instead, active engagement through a GRIT formula offloads the source's burden of making explicit calls for specific reformist changes, instead relying on internal target agents to develop structured interests in cooperation.

In studying engagement with China, Johnston and Evans have noted that the target's self-identification can change once certain domestic audiences develop a stake in the process. This speaks to the capacity for an engagement process to exploit and nourish factional elements within the target regime, as "[i]ncreasing levels of involvement lead to increasing returns from participation, returns that are distributed across new actors who emerge to handle the agenda of the institutions."[25] As argued above, in the case of risk acceptant states weakened by a serious domain of losses, as is the case with the DPRK, institutions are not the ideal agent to administer engagement; this is more of a

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[25] Johnston and Evans (1999), p 239

binding typology, and is best reserved for interactions between mature cooperative powers. Nevertheless, the point is that incremental engagement on technical issues does not so much deliver explicit instructions to the target as to the conditions of engagement, but creates new internal preferences as the target develops a path-dependent cooperative agenda,[26] albeit this may be limited to specific issue areas in the beginning.

Overcoming Cognitive Biases

Milburn and Christie, though, note that when the relationship between engager and target is traditionally adversarial, there will be difficulty in convincing the target that any external call for cooperative action is anything less than a "clever trick" designed to undermine the target state system,[27] and this is possible even through an initial GRIT approach involving private rewards. As any type of engagement is ultimately a change-oriented strategy designed to alter the status quo vis-à-vis a target regime (turning "rogue" regimes into normal players),[28] the target may be suspicious as to why the engager is motivated to approach the target with any prospect of tilting the measure of relative gains. Even absolute gains that a target may accrue through the process, in this light, are apt to be construed as negative relative gains by the apprehensive target.

As explored earlier, the cost of engagement can be high, as not only does such a strategy appear as appeasement when targeted towards resiliently non-cooperative states, but pre-established cognitive biases between adversaries can prevent the utilization of an engagement strategy to induce a new positive perception of the relationship. As D. A. Baldwin has suggested, "A may perceive himself as employing carrots, while B may perceive A as using sticks,"[29] with an engager's actions misconstrued by a suspicious target.

Examples are not difficult to uncover. A source state may use the prospect of establishing most-favoured nation trade status with a target as a principal "promise," contingent on good

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[26] Ibid
[27] Milburn and Christie (1989), p 633
[28] Victor D. Cha, "The Rationale for 'Enhanced' Engagement of North Korea: After the Perry Policy Review," *Asian Survey* 39:6 (1999), p 849
[29] Baldwin (1971), p 24

behaviour and observable cooperation on several issues. This promise may not be a total incentive for the target, however, if such progress in developing international economic links actually *threatens* the political institutions within the target regime. This is readily perceivable in autarkic states with traditionally command economic systems. A GRIT approach may attempt to de-link economic and political spheres as far as is possible, but as any engagement strategy is designed to socialize new norms and alter the political trajectory of the revisionist state, a fundamentally suspicious target will potentially "politicize" all types of engagement.

This reified suspicion develops through cognitive biases that predetermine one state's interpretation of another in an adversarial relationship: "A history of hostile relations can result in a situation in which leaders on both sides take for granted the aggressive intentions of the other as hostile, ambiguous and even discrepant information will be assimilated to that image."[30] Negative cognitive biases, accumulated through historical trauma, reneged promises, and limited social and political communication, may "militate against the perception of an initiative as a genuine reward."[31] Even tangible GRIT initiatives, for all their technical clarity, can conceivably be construed as part of a malicious and manipulative adversarial agenda – a Trojan horse not to be believed.

This view assumes that leaders shape policy affected by cognitive biases rather than proceeding with institutional, structural evolution of policy through circumstance. The point is delicate; to what degree do adversaries develop policy based on negative cognitive biases? If a target regime's leadership proclaims that it cannot participate in an engagement channel based on fear of vulnerability accrued through past trauma, are such proclamations genuine, or are they part of a target strategy to wring further concessions from an engagement-minded source? It becomes problematic to address this point through theoretical discussion entirely, as targets may be motivated by either genuine cognitive biases, or by carefully crafted 'facades of trauma.'

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[30] Milburn and Christie (1989), p 630
[31] Ibid, p 628

Target Indicators for Engagement Feasibility

Understanding what truly motivates a potential engagement target is not a straightforward endeavour, and examples will vary along with case studies and the particular histories of each traditionally adversarial relationship in question. However, as explored in this chapter, there are several indicators that targets can reveal about themselves that are relevant to the engagement enterprise.

Firstly, an analysis of what the target deems to be a "loss" or a "gain" will need to be undertaken, keeping in mind that material gains may simultaneously present losses of domestic political control, ideational integrity, and regime stability.

Secondly, engagement strategies will need to be based on an evaluation of whether the target is motivated primarily by losses or by gains. If the dissatisfied power is driven to challenge the status quo because remaining in the status quo presents increasing losses, then the inherent vulnerability in the target state is best addressed through providing promises, incentives, and assurances. If motivated by gains, a bias towards deterrence is more salient.

Thirdly, if the dissatisfied power is in a dramatic material domain of losses, it must be understood whether the dissatisfied power is revolutionary or limited-aims revisionist. The latter type can be identified through an analysis of state demands, foreign policy statements, and material capabilities relative to regional powers. If the dissatisfied power is primarily occupied with its position in the system, as opposed to the nature of the system itself, the state will behave more as a limited-aims revisionist power, and thus can be induced to participate in an engagement process. Furthermore, a materially weak state will not have the military, economic, or political capacity to act on any possible revolutionary impulses. While the state may be suspicious of international actors and potential engagers' motives, a weak state will not endeavour to become expansionist to reach its

target of stemming the tide of increasing losses. It may, however, lash out or bandwagon with revolutionary states if the losses threaten regime survival.[32]

Once a loss-based target has its deficit reversed, it will become less risk-acceptant, having acquired a stake in stability, and thus will move to the left of Schweller's table. A risk-averse limited-aims revisionist power will be one that is not primarily motivated by losses, since the losses have been curtailed through delivered promises. Once risk-averse, binding mechanisms that wrap the target into a greater array of institutionalized cooperation can become more feasible. First, however, the target will need to have internalized norms of cooperation, incorporated the benefits of engagement into its sense of endowment, thus reducing the bias towards deterrent measures.[33]

A GRIT approach does not necessarily depend on a broad, synchronized inculcation of cooperative norms throughout the target state, but indeed, may succeed best when specific agents receive benefits and come to develop an endowment in cooperation. This may lead to the exploitation of factional fissures within the target, with bureaucratic and reformist agents becoming defenders of continued engagement, even while military or political agents remain suspicious, viewing the process as a clever trick. Davis has suggested that successful promises would "target rewards to these elements within the opposing society that are most committed to defiance in an effort to influence their calculations."[34]

I argue that identifying domestic target agents who are potentially or latently defiant towards their own leadership make useful targets of engagement, as this offloads the burden of soliciting cooperation onto domestic target elements. Furthermore, when sources deliver tangible gains to the target (gains by the target's own criteria), potentially internally-defiant elements are empowered and

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[32] North Korea's resurgent nuclear weapons program may be interpreted by some as a revolutionary impulse, although I argue that Pyongyang does not seek to fundamentally alter the international system through this program. As will be explored at greater length below, while nuclearization presents clear risks to the international community, particularly in regards to the non-proliferation regime, the "deterrent" goal of North Korea's program is rooted in ambitions to revise the relative balance of power in negotiations that are essentially limited-aims revisionist, and of purely national concerns or concerns to the immediate region.
[33] Davis has described "endowment" as the baseline of expectations an actor either has, or believes it deserves. Once a channel of exchange, a material good, or a given service is no longer a potential benefit but a part of an actor's endowment, the actor will become very reluctant to see the good taken away. See Davis (2000), p 32
[34] Ibid, p 25

legitimized within the leadership: the case was clear immediately prior to the rise of Deng Xiaoping in China. Engagement efforts through the 1970s largely empowered and legitimized reformist factions in Beijing, paving the way for Deng's return to the upper ranks of the Chinese Communist Party, and eventually the leadership.

Identifying these useful factional agents is not a simple task, particularly when faced with a DPRK system that is not transparent, which has gone far in fusing the definitions of "regime" and "civil society," and which may intentionally conceal factional divisions to the outside. Successful identification of factions, though, may help the source offload much of the burden of offering incentives and structuring assurances. As described earlier, this is the point at which Moon has suggested that spontaneous, organic reform takes place within the target state: internal actors accrue incentive to influence state policy in ways that are cooperative vis-à-vis engaging powers.[35]

Snyder has noted that even GRIT engagement, for all its emphasis on technical and measurable gains, has been largely buffered in the Korean engagement process through low-cost, symbolic and emotional cooperation intended to ease the psychological bias of mistrust. He warns that these types of cultural exchange, cooperative sporting events, exchanges in arts and music, family reunions, and civil society track-II channels etc. have been mistaken by some as tangible evidence of successful cooperation. "It is inevitable that symbolism and emotion must give way to the difficult process of institutional adjustments designed to foster and in turn *reflect* reduced tensions on the Korean Peninsula."[36] The façade of mutual harmony, then, cannot be considered an example of successful engagement until such harmony is actually a natural outgrowth of engagement progress in political, economic, and security arenas.

I argue that the value of symbolic cultural exchange is worthwhile, even before "actual" institutionalized cooperation, as such channels enable the development of a cooperative discourse within civil society. As peoples' expectations change, and cultural symbolic acts become incorporated into mutual perceptions that become less antagonistic, public support for "peace" and "cultural

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[35] Moon (2002), p 32
[36] Snyder (2003), p 35 (emphasis added)

solidarity" creates pressures on the leadership to continue with the process. This is true in both target and source state: even cultural engagement sources, who aspire primarily to export new norms to the target, will end up constricting themselves by such norms, as the source's own public accrues a cooperative identity. Ameliorating negative cognitive biases is a process that affects both target and source perceptions, as domestic audiences on both sides begin to expect better cooperation.

The Korean Engagement Advantage: Inter-State, Intra-National

This phenomenon, though, is more likely to hold in cases of engagement between divided nations, as the concept of developing a common culture is feasible here. The construction of confidence-building measures in symbolic ways, in the Korean example especially, has been designed to address the very problem of "promises as threats." If material promises and diplomatic and political integration into the international community can be construed as a possible "threat" in the DPRK (given the potential erosion of ideational integrity, political control of domestic affairs, and regime stability), then symbolic engagement between two adversaries can take form in ways that enhance what the target fears losing.

This is the particular advantage the engagement process has in the inter-Korean context: both North and South Korea share a common ethnic, linguistic, and political history, and thus symbolic overtures which enhance nationalistic identity can allow the target regime to accept the material gains while also matching the process to its ideational endowment. The DPRK's fierce sense of Korean independence is observably Peninsular in nature, with nationalism inclusive of both Korean states.[37] While the Peninsular nature of North Korean nationalism has worried engagement skeptics, who see expansionist designs in Pyongyang to forcibly take over the South,[38] this same type of nationalism has also encouraged engagement supporters, who see an avenue for the South to deal with the North in such a way that material promises do not completely corrode DPRK ideational

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[37] North Korean media increasingly takes pains to distinguish between the two contemporary Korean states and the Korean "nation," as exemplified in a New Year's Day editorial published by DPRK journal *Rodong Sinmun* this year: "The North and the South must take practical actions to solve the standoff between the Korean nation and the U.S." *Rodong Sinmun* (Jan. 1, 2004)
[38] See Nicholas Eberstadt, The End of North Korea, (AEI Press, 1999), pp 120-23

integrity, nor directly challenge the ethnic-nationalist precepts upon which the North Korean regime seeks domestic policy support. Particularly given North Korea's strong sense of external threat and historical trauma vis-à-vis foreign powers, Pyongyang's negative cognitive biases are directed to Seoul only insofar as the ROK is seen as subservient to foreign powers such as the U.S. As Seoul seeks to demonstrate a cultural "solidarity" with the North, however, these biases may see corrosion that is only possible in the intra-national Korean context. Neither China, the U.S., nor Japan is capable of engaging the DPRK through such channels.

Conclusions

What we have seen here are possible forms that a successful engagement process can take, and under what conditions such a process is feasible. The contemporary engagement literature suffers from an almost exclusive emphasis on the perspective of the source state in initiating engagement, and possible source responses to target reactions. As useful as the literature is in identifying opportunities for engagement, there is a need to better understand how targets react to engagement overtures, why they may be prone to interpret promises as threats, and by what rationale targets determine a domain of losses versus a domain of gains. Within a target state's endowment, how do targets balance their need for material concessions and political recognition with ideational prerogatives and the bases of regime legitimacy? Sources that assume the absolute nature of a potential promise or "gain" will be frustrated by an inconsistent and apparently illogical continuation of a negative cognitive bias within the target state. Particularly within a GRIT approach (as pragmatic as it may be when dealing with isolated targets in institutional virtual vacuums), targets may be prone to expressing satisfaction with one channel of engagement while expressing belligerence and risk-acceptant dissatisfaction across other channels. This imbalance is no accident, but rather a way in which a target can balance certain types of "gains" against certain types of "losses," as they are perceived by various intra-target agents. Correcting this imbalance requires consideration of relative perspectives of gains and losses, and to what lengths targets are willing to go in order to protect what they perceive as their endowment, or to rein in a steady outflow of perceived losses.

The DPRK as a Target: Implications for Engagement

In the previous chapter, utilizing Schweller's typology of possible types of dissatisfied states, I asserted that 1) revolutionary, expansionist types do not make logical targets of engagement, since their goals are *precisely* to consume new gains en route to upsetting the international order. Such states are actually rare in history, compared with limited-aims revisionists. These types of states are not motivated by new gains (by what they covet), but instead, are driven to act because of increasing losses in the status quo. It is the latter type of state that is best engaged, as its actions are more a cause of vulnerability than of desire to reverse any hegemonic order. Also through Schweller, I argued that 2) risk-acceptant states demonstrate their place in a domain of losses. It is the poor and weak state, with the status quo delivering increasing losses, that is most prone to dangerous behaviour. As this state is driven by losses, though, it may also be satisfied when the status quo yields gains, or when it develops a stake in the stability of the system. Thus, engagement that goes beyond simply delivering aid, and instead establishes stable economic and political links, gives the weak state strength while also giving it reason to refrain from pursuing destabilizing types of activity.

The DPRK fits quite neatly into both of these categories, as will be analyzed below. Firstly, North Korea has demonstrated itself as a limited-aims revisionist state through 1) proclaimed goals and ambitions that are largely tethered to affairs on the Korean Peninsula and to the perceived status of Korean sovereignty, 2) a nationalist ideology, not an internationalist revolutionary ideology, that demonstrates the actual basis of regime legitimacy. Instead of any sense of communist internationalism or expansionist, revolutionary socialist principles, as was the case with Soviet or Chinese regimes, the North Korean regime has consistently legitimized itself on nationalist principles that do not include expansion. Resistance to outside powers, not domination over outside powers, marks the political identity of the leadership and its policy. Finally, 3) even if the DPRK *were* interested in the prospect of expansion, they do not have nearly the capacity to pursue any

revolutionary aims. While Pyongyang's massive armed forces and drive towards nuclearization may

convince some outside observers that the "hermit kingdom" is interested in expanding, these military

measures are best seen as deterrents against invasion, or "deterrents" against the South Korea/U.S.

deterrents (in case the U.S./ROK deterrent was mobilized to become aggressive). At that, North

Korea's military machine is the product of both a normal security dilemma between

uncommunicative and mutually suspicious states, and a guerrilla ideology that spiritualizes a sense of

total sovereignty. Instead of planning for expansion, even into the south of the Peninsula,[1] the

DPRK actively and continuously forms policy based on deterring external forces from impinging on

its sovereignty. All the same, the military initiative that comes from such policy is still not strong

enough to successfully expand, or alter the international status quo and the distribution of power in

significant ways.

Secondly, I will argue what is, in many ways, an uncomplicated argument: that the DPRK is

highly risk-acceptant. This will be proven two ways: 1) the state's place in a domain of increasing

material losses over many years, brought on through economic collapse, humanitarian disaster,

general communist state mismanagement, and a regional geopolitical environment hostile to the

DPRK overall. With economic, political, and military indicators falling throughout the 1990s and into

the new century, Pyongyang has seen little reason to abet the status quo, and has gone to great

lengths to attempt to coerce external parties to the bargaining table in effort to reverse a continuing

flow of losses.

Also, 2) as explored in the previous chapter, negative cognitive biases have led to high threat

perceptions among the North Korean leadership, causing them to deduce external threat in various

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[1] This is not an uncontroversial point, and will be explored at greater depth as this argument progresses.
Indeed, the very formation of the DPRK in 1947 was seen by the country's founders as one step towards
reclamation of the entire Korean Peninsula, and much North Korean policy history is a long legacy of war-
gaming and developing contingency plans to forcibly render the Seoul government void and to communize the
whole of the Korean nation. These ambitions, though, have been overplayed by many skeptics of DPRK
behaviour, as Pyongyang has admitted publicly (and planned accordingly) that taking over the South is simply
unfeasible, and has been for many years.

non-threatening circumstances. Even "promises" have been interpreted as threats, leading to a miscalculation of status, and a proclivity to risk-taking that may seem irrational.

Finally, 3) not unrelated to the second point, North Korean leadership places paramount emphasis on its own survival and the maintenance of regime legitimacy. This legitimacy is not entirely (or even mostly) tied to the regime's ability to provide for citizens' material welfare – indeed, this aspect of statecraft, however essential in the liberal West, has been the regime's clearest failure. By exploring relative interpretations of gains and losses, though, it will be seen that "face-saving," the perception of sovereignty, and the integrity of national identity are immensely valuable political goods in North Korea. Even when engagement sources offer generous material incentives to the North Korean target, Pyongyang may still remain prepared to act dangerously and riskily should these political goods become threatened. Ironically, it is the induction of capitalist-minded engagement promises that directly *threaten* these political goods, and incur more risk-acceptant behaviour in the security sphere. Paradoxically, engagement may beget belligerence, hence the continued need for a containment/deterrence component to any strategy dealing with Pyongyang.

Through the latter part of this chapter, I will examine the usefulness of a GRIT approach to engagement of the DPRK, as opposed to a comprehensive approach, with the view that it is "deterrence/GRIT engagement," and not "engagement through strength" (i.e. comprehensive) that is most applicable. This conclusion is made keeping the South Korean approach closely in mind. As Seoul's favoured engagement tool is modelled after GRIT, as will be explored, what have Pyongyang's reactions been? How are these reactions a function of Pyongyang's place in Schweller's typology, and how much are they a function of engagement vis-à-vis another *Korean* state? This intra-national dynamic fundamentally alters the nature of cognitive bias, and changes the nature of various nationalist political goods in Pyongyang.

To begin with identifying the DPRK as a limited-aims revisionist (LAR), risk-acceptant type, we will first examine the indicators that characterize LAR states (identity, historical legacy, proclaimed and pursued goals, and capacity/incapacity for expansion) before examining the

indicators that characterize risk-acceptant types (within a domain of losses, the nature of these losses, and threat perception).

Figure 3.1: The DPRK as a Limited-Aims Revisionist, Risk-Acceptant State

Limited-Aims Revisionist Characteristics	
Identity, History	Self-reliant ideology; nationalist; historical trauma vis-à-vis war with external powers
Proclaimed Goals	Korean unification; sovereignty; regime survival
Capacity for Expansion	Low: dwindling resources; no defense alliances

Risk-Acceptant Characteristics	
Domain of Losses	High economic, humanitarian losses; diminished sphere of allies
Threat Perception	High: suspicious of external powers, fear of vulnerability

In the above table, I have identified key goods that will most impact calculations by limited-aims revisionist, risk-acceptant states (identity/history, proclaimed goals, capacity for expansion, domain of losses, and threat perception), and have highlighted how these goods are manifest in the DPRK. Below, I will estimate whether the value placed on each good is likely to elicit a *cooperative* or a *resistant* posture from Pyongyang when faced with inter-Korean engagement overtures.

Identity: Hegemonic Nationalism or Nationalist Isolationism?

Resistance to outside control is one of the most enduring hallmarks of historical Korean identity, and the theme has been re-appropriated by the North Korean leadership in its construction of the country's contemporary political identity. Snyder has observed that "survival, endurance, and resistance against foreign forces who seek to dominate or subjugate the Korean people are recurrent

historical themes" that extend as far into history as Chinese Tang invasions in the 7th Century.[2] While

DPRK militarism in the 20th and 21st centuries may be alarming, potentially destabilizing, and

contributive towards regional security dilemmas, the role of a powerful military elite in Korea has

traditionally been a function of resistance against external forces which have attempted to force

themselves onto the Peninsula.[3]

We can understand North Korea's culture of national resistance as supported today through

four principal pillars of political identity: 1) neo-Confucian norms, 2) the guerrilla tradition embodied

in the Kim family legacy, 3) Juché ideology, and 4) socialist political structure.

Neo-Confucianism and Filial Nationalism

"Confucianism" is a broad philosophical hypothesis that generally focuses on the

cosmological, pseudo-religious tenets of Confucius' writings, which emphasize balance and harmony

between cosmic actors and the elements. "Neo-Confucianism," as an applied sociological adaptation

of this, focuses more on the political institutions (formal and informal) that govern public and private

behaviour in accordance with sustaining this sense of balance in human affairs. We find here the

advancement of both the "group identity," in which individualism is submerged beneath the

ambition of the entire polity, and also clear status distinctions between members of the group.

With a "seamless web of interpersonal relations" in which no distinction is made between

art, culture, and political spheres,[4] an emphasis on filial piety is expanded to the point at which no

real distinction is made between a nuclear family and the greater civil family that constitutes the

polity. The role of ruler as "father" cuts short the distance between the sovereign and his subjects,

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[2] Snyder (1999), p 18

[3] Alexandre Mansourov, "A Neutral Democratic People's Republic of Korea? Historical Background, Rationale, and Prospects," in Akaha (2002), p 50

[4] Donald Stone Macdonald and Donald N. Clark, The Koreans: Contemporary Politics and Society, (3d ed.; Westview Press, 1996), p 80

tying both into a filial relationship bound by blood and duty. Indeed, the role of the "father" (both literally and figuratively) was to encourage *yu-il sasang*, or "monolithic thought," in the group.[5]

Gilbert Rozman has noted that in the 20th Century, these values "did not just disappear; remnants remain at the micro-level of family and community, the intermediate tier of the education system and business enterprises, and the macro-level of the state and its guiding thought."[6] It is this macro-level effect that is immediately evident in the North Korean political structure, with a new take on paternalism "aimed at creating a community willing to sacrifice."[7]

The DPRK's sense of national "self-reliance" was fostered by empowering the state and emphasizing the role of the military in defense of the nation. This institution, though, also performed the task of maintaining a pre-industrial police state that incorporated widespread slave labour into the rudimentary economic system,[8] and clamped down on factional elements that proposed reforms or the opening of the country along the lines of the eventual Meiji Restoration as seen in Japan. This has helped to influence an opaque political system that suppresses factionalism, fuses the governing and the governed into a common regime system, and largely defies close outside scrutiny. The traditionally competitive security landscape of Northeast Asia drove Joseon (Chosun) Dynastic Korea to augment these neo-Confucian tenets with a particularly powerful political conservatism, even primordial authoritarianism, in aim of unifying the society against adventurous neighbours. This complicates the task for external actors to correctly identify specific factions within the leadership, although the faction that advantages most clearly by any propagation of "filial" regime legitimacy is the Kim family itself. Through sustaining a neo-Confucianlist, Joseon-dynastic ideational program, Kim Jong Il asserts himself as essentially unrivalled in any contest for leadership.

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[5] Lorne Craner, U.S. Assistant Secretary Human Rights, Democracy, and Labour. From text "Human Rights in the Democratic People's Republic of Korea," delivered to Congressional Human Rights Caucus (Apr. 17, 2002), <http://usembassy.state.gov/tokyo/wwwhse1352.html>
[6] Gilbert Rozman, "Can Confucianism Survive in an Age of Universalism and Globalization?" *Pacific Affairs* 75:1 (Spring 2002), p 13
[7] Ibid, p 14
[8] James B. Palais, Confucian Statecraft and Korean Institutions: Yu Hyongwon and the Late Joseon Dynasty, (University of Washington Press, 1996), p 14

Guerilla Dynamics, Militarism, and War Identity

Neighbours, however, would remain adventurous. The Japanese occupation of Korea (1910-1945) effectively animated the ancient national nightmare of foreign domination, legitimizing long-held fears that Korean political cultural values were under siege. Resistance to occupation developed quickly: yet, partly because of the northern half of the Peninsula's proximity to Communist resistance fighters in China, Korean guerrilla resisters were better established, enjoyed access to illicit arms trading, and were overall more common in the North and into Manchuria.[9] By 1937, a young Kim Il Sung was commanding his own guerrilla unit within a militia called the Northeast Anti-Japanese United Army (NEAJUA), and he had quickly become infamous as "the most feared guerrilla leader in Manchuria."[10] This was significant, considering that over two million Koreans had fled the Peninsula for Manchuria during the 1930s, and that an estimated 95% of them were "anti-Japanese." Indeed, Manchuria at this time was considered to have "more villages made up of outlaws than any other place in the world."[11]

Fighting against advancing Japanese troops for the entirety of 1937 and 1938 (and also against ethnic-Korean Japanese collaborators, including future South Korean president Park Chung Hee), Kim and the NEAJUA enjoyed the massive support of the large Korean refugee community who looked up to Kim as a hero and, already, as a kind of Korean saviour. The idolization of his nationalist warrior personality grew congruently with a Japanese occupation that pursued the burning of villages, "brutal torture [...] and bacteriological warfare."[12]

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[9] While access to Communist guerilla resources helped northern Koreans develop a culture of armed resistance, it is interesting to note that the south of the Peninsula was concurrently much more heavily influenced than the north by a religious movement known as the Jeondogyo. Jeondogyo, an unlikely outgrowth of conservatism, Confucianism, Buddhism, and agrarian peasant enlightenment, urged "passive reform," petitioning the government for change as opposed to armed rebellion, and advocated collaboration with established powers. This may have helped to motivate "nonviolent rebellion" against Japanese occupiers in the southern half of the Peninsula, as indeed, many Japanese collaborators were native to the south and were thus installed in key bureaucratic colonial positions in Gaeseong. See Benjamin B. Weens, Reform, Rebellion, and the Heavenly Way, (University of Arizona Press, 1964), p 76-7
[10] Bruce Cumings, North Korea: Another Country, (The New Press, 2004), p 108
[11] Charles Armstrong, The North Korean Revolution: 1945 – 1950, (Cornell University Press, 2003), p 19
[12] Cumings (2004), p 123-124

The Korean War, which followed Japanese occupation, was also a brutish campaign in which the Communist North Koreans (and, eventually, Chinese) continued fighting largely according to guerrilla tactics, and in which the U.S.-led counterattack was more than eager to demonstrate their powerful new offensive technologies. The nascent DPRK was threatened with nuclear bombardment more than once: General MacArthur made repeated unsuccessful requests to President Truman to have upwards of 30 atomic bombs delivered to various ground-zeroes across northern Korea.[13] Carter Eckert has noted "virtually the whole population worked and lived in artificial underground caves," in hiding from American planes, "any one of which, from the North Korean perspective, might have been carrying an atomic bomb."[14] North Koreans engaged in massive bunker construction and incredible tunnel networks (up to 1,250 km of them) as means of emergency refuge.[15] While atomic weapons were never used, the underground installations were not useless, as the massive air campaign used non-nuclear "novel weapons" quite liberally. By August 1950, the UN forces were dropping 800 tons of bombs per day. In the summer of 1950, an estimated 866,914 gallons of napalm was fired across North Korean villages, cities, and forestland. Allied orders were to pursue a scorched earth policy by which "every installation, factory, city and village" would be levelled and burned.[16]

Once the DPRK was constituted, it was natural that "[t]he (Korean Workers Party) Central Committee was dominated by revolutionaries who had had military experience as anti-Japanese guerrilla activists. Most of them commanded military forces during the Korean War."[17] Beyond the military dominance in domestic policy and in the political-institutional arena, the social-cultural arena was being cultivated by the military at the same time. Sociologist Helen-Louise Hunter has observed that, "[i]n a country that has traditionally liked to place categories of people in neat rankings within

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[13] MacArthur archives, cited in Cumings (2004), p 22
[14] Carter Eckert, cited in Selig S. Harrison, Korean Endgame: A Strategy for Reunification and U.S. Disengagement, (Century Foundation, 2002), p 9
[15] Memoirs of a Chinese Marshal: the Autobiographical Notes of Peng Dehuai (1898 – 1974), (Beijing Foreign Languages Press, 1984), p 479
[16] Cumings (2004), p 22
[17] Kong Dongsung, "North Korea," in The Political Role of the Military: An International Handbook (ed. C. P. Danopoulos and C. Watson: Greenwood Press, 1996) p 327

the society, the military ranks high in North Korea."[18] In a modern Confucian system with guerrilla

revolutionary legitimacy, having good *songbun* (ancestral caste) is predicated on having had a father or

grandfather advance through the military ranks or, better yet, take part in the anti-Japanese struggle.[19]

Thus, North Korean military elites benefited by nourishing a sense of noble *songbun* based

upon respect for the revolution, and this was inculcated from an early age. Military spirit and training

are imbued into the education system "from kindergarten to high school,"[20] with all male students

prepared for military exams as teenagers. The political role of the military has thus been significant,

and the war identity inherited through occupation and division has persisted in informing strong

negative cognitive biases towards outside powers and high threat perceptions.

Evidence of the KPA's dominance as a political faction became evident during the 1990s.

Kim Jong Il was vaulted through the KPA hierarchy as a marshal, and was soon after named

Chairman of the Defense Commission, despite having no specific military training. The Defense

Commission was previously subordinate to the Central People's Committee, a state organ largely

controlled by the KWP. However, the Defense Commission came to separate itself from the

assembly in 1990, becoming an equally powerful legislative agent within the government. After the

death of Kim Il Sung in 1994, a constitutional amendment named the elder Kim "eternal president,"

essentially burying the highest office in the land along with him. In order for Kim Jong Il to legally

inherit the reigns of power, then, the Defense Commission abolished the CPC altogether in 1998,

making Chairman of the Defense Commission the highest official posting in the DPRK, and

consolidating military supremacy over the political workings of the state.[21] Although there had been

no coup, and the transfer of power to Kim Jong Il occurred even more smoothly than widely

expected among international observers, the death of Kim Il Sung allowed for the completion of a

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[18] Helen-Louise Hunter, Kim Il-song's North Korea, (Praeger Publishers, 1999), p 84
[19] Indeed, Kim Il Sung helped to reinvigorate the *songbun* system by propagating his own great-grandfather as the "leader" of a popular Korean revolt against an American military vessel near Pyongyang in 1866 – the notorious *General Sherman* incident. See Snyder (1999), p 32
[20] Kong (1996), p 334
[21] Joseph S. Bermudez, Shield of the Great Leader: The Armed Forces of North Korea, (Allen and Unwin, 2001), p 22

total transfer of power from Party apparatchiks to army elites, with the Defense Commission now "controlling all of the political, military, and economic capabilities of the Republic."[22]

As the military has commanded up to 30% of North Korea's annual GNP,[23] it has been natural that the KPA has reached into the lives of nearly all North Korean citizens. Since every family has someone involved in the military, this "adds a personal dimension to the close feeling between the military and the population," in addition to the fact that they help out on the farms, perform development projects, and very rarely harm the population – at least not in ways that are out of step with political convention. "The population is well aware of the debt it owes the military."[24]

Juché and North Korean Ideology

Through Kim Il Sung's Juché (roughly "self-reliant") philosophy, crafted in the 1950s and '60s, the DPRK utilized indigenous cultural traits to supplant Marxist ideational dynamics with increasingly Joseon-modeled dynamics. Juché insists upon the awakening of the national consciousness, as opposed to the class consciousness, requiring that each "individual submerge (his/her) separate identities into the collective subjectivity of the Korean nation."[25] While this collective consciousness may mesh well with Communist systems, the impetus behind the Korean collectivity had been sourced from the start in a very different place than pure Marxists might tolerate: ethnicity, xenophobia, and the worship of the national will incarnate in the highest, most untouchable nobleman. As a result, this indicates that North Korean economic philosophy is relatively uncommitted to pure Marxist principles, which is encouraging for capitalist engagers in the ROK and abroad. However, the strict hierarchical "royal" dynastic system that Juché prescribes is also resistant to the emergence of lateral social interaction – such interaction is a natural byproduct of market economics.

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[22] Chong Bong-Uk, "Military Rule in Full Swing," *Vantage Point* 22:4 (Apr. 1999), p 6
[23] Peter Hayes, "Hanging in the Balance: North-South Military Capabilities," Nautilus Institute document (1994), <http://www.nautilus.org/DPRKbriefingbook/military/Hayes.html>
[24] Hunter (1999), p 84
[25] Armstrong (1998), p 36

Suh catalogues three principle tenets of Juché in regards to the status of the Korean nation in the world stand out as: 1) political independence, 2) economic self-sustenance, and 3) national self-defense.[26] Other scholars elaborate on this definition, finding in Juché "nationalism, economic self-subsistence, self-defense, and a closed or contained social system."[27] The absence of Marxist teachings within this framework is telling, with no mention of any equitable distribution of capital, nor the necessity for society to overcome material barriers to social justice. As in the Joseon system, the DPRK through Juché enforces and nourishes a "quasi-religious culture" and pushes forth the "pervasiveness of spiritualism in the mass belief system,"[28] which has gone far in giving the leadership its semblance of legitimacy despite a closed system without high material standards of living. This reflects a cult of personality that is invigorated by theocratic tendencies inherited through a conservative neo-Confucianist political discourse. This spiritualization of filial leadership has secured the position of Kim Il Sung's son, Kim Jong Il, in upholding a royal dynastic lineage as the basis of the leadership. As Mansourov has observed, the modern Kim cult

> combines the images of neo-Confucian familism, especially the virtue of filial piety and ancestor worship, psychological chords of quasi-supernatural matriarchal shamanism, buttressed by the elements of Japanese emperor worship and overtones of evangelical Protestant Christianity, dressed in Stalinist garb and charismatic anti-colonial nationalism.[29]

Juché mandates a sense of "total sovereignty," whereby even elements of dependence on external powers through normal interstate transactions are framed as losses in sovereignty. This is problematic for the engagement process in the sense that the establishment of external links thus animates extreme fears of vulnerability, which are inherent in dependency theory. For example, Kim Il Sung responded carelessly to Beijing's criticism of the DPRK's dramatic cult of personality in 1968

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[26] Suh Dae Suk, Leadership and Political Culture in Korea, (Yonsei University Press, 2000), p 37
[27] Han S. Park, "Human Needs, Human Rights, and Regime Legitimacy: The North Korean Anomaly," in Moon (1998), p 228
[28] Ibid, p 231
[29] Alexandre Mansourov, "Korean Monarch Kim Jong Il: Technocrat Ruler of the Hermit Kingdom Facing the Challenge of Modernity," Nautilus Institute document,
<http://www.nautilus.org/DPRKbriefingbook/negotiating/issue.html>

by asserting that "Korea will never again dance to the tune of others,"[30] signaling a devil-may-care approach to formulating policy mindful of foreign opinion, even when offered by allies.

While Kim may have built the nation largely through an ideology intimately associated with the sustenance of his role as the national, spiritualized father figure, the precepts of Juché have managed to flourish beyond his death, as the urgency of its message still holds salience for many North Korean people: "political self-determination and freedom from outside control."[31] Juché propagandists continue to hammer home this message, and as South Korean scholar Suh Dae Suk notes, it is what "keeps the people marching even when they are in distress."[32]

If Juché propagandists within the DPRK find themselves tied to any particular faction, it is the Korean Worker's Party. In conceiving of the KWP as a faction distinct from the Kim family itself and from the KPA, it has become clear that the Party has lost political ground in recent years, as illustrated above through the rise in military-political authority, and in the difficulty that the KWP has in managing a complex ideational rationale that balances "total sovereignty" against pragmatic needs for reform. Much of the Juché philosophy is already contingent on the pre-eminence of the military and on the legitimacy of dynastic rule, thus in terms of domestic identity, we can see the KWP as increasingly submerged beneath the two faction explored above.

Socialist Administrative Structure

While Soviet socialist influences certainly played a role in creating bureaucratic templates in the DPRK, there is a tendency for them to be overemphasized. Adrian Buzo has argued that Kim Il Sung utilized prototypically Stalinist institutions in the process of North Korean statecraft, given that Kim's authority derived from Soviet support as early as the guerrilla campaigns.[33] Suh has countered that Kim himself was never primarily driven by Communist or socialist precepts, but by anti-Japanese, nationalist precepts. The Soviet support he solicited was ultimately a means to this greater end. Kim's guerrilla history was one spent "outside the mainstream of the Korean Communist

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[30] Suh (2000), p 43
[31] Armstrong (1998), p 33
[32] Suh (2000), pp 10-11
[33] Adrian Buzo, The Guerilla Dynasty: Politics and Leadership in North Korea, (Westview Press, 1999), p 238

movement," with most of his energy spent corralling the support of resistance fighters as diverse as Chiang Kai Chek's Chinese Nationalists, the Chinese Communists, the NEAJUA, and the Soviets.[34]

Andrei Lankov has argued that, as early as the 1950s, the Soviet identity in the DPRK began to be deliberately dismantled, socialist propaganda supplanted by Juché propaganda, and communist internationalism replaced by introspective nationalism – Juché philosophy was itself introduced to North Koreans in 1955 with a speech by Kim Il Sung titled "On the Uprooting of Dogmatism and Formalism in Ideological Work and the Establishing of Ch'uche."[35] According to Lankov, "the changes found their expression in (…) an emphasis on the superiority of all things Korean over all things foreign."[36] Even elements of Soviet political structure that remained intact in Pyongyang were soon recast as "indigenous."[37]

We can readily observe elements of Joseon-era dynamics coming to play: the spiritualization of respect and obedience goes beyond what is found in non-Confucianized societies such as the European communist nations, with "camaraderie" in Korea coming to embody a perception of divine mission. The anti-imperialist struggle itself, with Kim Il Sung as the Joseon-esque father figure, served to articulate all the old qualities of celestial leadership. The "relative success of individuals who have blood ties to Kim Il Sung and Kim Jong Il, or those who have revolutionary credentials or relationships to the 'first family' reinforces the perception that an essentially traditional social structure (…) remains a fundamental aspect of North Korean social organization."[38]

Identity and Implications for Engagement: Mixed Response

North Korean regime identity can thus be characterized as 1) emphasizing total sovereignty, self-reliance, and distance from outside powers, 2) powerfully nationalist and ethnocentric, and 3) traumatized through negative historical legacies incurred through invasion, occupation, war, and continued threat of war. These conditions foretell a mixed diagnosis for an engagement strategy, with

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[34] Suh Dae Sook, Documents of Korean Communism 1918-48, (Princeton University Press, 1970), p 429-30
[35] Andrei Lankov, From Stalin to Kim Il Sung: The Formation of North Korea 1945-1960, (Hurst and Company, 2002), p 67
[36] Ibid
[37] Ibid
[38] Ibid, p 33

a bias towards resistance against engagement. Resistance comes as 1) any engagement process is an overt attempt by a source state to inculcate change in the target state and create dependencies upon which the target comes to rely. A self-reliant, conservative propagandist discourse, upon which much regime legitimacy is based, is then starkly out of step with engagement's change-oriented focus. Also, 2) historical trauma incurred through war and powerful mistrust of foreign powers has helped to mould negative cognitive biases, meaning that even engagement "promises" may be construed as "threats." Kim Dae Jung's "Sunshine Policy," according to Selig Harrison, has been seen in the DPRK as "an unabashed attempt to subvert (North Korea's) system, more dangerous than previous attempts because it was more subtle (...) Similarly, the North believes that Kim (Dae Jung) has pushed for the reunion of separated families not for humanitarian reasons but to sow discontent by showing off the affluence of the reunited family members who live in the South."[39]

North Korea's pan-Korean, nationalist identity also encourages engagement that is sourced in the ROK: thus, it is intra-national. Although Pyongyang may be suspicious of the leadership in Seoul, there is much less psychological resistance to accepting increased cooperation with another Korean power, thus avoiding the identity crisis inherent in developing dependency on external powers that are also external to the Korean nation.[40]

The DPRK is able to frame the ROK's nationalist overtures in pursuing inter-Korean cooperation as consistent with North Korean desires, simplifying the task of justifying economic reforms within the rubric of Juché and political conservatism. As seen, nationalist principles are more salient than strictly socialist principles in the North Korean identity – although socialist structure is still difficult to change, it is changing in fact and in form, with Kim Jong Il exhorting North Koreans to "abide by the principle of profitability" in the summer of 2004, reportedly praising workers at a light manufacturing plant for "intensifying the ideological education among producers to thoroughly ensure profitability."[41] If the uprooting of dogmatic socialism can be achieved in the DPRK, it does

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[39] Harrison (2002), p 83
[40] Ibid, p 73
[41] "Kim Jong Il gives field guidance to Kusong Machine Tool Plant," *Korean Central News Agency* (Jun. 1, 2004)

so while remaining safely under the umbrella of dogmatic pan-Korean nationalism. Thus, while DPRK identity may make engagement difficult, the process as per South Korea allows the Pyongyang regime some leeway in adapting its political identity to the greater nationalist objective.

Proclaimed Goals: Sovereignty and Unification

Beyond the securing of material resources through international trade and development, the DPRK has sought to "defend national sovereignty at almost any cost."[42] Indeed, the cost has often *been* trade and development, leading to a state that seems to value domestic political goods more than international political goods or material goods. Are these goals irreconcilable with economic achievement?

Kim Jong Il's proclamation that profitability is now a nationalist virtue (echoing Deng Xiaoping's highly un-Maoist proclamation that to get rich was "glorious") suggests some flexibility on this front. Pyongyang's maintains several key interests: 1) securing the economic wherewithal to survive, 2) maintaining territorial integrity and defending against external threats, and 3) ultimately reuniting with the ROK (supposedly abolishing its own regime system in favour of a new federal Korean system). Contemporarily, neither North nor South Korea advocate rushing into a unified federal system, as the ROK is unprepared to manage the enormous consequences of economic and cultural shock that northerners would face, and the DPRK is unprepared to enter into any unification arrangement from a position of weakness.

The cultivation of a nationalist identity would be sanctified within a powerful defense posture. Early DPRK proclamations aimed to reconstitute the broken post-war state by "arming all the populace (and) turning the entire country into a fortress."[43] The profoundly nationalist discourse in the DPRK is not exclusively state-patriotic, but is pan-Korean, ethnic and nationalistic, which is thus inclusive of the ROK. Harrison has interpreted this desire for unification to be a "defensive" desire,[44] with Pyongyang aware of its inability to "capture" the South militarily since at least the

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[42] Snyder (1999), p 145
[43] Socialist Constitution of the Democratic People's Republic of Korea (revised 1998), Chapter 4, Art. 60
[44] Harrison (2002), p 71

1980s. Ho Jong, Pyongyang's ambassador at large for the Ministry of Foreign Affairs, communicated to U.S. officials in the early 1990s that North Korean goals were to pursue peaceful coexistence with the ROK, adding that pursuing unification by force was not a "realistic" option.[45]

While the original DPRK constitution proclaimed Seoul to be the *de jure* capital of the Communist regime (with Pyongyang seen to serve as an interim base), the constitution was revised in 1972, and stated that Pyongyang was indeed the *de facto* and *de jure* capital of the DPRK. Another clause indicated that the DPRK "strives to achieve the complete victory of socialism in the northern half" of the Peninsula, while limiting its ambitions regarding the South to "drive out foreign forces on a nationwide scale."[46] This withdrawal of peninsular communization specified an early acceptance of the ROK's legitimacy as a state, as well as the victory of nationalism over communism in the DPRK's sense of pan-Korean identity.

By 1980, Pyongyang had largely abandoned proposals to unify the Korean Peninsula into a unitary state, accepting overtures from the South that a consociationalist-styled two-state confederal model would be more applicable. In 1991, Kim Il Sung told Southern officials that they were "ready to discuss vesting the autonomous regional governments of the (proposed) confederal republic with more rights," providing that the confederal body would assume more powers in due time.[47]

By 1993, Pyongyang had issued its "Ten Point Program of Great National Unity," which suggested a confederal system with dual North-South sovereignty. Within the confederation, "the North and South would be on equal footing, which means that our proposal inherently protects the autonomy of both sides, while China retains ultimate sovereignty in the 'one country, two systems' approach."[48] Within this platform, there are admissions that any confederate system would need to

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[45] Leon Sigal, <u>Disarming Strangers: Nuclear Diplomacy with North Korea</u>, (Princeton University Press, 1997), p 138-9
[46] Socialist Constitution of the Democratic People's Republic of Korea 1998, Art. 9
[47] Kim Il Sung, cited in Harrison (2002), p 76
[48] Kim Byong Hong, DPRK representative with Ministry of Foreign Affairs, cited in Harrison (2002), p 77

guarantee the right to private property and would need to do away with protectionist measures against foreign investment.[49]

The fear in Pyongyang is that, as the North has weakened and the South has become stronger over the course of the past two decades, any infringement upon national sovereignty in a confederate unification scenario would likely tilt towards Seoul's interests, leading to a unification by absorption.

Proclaimed Goals and Implications for Engagement: Cooperative

An engagement strategy that seeks to inculcate new norms of inter-Korean cooperation, cultural exchanges (including family exchanges, joint sport exercises and tournaments, and tourism) and economic cooperation in terms of joint-venture enterprise and development aid, does not challenge the DPRK's proclaimed goals of eventual unification from a position of prosperity. Mindful of North Korea's public desire to enhance pan-Korean cultural identity, such engagement is possible without entirely threatening the strong sense of sovereignty in Pyongyang, so long as "sovereignty" can be promoted as nationalist Peninsular sovereignty, not limited to state sovereignty. Furthermore, designs for unification made in Pyongyang have become progressively weaker as the state experiences a diminished capacity to cooperate with the ROK on an equal footing, and as prospects of regime survival within a two-state confederal model are diminished for Pyongyang. Through delivering economic engagement, Seoul reduces the threat perception of "unification by absorption," strengthening the DPRK's potential as an equal economic power. This act of "strengthening" the DPRK, though, provokes engagement skeptics to argue that this actually increases the capacity for Pyongyang to initiate and sustain a conflict. Mindful of this risk, an active engagement policy then necessarily comes in tandem with a strong deterrent posture that is necessary to dissuade Pyongyang from attempting such would-be domination from a position of increased strength.

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[49] Ibid

Han S. Park has argued that U.S. troops on the Korean Peninsula will always encourage a hostile DPRK policy,[50] which would indicate that there may be a "revolutionary" nature to Pyongyang's goals (upsetting the U.S. hegemonic Pacific defense posture) as opposed to a "limited aims revisionist" posture. Yet, Pyongyang's demands for U.S. troop movement off the Peninsula are rooted more in national ambitions than in regional or international, systemic ambitions for change. Even these proclamations may be flexible, as Kim Jong Il has suggested some rhetorical leeway on the U.S. troop presence, notable during the North-South Summit in 2000.[51]

While such apparent North Korean flexibility has tended to oscillate, what remains unchanged is that the DPRK is concerned about the potential for a U.S. attack. Security concerns, not a desire for expansion, mark DPRK public policy in this arena. One must keep in mind that the U.S. is not North Korea's only perceived threat: fears of a surge in Japanese nationalism and an expanded role for its armed forces, along with fears of potential Chinese hegemony, contribute to North Korea's ultimate goal to safeguard the sovereignty of the Korean nation.[52] This does not mean expansionism, but protectionism, and it is not the very *existence* of a U.S. defense posture in the region that threatens DPRK sovereignty, but a U.S. defense posture that is perceived as hostile.

Capacity: Revolutionary or Revisionist?

The DPRK has made clear its position that the development of nuclear weapons is not an offensive tactic, but a deterrent against what it sees as external powers hoping to pursue regime change at a moment when the North Korean regime is particularly weak. In response to U.S.

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[50] Park (1998), p 102

[51] Kim Jong Il's reported proclamation that U.S. troops should stay after a unification scenario may have been made to 1) simply promote goodwill during the summit itself, and not signaling a wholesale change in DPRK foreign policy, 2) voice a desire for stability on the Peninsula, or 3) express strategic ambiguity. For a useful analysis of the statement, see Nicholas Berry, "A Question in Search of Answers: North Korea Sees U.S. Troops as Desirable?" Center for Defense Information document (Sep. 6, 2000), <http://www.cdi.org/asia/btn090600.html>; also see Don Kirk, "A North Korean shift on opposing U.S. troops?" *International Herald Tribune* (Aug. 10, 2000)

[52] Indeed, North and South Koreans alike remain "very cautious about Japanese behaviour." A poll conducted by South Korean newspaper JoongAng Ilbo in 1996 asked "whether a reunified Korea should possess nuclear weapons as a means of precaution against major powers in Asia" – 82.6% of South Koreans at the time replied "yes." See Hiromichi Umebayashi, "Beyond Unilateral Bilateralism – Towards a Cooperative Security System in Northeast Asia," speech delivered to Pacific Campaign for Disarmament and Security Conference, Seoul (Nov. 2, 2003)

"bunker busting" nuclear arms technologies, Pyongyang reinforced this position, arguing publicly that "the U.S. mass production of smaller nukes would seriously harass peace, escalate military standoff and increase the danger of a nuclear war. Then those countries which do not possess those weapons will be compelled to take self-defensive measures to cope with the nuclear threats."[53] The U.S. Nuclear Posture Review Report in January 2002 also implied a nuclear first-strike against North Korea in the event of a DPRK invasion of the South, even if the North were to use conventional forces. This has gone far in animating DPRK threat perceptions.[54] Also, Park has been right to note that "[b]ecause the development of an adequate conventional weapons program requires a sound economic and technological base, North Korea realized that it was in a disadvantaged position in its competition with the South."[55] As such, although the development of nuclear weapons represents grave risk-acceptant behaviour in Pyongyang, it does not signal a plan of attack. Instead, the unintended signal is that North Korea's military and economy are desperate while security fears remain pervasive, and the increasing domain of losses has prompted Pyongyang to act dangerously. Furthermore, so long as Pyongyang encounters unmanageable costs in maintaining a conventional deterrent, a nuclear deterrent may serve as a cost-saving measure, allowing the conventional program to see cutbacks.

DPRK conventional forces, despite the high number of soldiers (estimates of over one million), are not as well-equipped nor as well funded as their South Korean counterparts. With the ROK channeling over $15 billion into its defense program in 1999, the DPRK was spending under $6 billion, despite the much higher percentage of the North Korean total economy this represents.[56]

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[53] "U.S. moves to develop smaller nukes under fire," *Korean Central News Agency* (Nov. 11, 2003)

[54] A spokesman for the DPRK Foreign Ministry said that "in response to the present situation where nuclear lunatics have seized power of the White House, we North Korea (sic) have no other option but to completely review all agreements we have made with the U.S." This event preceded the DPRK's "nuclear admission" in October 2002 by seven months. See the ROK National Intelligence Service, Overview of Reunification Issues: The (sic) 50 Years of South-North Relations, (Mar. 13, 2002)
<http://www.nis.go.kr/eng/security/issue_index.html>

[55] Park (2002), p 135

[56] David Kang, ed., Nuclear North Korea: A Debate on Engagement Strategies, (Columbia University Press, 2003:1), p 50

With a relative deficit in defense funding having stretched on since 1975,[57] coupled with the U.S. deterrent posture that bolsters ROK defenses, combined still with Pyongyang's dwindled circle of military allies, the North's prospect of winning any invasion of the South is virtually nil.[58]

Capacity and Implications for Engagement: Cooperative

While a poor capacity to pursue revolutionary, systemic change may reinforce the categorization of the DPRK as a limited-aims revisionist power, how is engagement then more useful than deterrence in this circumstance? If Pyongyang is effectively paralyzed by its relatively modest ability to launch a sustainable attack and win territory, why bother "engaging" in the first place? It is precisely this condition of poverty and vulnerability that lead to risk-acceptant behaviour, and lash-out scenarios cannot be ruled out, if not outright warfare.[59] Even though Kim Jong Il may be aware that he cannot win a war with the ROK, or any other power, maintaining a credible threat will be necessary in negotiating from a favourable position. Furthermore, if the domain of losses continues, and international efforts at engagement fade, thus suffocating any nascent efforts at economic reform, then threatening or executing a limited military strike, missile launch, or other type of violent behaviour may be rational for the DPRK, in that it elevates their bargaining position.[60] This will be unfavourable, however, as such moves risk generating more internal turmoil. Bandwagoning with expansionist powers may also be a way for the DPRK to strengthen its bargaining position, although this too is unlikely as there are no observable potential contemporary powers with whom to bandwagon. As such, North Korea will prefer to refrain from initiating any suicidal attack, so long as there are options (such as engagement) that offer clearer returns.

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[57] Ibid

[58] Some analysts have noted that Korean People's Army rhetoric still includes contingency planning for a rapid takeover of the ROK, and there is an enduring emphasis on the "single-hearted unity" of North Korean soldiers as a tactical advantage over technically-advantaged, but morally weak, ROK and U.S. forces. Despite the morale-boosting sentiment that it would be feasible to defeat "imperialist aggressors' challenges with our people's spirit," it would be highly unlikely that the KPA could prosecute and sustain any invasive warfare on the Korean Peninsula "for more than six months." See Bermudez (2001), p 19

[59] Bermudez' analysis finds that it would be "imprudent" to suggest the DPRK would be driven to launch outright war as a result of continued suffering in a domain of losses: Bermudez (2001), p 19. Cha, however, sees a loss-driven military strike, or intentionally increased military tension with neighbours and/or rivals, as likely moves from a regime with little to no stake in a worsening status quo: Cha (2003), p 19

[60] Cha (2003), p 86

Domain of Losses: Economic, Humanitarian, Political

With the DPRK's GNP collapsing from $22.3 billion to $15 billion in the past eight years,[61] North Korea's closed economic system led to massive losses in food production, health indicators, and environmental sustainability, with deforestation and reclamation of tidal lands deemed necessary to expand agricultural production. It is the state of profound environmental insecurity over the course of the 1990s which has gained the DPRK some of its most significant attention (and widespread support), and in Pyongyang's view, it is what justified pleading to the wider international community for food, thus marking a unique opportunity to engage the regime at its own behest.

Massive floods brought on by typhoons in 1994 and 1995 delivered environmental destruction to several regions of the DPRK. Through use of Landsat Thematic Map data, a Japanese team has estimated that the floods in 1995 had severely damaged roughly 300,000 million hectares of North Korea's paddy fields, or 42% of the rice-growing agricultural land in the country. For the western region of the DPRK alone, 1995's rice production consequently totalled just 220,000 metric tons – a decline of over 500,000 metric tons compared with 1987 levels.[62] According to the World Food Programme (WFP), overall cereal production declined by one quarter between 1995-96 and 1997-98, from just over four million tons, to 2,838,000 tons – this figure dropped by another 300,000 tons by the year 2000.[63] This put the country into a cereal deficit of just under 2,500,000 tons in 1996, while food aid coming into the country the same year didn't top 600,000 tons. Between 1995 and 2001, the amount of food aid has only ever managed to alleviate the annual deficit by half, with an average well below that.[64] The World Health Organization (WHO) also found that "the DPRK

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[61] Balbina Hwang, "Curtailing North Korea's Illicit Activities," Heritage Foundation Report (Aug. 26, 2003)
[62] K. Okamoto, S. Yamakawa, and H. Kawashima, "Estimation of Flood Damage to Rice Production in North Korea in 1995," *International Journal of Remote Sensing* 19:2 (1998), pp 365—371
[63] DPRK Cereal Production (1995/96—2001/02), UN World Food Programme
[64] DPRK Food Aid Compared with the Total Estimated Cereal Deficit (1995—2001), UN World Food Programme

faced a 382,000 megaton food shortage for the period between July and October 2001" alone: this while the UN World Food Programme did not receive the amount of food aid it had called for.[65]

As serious as the typhoons may have been, much of the resulting damage stemmed from inadequate financial resources to respond, understaffed hospitals with poor conditions, and an environment weakened through ideologically-conceived, dogmatically communist terraforming projects.[66] The ensuing drought was a combination of damage incurred in these floods and long-deteriorating economic and health indicators that were exaggerated in the 1990s through the absence of Soviet aid, and a decline in relative Chinese support.

During this period, it was said that "North Korea face[d] the problem of avoiding economic and environmental ruin and social collapse brought on by a food and health-care crisis that [...] sharply reduced individual well-being."[67] Eigil Sorensen, a leading representative with WHO's operations in the DPRK, found that "the health care system has more or less collapsed," with a mortality rate increasing 40% since 1994 to 9.3 per 100.[68] Estimates of deaths resulting from famine since 1995 range from 500,000 to well over three million. Han S. Park puts the situation graphically, observing in 1998 that "the entire population is in the process of slow death."[69] Beyond the sheer human cost of this insecurity avalanche is the economic toll, as individuals and communities are deeply affected by a severe cut to productivity – the DPRK has seen its GDP reduced by over one

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[65] United Nations Office for the Co-ordination of Humanitarian Affairs, "DPR Korea Bulletin,"
<www.vuw.ac.nz/~caplabtb/dprk/Flood_Damage_10_October_2001.pdf>
[66] During 1998 meetings of the Agricultural Recovery and Environmental Protection (AREP), an international relief consortium created to address the famine situation, the DPRK admitted that its exhaustive agricultural policies have played a major role in transforming the land for the worse: "[F]arming in DPR Korea is necessarily land and input intensive. We have only 900 square meters of farmland per person, yet we attempt to meet all of our food grain needs (independently). Farming is necessarily intensive and undeniably puts great strains on the environment." This passage was included in a speech made by Choi Su Hon, DPRK Vice-Minister for External Affairs, to the Thematic Roundtable Meeting on Agricultural Recovery and Environmental Protection for the DPRK, Geneva (May 28 - 29, 1998)
[67] Mel Gurtov, "Common Security in North Korea: Quest for a New Paradigm in Inter-Korean Relations," *Asian Survey* 42:3 (May/Jun. 2003), p 413
[68] Bradley Babson and Kim Eun Sook, "Challenges in Expanding External Economic Relations with North Korea," World Bank study (May 12, 2000), at
<http://www.nautilus.org/papers/security/babson_on_dprk_economic_relations.html>
[69] Park (1998) p 223

half between 1989 and 1998, thus slashing peoples' ability to generate the income that might help to avert continued deaths.

Politically, the DPRK is clearly more isolated than it had ever been during times of relative economic security. The absence of Soviet political support (and the economic and military aid that had come with it) has combined with a more tepid alliance with China, as Beijing seeks to associate itself with international institutions of a global nature, requiring Chinese adherence to an array of geopolitical norms. DPRK isolationism is increasingly out of step with Chinese eagerness to prove itself a credible international partner, and the alliance has been strained by Beijing's cessation of its common defense posture vis-à-vis Pyongyang. This places the DPRK in a desperate position in its drive to secure itself in the international system.

Domain of Losses and Implications for Engagement: Cooperative

Losing unconditional Soviet and Chinese support has meant both economic and political loss.[70] While economic losses motivate risk-acceptant behaviour in stemming the downward spiral into bankruptcy, can it be argued equally that political losses (such as a decline in allies' numbers or the level of their commitment) also motivate risk-acceptant behaviour? How likely is it that an increasingly isolated regime will endeavour to take on dangerous action?

While the prospect of winning any war is certainly slim for the DPRK, certainly without stalwart allies to back it up over the course of any militarist adventures, neither is the DPRK dissuaded from provocative action by extensive binding mechanisms that tie Pyongyang policy to that of important allies (or to the international system as a whole). Snyder has noted that the DPRK's lack of political ties to the international community engenders a willing abdication of responsibility to adhere to international norms. This further enables brinkmanship tactics and uncooperative negotiating behaviour.[71] So long as the DPRK remains relatively "unbound," the only policy that can effectively restrict its capacity for expansion is a deterrent strategy. As seen, however, deterrence is not a political good for the target, and neither does it bring the target out of the material domain of

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[70] Kang (2003:1), p 57
[71] Snyder (1999), pp 68-73

losses, which engagement seeks to do. With a status quo that is increasingly unsustainable, desperate behaviour in Pyongyang can only be truly mitigated through moving North Korea from a domain of losses towards a domain of gains over the course of an engagement strategy. Political losses motivate bluffing, brinkmanship tactics, and crisis diplomacy, and economic losses motivate following through on bluffs, potentially provoking genuine crisis. As seen, without proclaimed goals to expand, and without the capacity to engage in conflict, Pyongyang then prefers a strategy that allows its losses to diminish. In facing a potential engager, the DPRK is left with few palatable options but to answer the call.

Threat Perception: The DPRK's "Permanent Siege Mentality"

One source of friction in answering this call enthusiastically is the pervasive sense of mistrust that exists among DPRK decision makers and extremely high threat perceptions towards external powers. DPRK identity, the peninsular-nationalist nature of its unification goals, its capacity for actually waging war, and its significant slide into a domain of economic, humanitarian, and political losses, exacerbate a position of incomplete nationhood, inability to correct this imbalance through conventional means, and fear that material and political conditions can only worsen through a maintained status quo. Past experiences of invasion, occupation and warfare have been manipulated by the KPA and the Kim dynasty into a spiritualized manifesto of resistance, and the role of the armed forces in defending against aggressive outsiders has come to inform much of the North Korean political culture.[72] A diminishing capacity to pursue its eventual goals of unifying with the ROK on equal terms only heightens this sense of vulnerability. Given the sense of incomplete sovereignty in Korean nationhood, it is not South Korea itself that is primarily seen as threatening in this regard, but principally the degree to which Washington influences ROK policy, and the degree to which Japan is seen as having not completed its process of apology or "compensation" for past

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[72] An oft performed North Korean opera, *P'ibada* ("Sea of Blood"), follows the story of a Japanese massacre of Korean refugees during the resistant in Manchuria. Through the play, "the Korean people realize that unless they help themselves, no country will come to rescue them at the risk of their own national interest," speaking to the international community's overt endorsement of Japanese colonial in its early forms. See Park (2002), p 96

crimes committed through occupation. "To the North Koreans, there is no permanent ally or

permanent enemy, but there will always be imperialist powers prepared to conquer smaller countries

that are not capable of self-defense."[73]

Public proclamations towards Japan have oscillated between mild anxiety about Japanese

security policy to distinctive paranoia:

> The Japanese aggressors had long set their eyes on and thrust their aggressive claws into
> Korea which is rich in gold, silver and other resources [...] 54 years have passed since the
> Japanese were defeated. But Japan is still persistently resorting to the hostile policy against
> the DPRK instead of apologizing for its past crimes.
> No others are more maliciously trying to isolate and stifle the DPRK than the Japanese
> reactionaries. They have defined the DPRK as the first target of aggression as in the past and
> are stepping up their military preparations for its realization.
> They have no intention to liquidate (sic) the past crimes but are hectic with the wild
> ambition for reinvasion. Overseas expansion is the physiology of Japanese militarism. If it
> had not been for the colonial rule of the Japanese for nearly half a century, our people would
> not have suffered from national division.
> Japan is the sworn enemy of our people in all ages. We will make Japan, the sworn enemy,
> pay for all their misdeeds anytime.[74]

In a corresponding article, speaking to continued international concern over the Taepo-dong

missile test, directed through Japanese airspace in 1998, an unnamed official said:

> Clearly speaking, DPRK-Japan relations are relations between victims and assailants. The
> assailants are obliged to make (a) sincere apology and (provide) adequate compensation to
> the victims for their past crimes. If they refuse, there is no need to talk about the future
> relations. This is precisely the essence of the DPRK-Japan relations.[75]

> Having designated the DPRK as the first target of their overseas aggression, the Japanese
> reactionaries are working hard to attain it.[76]

Regarding visits to the Yasukuni War Shrine by Japanese political leaders, North Korean

media consistently goes farther than their South Korean or Chinese counterparts in denouncing the

visits. Rather than only seeing these visits as insensitive or insulting to the history of occupation,

DPRK perception focuses on a supposed desire for reinvasion implicit in the visits, thus perceiving

them as renewed acts of aggression:

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[73] Ibid, p 92
[74] "Japan, sworn enemy," *Korean Central News Agency* (Oct. 16, 1999)
[75] "Japan's insincere attitude denounced," *Korean Central News Agency* (Oct. 16, 1999)
[76] "Threat comes from Japan," *Korean Central news Agency* (Jan. 4, 2004)

(Japanese political leaders) seek to regularize, traditionalize and popularize the visit to the (Yasukuni) shrine, describing it as a token of 'people's sentiment.' This is aimed to implant militarism deep into the mind of the Japanese people and thus build an ideological foundation for overseas aggression.[77]

The last two remarks are especially significant, as they have come during attempted moves towards détente by the Japanese leadership. Prime Minister Junichiro Koizumi has paid two visits to Pyongyang since 2002, has apologized for Japan's past crimes during the occupation, and has managed to solicit Kim Jong Il's admission that the DPRK was responsible for a past covert abduction program in which several Japanese citizens were kidnapped and forced into espionage activities.[78] These developments are important for the DPRK, as securing economic and political goods (investment and diplomatic recognition) from Japan is consistent with North Korean aims towards reversing a domain of losses. As is typical, however, the importance of these channels for North Korea does not immediately subtract from another important factor: the maintenance of regime legitimacy, which is at least partially based on anti-Japanese, anti-imperialist sentiment. By continuing to release vitriolic anti-Japanese rhetoric through public media organs, Pyongyang balances its needs to 1) appear ideologically consistent at home and 2) appear as a willing (if clumsy) target for investment and prestige.

As much as Japan is publicly denounced as not having sincerely expressed regret for its occupation of Korea, and in extreme commentary, that it plans a reinvasion, the U.S. is derided on an almost daily basis for supposedly harbouring zealous ambitions for nuclear warfare against the DPRK,[79] for expressing "real earnest for the second Korean war,"[80] and for standing against

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[77] "Japanese reactionaries under fire for justifying their visits to Yasukuni Shrine," *Korean Central News Agency* (Mar. 15, 2004)

[78] It should be noted that this admission by Kim Jong Il was likely made as an attempt to appear conciliatory and transparent, although Japanese reaction was understandably hostile. This type of diplomatic inelegance reflects Kim's own self-deferential assertion that he "is not a diplomat." (See Mansourov, "Korean Monarch")

[79] A self-titled 'detailed report' published domestically in Korean (but not in English) by the KCNA outlines nuclear ambitions on the Korean Peninsula, with a notable focus on the Korean War period and the 1950s, ROK nuclear research in the 1970s under authoritarian leader Park Chung Hee, and joint U.S./ROK military exercises through the 1990s in preparation for a nuclear contingency. See "KCNA Detailed Report," (translated from Korean), published on Federation of American Scientists homepage, <http://www.fas.org/nuke/guide/dprk/nuke/dprk051203.html>

[80] "U.S. should not act rashly," *Korean Central News Agency* (Apr. 5, 2004)

unification processes engendered by sovereign Korean actors in both the North and South. Between

January 2001 and May 2004, ROK National Intelligence Service documents indicate that, outside of

KCNA or Rodong Sinmun editorials, DPRK policy statements have specifically and publicly referred

to a U.S. "hostile policy" towards North Korea 33 times.[81] This is not to argue whether or not such

fears are valid or reasonable, but that the leadership in Pyongyang has deduced that they are

reasonable, based largely on inherited negative cognitive biases.

With a perception that the U.S. is "restless with its ambition to conquer the world,"[82] and

that Washington is advancing what is essentially viewed as an expansionist hegemonic agenda, the

DPRK has adopted a deterrent posture against foreign forces through a military-first policy and a

nuclear weapons development program.[83] While calling upon Washington to provide it with negative

security assurances, Pyongyang has not clearly expressed its rationale behind fearing a nuclear attack

from the U.S. or elsewhere. The DPRK's proclaimed perception of a nuclear threat, and its sense of

vulnerability, is so consistently called to attention by its media agents and the leadership, that we

must consider three possibilities regarding the threat perception itself.

Firstly, the perceptions are wholesale and *genuine*. The DPRK continues to fear invasion and

aggression by neighbouring powers (inferred through Japanese leaders' visits to the Yasukuni shrine,

ambiguous acknowledgement of Japanese war crimes in contemporary schoolbooks, and U.S.

defense arrangements with both Japan and the ROK), it fears nuclear attack or compellence through

nuclear threat (internalized through its experiences in the Korean War and through U.S./ROK

nuclear contingency planning through to the senior Bush administration), and to a certain extent,

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[81] DPRK specific usage of the term "hostile policy" peaked in August and September 2002, prior to the visit of U.S. special envoy James Kelly and the onset of the second nuclear crisis. The NIS has noted seven references made during this time. The term "hostile policy" was also referred to four times in August 2003 in advance of the first round of Six Party Talks in Beijing. Please see various documents from the National Intelligence Service, Overview of Reunification Issues: The (sic) 50 Years of South-North Relations, <http://www.nis.go.kr/eng/security/issue_index.html>

[82] "KCNA Detailed Report," please see <http://www.fas.org/nuke/guide/dprk/nuke/dprk051203.html>

[83] Ibid. Despite proclaiming a desire to achieve denuclearization, the DPRK has referred to its contemporary nuclear weapons program as taking the "principled stand of defending the country's independence," without going as far as saying that such weapons could be deployed to foreign targets.

fears a subtler U.S. invasion smuggled in through the Trojan horse of South Korean engagement, ultimately designed to "swallow it up."[84]

Secondly, DPRK threat perceptions are *political.* They come as a result of the powerful role of the military in North Korean governance, as only sustained rationalization of external threat can adequately mollify North Korean domestic audiences into accepting the brutish conditions of extended totalitarian rule.[85] As Kim Jong Il continues to assert that "the military is the most important state power in the DPRK,"[86] the military needs a rationale for this pre-eminence. Only by sustaining an atmosphere of unending national emergency can the North Korean domestic audience tacitly endorse the regime's basis of legitimacy: fervent nationalism, defense against aggressors, and a guerrilla-knows-best political hierarchy.[87]

This point speaks most clearly to factional political elements within the DPRK. As touched on earlier, we can identify several general political factions as follows: 1) The Korean People's Army (KPA), which dominates political affairs, maintains key representatives in high-ranking positions, and officially appropriated the leadership from the Korean Worker's Party in a constitutional revision in 1998.[88] Also, 2) the Korean Worker's Party (KWP), which is responsible for much of the ideological work, propaganda, Juché teachings, and mass mobilization projects. This faction is more dogmatic in its rhetoric, and explored, has lost political ground to the KPA and to an empowered technocracy. 3) The Kim family itself, and its immediate close supporters, represent the monarchic faction that is primarily concerned with the sustenance of its own rule. The Kim entourage has consistently managed to mobilize both the propagandist resources of the KWP in maintaining the cult of

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[84] *Rodong Sinmun* editorial, cited in Nautilus Institute documents,
<http://www.nautilus.org/DPRKBriefingBook/multilateralTalks/DPRK=PackageSolution.html>
[85] Scott Snyder and Gordon Flake, Paved With Good Intentions: The NGO Experience in North Korea, (Praeger Publishers, 2003), p 113
[86] "DPRK has bright future," *Korean Central News Agency* (Sep. 4, 2003)
[87] Stephen Noerper, "Regime Security and Military Tension in North Korea," in Moon (1998), p 168
[88] The constitutional revision of 1998 sanctified the position of "president" as literally unattainable by anyone other than the late Kim Il Sung, essentially burying the highest office in the land. As a convenient default for the guerrilla establishment, the head of state was thus deemed to be the Chairman of the Defense Commission, with Kim Jong Il predictably incorporated into the position. This had the effect of uniting KPA forces and the Kim family into a political axis at the highest levels, and signals some preceding competition for legitimacy between the KPA, the KWP, and an emergent technocracy.

personality and dynastic legitimacy, and the organizational, economic, and disciplinary resources of the KPA. Kim Jong Il's continued "military-first policy" as an ideational objective speaks to the political debt owed to the guerrilla establishment that has legitimized his rule, as well as the need to maintain theocratic legitimacy based on a confluence of Kim dynastic lineage and the military's association with this lineage. 4) An emergent technocracy that manages new economic reforms, studies international trends, and participates directly with external engagers. As will be seen below, this faction is likely the newest and politically weakest, but has made enormous ground over the course of the engagement process, and has supplanted a weakened KWP in many close advisory circles. This political factionalism may be potentially explosive, and it is natural that the leadership consistently seeks to micromanage such factions through domestic balancing.

Thirdly, threat perceptions are *geopolitical*. Maintaining a public international profile as aggrieved, vulnerable, and victimized by hegemonic ambitions, allows the DPRK to justify a military-first stance to international players. State mouthpieces such as the KCNA justify Pyongyang's sporadic adherence to international treaties, citing past foreign aggression and seemingly insincere efforts at reconciliation. Furthermore, such a stand sets the stage to demand improved conditions of reconciliation, through financial and political reparations for past wrongs. "Aid" then becomes "compensation," which has the desired domestic effect of legitimizing channels of dependence within a Juché ideological framework.[89]

Threat Perception and Implications for Engagement: Resistant

None of these possible stimuli behind threat perceptions (genuinely perceived or politically constructed) bode well for a foreign power hoping to pursue engagement with the DPRK. To the extent that threat perceptions are genuine, engagement encounters barriers, as decision makers in

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[89] In interesting ways, framing foreign humanitarian aid as foreigners' tokens of apology serves two ideological purposes within the Juché rubric. The historical term *sadaejuui* (lit. "serving the great") refers to tribute payments made by Silla, Goryeo, and Joseon Korean dynasties to the more powerful Chinese kingdoms. If *sadaejuui* is interpreted as an embarrassing characteristic of Korea's past, contemporary *chajusong* ("standing for oneself") becomes an important part of Juché thinking. "Aid," however, would violate *chajusong* independence: "compensation" is then interpreted as simple historical justice, and "gifts" actually become part of an inverted *sadaejuui*, with the DPRK itself as the new "great" power being paid tribute to. "Gift-giving" from abroad, so the logic goes, gives testament to Korea's rise from shameful subordination to a position of international respect.

Pyongyang remain suspicious of the external powers pursuing the process. As Park has posed, North Korea suspects that "both engagement and sunshine policies are designed to force the Pyongyang government to give up the present system and accommodate reforms and restructuring in line with capitalist civil society."[90] This is not an irrational fear, as engagement has been understood earlier as overtly directed towards socializing the target state towards new norms acceptant of the source-based political and economic system.

To the extent that threat perceptions are smokescreens to justify militarist behaviour, then engagement may see some intermittent headway, as the process is not entirely suspect in Pyongyang. However, the military establishment may knowingly and deliberately provoke concurrent international tension in order to maintain a sense of "threat" within the country. This would be an arrangement whereby economic aid, joint-venture projects, international investment and increased imports allow the regime to step out of the domain of economic losses, yet these reformist initiatives will be balanced by increased political indoctrination,[91] the maintenance of hostile relations with neighbouring powers, and a sustained role for the military as the pre-eminent political institution in the country.

While it may be extremely difficult to ascertain with certainty whether a DPRK-proclaimed sense of overt external threat is genuine or not, there is a constant trajectory of negative historical influences that have provided the template for the regime to legitimize a sense of threat domestically. The nature of extended material losses in the DPRK have allowed real risks to regime legitimacy to develop, and so I argue that it is unlikely that negative cognitive biases have been entirely fabricated. The consequence of extreme apprehension to cooperate with international actors has been a diminished capacity for the regime to sustain itself.[92] While threat perception has been likely

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[90] Park (2002), p 105
[91] According to one South Korean scholar, the Institute of Economy at the Juché Academy of Science (the prominent epistemic wing of the KWP) in Pyongyang has made "strenuous efforts" to balance an empowered propagandist front against increasing reforms and contact with outside engagers. See Choi Wan Kyu, "The Current State and Tasks of the Study of Change in the North Korean Political System: A South Korean Perspective," in Moon (1998), p 57
[92] Snyder and Flake (2003), p 113

manipulated and exaggerated by regime elites in order for a military-first policy to remain salient, this exaggeration does not connote a total forgery of threat perception.

There are clear risks for regime stability that are incurred through an engagement policy, as such policy necessarily implies changes in the political and economic basis of the country. Thus, the fear of foreign powers' engagement motives (inherited through negative cognitive biases and through a legitimate awareness of the regional defense posture directed against it)[93] is flanked by another related, though more pragmatic, fear. Even if engagers are perceived as fair and trustworthy in their offers, there remain internal fears relating to how economic reform and a degree of integration with international norms will affect domestic perception of the regime. Engagement, then, may be seen as a form of external threat, while it may also generate internal threats.

Conclusions

We have seen how Schweller's typology of dissatisfied states embraces degrees of engagement when dealing with limited-aims revisionist states, and the DPRK is characterized specifically as a limited-aims revisionist, risk-acceptant state encountering increasing material losses and political isolation. This has lead to a mixed reaction towards engagement in North Korea. There exists a willingness to participate in engagement structures that deliver economic goods, nationalist Korean cultural goods, and enhanced regime stability through material and political support, while there exists resistance to engagement structures that deliver ideological challenges and provocations against the basis for regime legitimacy. The KPA (and to a strong degree, the Kim family as well) also benefits from maintaining a degree of threat perception, as it reifies their importance in the political and ideological hierarchy. These benefits are not shared equally across factions, however, as any reformist elements within the emergent technocracy are stunted by actions that inhibit engagement. Moreover, the socialist administrative structure inherited from early DPRK statecraft has resulted in

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[93] Only in July 2004 has the South Korean Ministry of Defense openly discussed plans to abolish the term "main enemy" in regards to North Korea. See Ryu Jin, "Conservatives stick to NK as main enemy," *Korea Times* (Jul. 15, 2004)

rigid political institutions, which are strengthened through strict, traditionally vertical relations of authority), and inhibit the progress of reform-minded policy.

Figure 3.2: DPRK Responses to inter-Korean Engagement

Limited-Aims Revisionist	*Response to Inter-Korean Engagement*
Identity, History	Mixed resistant/cooperative
Proclaimed Goals	Cooperative
Capacity for Expansion	Cooperative

Risk Acceptant	
Domain of Losses	Cooperative
Threat Perception	Resistant

In order for internal, organic reform to spontaneously emerge, an active engagement approach will need to exploit factional divisions within the target, so the socialization process can be offloaded onto internal target agents. As argued earlier, this is best attempted when there are internal agents that represent potential challenges to the establish political hierarchy. If the KWP faction is associated most closely with "identity," and the emergent technocracy is most closely associated with reversing the "domain of losses," we can see two factions that are potentially cooperative, using the above table. Issues of identity can be pursued by a "cultural engagement" stream that attempts to re-orient nationalist identity, and "economic engagement" streams attempt to empower technocratic elements that can come to challenge military dominance over economic and political affairs. The Kim family's role as a faction is primarily to manage these rival factions, and thus will be (and has been) capable of abetting this kind of change. Thus, the political and military establishment in the

DPRK, which maintains serious resistant behaviour against engagement, is left aside in the ROK's active engagement project, with the internally defiant factions targeted as agents of change.

In the next chapter, I will evaluate the specific process of engagement as seen between the ROK and the DPRK, as there are clear successes and failures in the engagement process that correspond closely to this analysis of active engagement. The inter-Korean dynamic gives the process a particular advantage, as Seoul can manoeuvre around perceptions of being a "foreign" power smuggling anti-Korean values into the North. At the same time as there remains high suspicion in Pyongyang that the ROK is too heavily influenced by the U.S., there is also a demonstrated desire in the North to achieve the goal of unifying the Korean nation and cooperating with brethren who are seen as trapped behind geopolitical constructs. Such unification is no longer part of a militarist objective, but part of the nationalist discourse that has long replaced state socialism as the principal ideological foundation of the regime.

ROK Sunshine Initiatives and DPRK Responses

It was through an understanding of North Korea's threat perceptions, its increasing domain of economic and political losses, and its high value placed on ideological goods that the ROK's development of a GRIT-modeled active engagement strategy emerged in the 1990s. Skeptical forces in the ROK and abroad worried that attempting to engage the militarist regime along these lines would only feed its massive army and thus enable it to achieve the capacity for increased brinkmanship and the development of unconventional weapons. Following a de-linked engagement approach, it was argued, did not create the disincentives for defection that were needed, as military confrontationalism would not be punished by the engagement source through cancellation of economic goods.[1] Harrison, while relatively optimistic that North Korea was prepared to take engagement seriously, that the technocratic class in Pyongyang was hungry for political influence, and that they were "ready for significant security concessions in response to economic and political concessions,"[2] nevertheless observed that economic transactions and goodwill initiatives had no causal bearing on issues such as arms control or proliferation.[3]

In Bermudez' detailed report on the state of the North Korean military, he noted that the KPA serves a greater function in the DPRK than only as an deterrent force against invasion. "The entire nation is built around the KPA. It is more than a military organization, it is the nation's largest employer, purchaser and consumer."[4] Indeed, the military is an essential tool in the DPRK's economic development, with soldiers performing agricultural services, labour and capital contributions to civilian construction, technical and management expertise, as well as building highways, subways, and entering into commercial enterprises. Military units were responsible for the

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[1] One prominent critic of inter-Korean engagement has called the Sunshine Policy an exercise in "self-deception." See Nicholas Eberstadt, "Conference Diplomacy, All Over Again," Nautilus Policy Forum Online (Jul. 6, 2004), <http://www.nautilus.org/fora/security/0425B_Eberstadt.html>
[2] Harrison (2002), p 148
[3] Ibid, p 147
[4] Bermudez (2001), p 17

construction of massive industrial projects such as the Sineuiju Cement Plant, the Hungnam

Fertilizer Plant, and the February 8 Vinylon Factory.[5] An estimated 50% of time spent by soldiers in

the military is spent pursuing economic activities,[6] which helps not only to generate income and

maintain infrastructure, but helps to pay for the inhibitive costs of maintaining the one-million-man

army itself. "In estimating North Korean costs in sustaining one of the largest armies in the world,"

Hunter has argued, "proper allowances must be made for the productive contributions of the military

to the economy."[7]

Even without consideration of the enormous cultural and ideological function that the KPA

plays in consolidating its political power, this economic dimension helps to give an engagement

approach its intrinsic rationale. Without creating new channels of economic opportunity between the

DPRK and the outside world, the military maintains a domestic monopoly on economic activity.[8]

Without reformist elements in Pyongyang emboldened by successes built through an engagement

process, these elements are left further and further behind the KPA in the Kim family's cultivation of

an ultra-nationalist (if unconventionally socialist) regime identity, with significant enough political

support among elites. Robert Scalapino has argued that, while it is extremely difficult to ascertain the

ground gained by any reformist factions within Pyongyang through engagement, only through giving

the technocratic class the means to develop reformist policy can the DPRK come to resemble "an

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[5] February 8 is celebrated as "Army Day" in the DPRK. Vinylon, widely produced in the country, is a polymer fibre co-invented by Lee Seong Gi, a Korean physics student in Japan during the Occupation. Lee spearheaded research and development of the synthetic fabric in the DPRK post-Occupation, while there is some speculation that the process of vinylon production also creates chemicals that may be used for military purposes. See Eric Croddy, "Vinalon, the DPRK, and Chemical Weapons Precursors," Centre for Nonproliferation Studies document (Mar. 23, 2003), <http://www.nti.org/e_research/e3_23a.html>
[6] Hunter (1999), p 88
[7] Ibid, p 86
[8] The DPRK Economic Forum has identified four principal "economies" at work within the DPRK: the military economy, the court economy (isolated to the elites and the leadership), the rural economy, and the regional economy. However, I have argued that only the military economy has been capable of generating public works projects, industrialization, large-scale agricultural ventures, and produce for international trade, which is reflected in the high proportion of arms exports as a function of North Korea's export portfolio. See "Engagement and Development in the DPRK," Report from the 2nd Annual DPRK Economic Forum, Asia Pacific Center for Security Studies, Honolulu (July 27-28, 2000), p 5

authentic pluralist state (…) in the fashion of China."[9] This reflects a relative loss in the economic role of the KPA faction towards the purely technocratic faction.

This chapter will detail the economic and cultural channels that the ROK has established and exploited in its GRIT approach towards the DPRK. Economic engagement has sought to bring Pyongyang out of its domain of continuing material and humanitarian losses, thus beginning the process of a slow shift from risk-acceptant to risk-averse behaviour, and allowing the North Korean leadership to develop a stake in the status quo.[10] Once such a stake is established can it be possible for deeper, comprehensive engagement through institutionalized arrangements and binding strategies to take place, as elements in Pyongyang will begin to have internalized the benefit flows that economic engagement provides into its sense of endowment. Cultural engagement has allowed South Korea to frame its motives as consistent with North Korean identity by calling upon a pan-Korean nationalist desire for reunifying the divided nation, reaffirming common ethnicity and historical influences, accommodating family reunions and joint sports and arts exercises, issuing joint statements on certain issues pertaining to third parties, and through emphasizing Korean efforts towards inter-Korean cooperation above and beyond international efforts for such peace, thus appropriating the term "self-reliance" as inclusive of both Korean states in regards to domestic issues.

All this occurs at the same as overtly political engagement is kept low-key, with inter-ministerial meetings designed to coordinate economic activity and to foster a common sense of cultural interaction, rather than open discussions about reform, human rights, system change, or openly pursuing the creation of a binational confederacy, as such ambitions still threaten the statist nationalism that runs parallel to North Korea's ethnic nationalism in the sustenance of regime legitimacy. As such, it may appear that "political engagement" has taken place through inter-

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[9] Robert A. Scalapino, "Korea: The Options and Perimeters," in Akaha (2002), p 21
[10] To borrow from Johnston and Evans, a change in target state identity comes "different audiences matter differently." Empowered technocracies, for example, result in a leadership that needs to solicit political support from such factions. See Johnston and Evans, "China's Engagement with International Security Institutions," p 252

ministerial meetings, and through the North-South Summit of 2000. I do not identify this as genuinely political engagement, however, as the substance of these interactions of primarily pursuant to logistical matters concerning economic initiatives and cultural exchanges. Simply because certain meetings are dominated by politicians does not automatically make such meetings political in nature. While inter-Korean military meetings in 2004 have indicated some progress on establishing "binding," political agreements surrounding security, this difficult type of engagement stream is very new, and requires extensive legalistic agreements and significant reforms in bilateral official relations. That is to say, truly political engagement at this stage is premature.

Economic Engagement: Nourishing Risk-Aversion, Structuring Incentives

ROK economic engagement initiatives began taking root after the mid-1990s and the victory of democratic reform activist Kim Dae Jung. During his first attempt at the presidency in 1970, Kim had formulated a broad, three-pronged engagement platform towards the DPRK that advocated 1) peaceful coexistence, 2) liberalized relations, including economic and cultural, and 3) peaceful unification of the Peninsula.[11] Through to the 1980s, as North Korean unification proposals became modeled more and more after decentralized, confederal precepts, Kim Dae Jung's North Korean approach began to resemble unification as a slightly more centralized model than he had previously advocated, signaling the role-reversal between North and South Korea in terms of economic prowess and ability to control the unification agenda. As argued earlier, once DPRK capacity to dominate in a bi-national unification system subsided, its calls for unification by absorption subsided, as it became clear it would be Pyongyang *being* absorbed rather than actually absorbing the South. The Chun Du Hwan regime in the ROK, however, denounced Kim Dae Jung's confederal Korea plan. While Chun nevertheless pursued a measure of economic engagement sporadically between 1984 and 1986,

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[11] Kim Jeong Yong, "The Impact of President Kim Dae-jung's Beliefs on North Korea Policy," *Korea Observer* 34:2 (2003), p 274

principally through delivering aid for flood victims, there was little in the way of a sustained engagement policy.[12]

By 1991, Kim Dae Jung had revised his ideas regarding North Korea, abandoning outright unification with the view that, mindful of the German experience, the shock to the DPRK would be too great to manage without consuming enormous material and political energy from the burgeoning South. Kim's new Confederation of the Two Korean Republics design would have seen the maintenance of separate capitals and separate economic and political systems, with both Pyongyang and Seoul coordinating foreign policy and defense postures through a confederate council with limited responsibilities.

Kim Dae Jung believed that economic liberalization in the DPRK was "inevitable and that adoption of a market economy was the first step towards a democratic society."[13] This "first step" did not connote an immediate or simultaneous advance between economic liberalization and democratic reform, but a consequential process by which democratic reforms would follow the establishment of a free market system and substantial prosperity – indeed, the process that the ROK followed out of authoritarian governance under Park Chung Hee and Chun Du Hwan was similar in respect to the effect of an established export-driven economy and a maturing consumer class preceding the outgrowth of democratic institutions. Through considering democratization as an organic outgrowth of a market economy, there was little drive to pursue a comprehensive engagement strategy that would have demanded simultaneous reforms in the DPRK across an array of linked issues.

Lim Dong Won, a principal engineer of the Sunshine Policy and former Unification Minister under Kim Dae Jung, argued that a containment strategy toward the DPRK would actually stifle the "natural" evolution into a capitalist, democratic system, leading to a "prolonged dictatorship and a

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[12] Nam Sung Wook, "Theory and Practise: Kaesong and Inter-Korean Cooperation," *East Asian* Review 13:1 (Spring 2001), p 70
[13] Ibid, p 278

worsening of people's pain."[14] Lim noted that the Sunshine Policy was designed with three

considerations in mind: 1) although the DPRK economic system had failed, the nation would not

collapse, 2) economic reforms had begun and could be encouraged, and 3) despite these changes, the

DPRK's military belligerence would continue.[15] The ROK openly understood that there would be no

immediate causal link between its engagement policy of private rewards along a GRIT formula and a

comprehensive die-down of a threatening rhetorical posture from Pyongyang. It could be expected

that, to compensate for any nascent foray into market socialism, DPRK leadership would

counterbalance with a sustained and invigorated military-first policy in order for the regime to

buttress its ideological endowment.[16]

The logic of ROK engagement, though, was along the lines of Moon's earlier assertion that

spontaneous and organic changes within the DPRK would emerge as a result of new economic

incentives and channels, and so it would be of little long-term consequence that Pyongyang may

experience strong spasms of ideological fervour in the short term, and quite possibly, increased

violations of North Korean citizens' human rights as the regime intensified its repressive political

system. This repressive system would inevitably become unstuck so long as economic engagement

was enabling reformist elements within the communist hierarchy to advance with further economic

reforms which would, in time, create new domestic economic agents outside the military. Joel Wit

observed that "speed bumps" would inevitably occur along the course of the engagement process,

which would indicate that engagement as per a GRIT formulation is a long-term, non-linear method

– not that it is a failing method.[17]

The initial engagement structure, though, was not to be advanced as an array of sustainable

economic channels or joint venture projects, but as *ad hoc* confidence-building measures such as aid

deliveries. This low-level type of engagement would not require any political or military reciprocal

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[14] Lim Dong Won, "How to End Cold War (sic) on the Korean Peninsula," speech presented to Korea
Development Institute, Seoul (Apr. 23, 1999), archived at *NAPSNet Special Reports*,
<http://www.nautilus.org/napsnet/sr/index.html>
[15] Ibid
[16] Harrison (2002), p 33
[17] Joel Wit, "North Korea: Leader of the Pack," *Washington Quarterly* 24:1 (2000), p 84

action on the part of the DPRK, and would be ultimately a low-risk, non-committal endeavour for

Pyongyang. At the same time as working to reduce threat perceptions in the North through aid

delivery, the ROK was able to satisfy domestic support for a humanitarian programme vis-à-vis the

North. As such, between 1995 and 2001, just over $450 million in developmental aid flowed from

the ROK to the DPRK, commencing with a massive 150,000-ton rice delivery in 1995. ROK aid

deliveries peaked again in 2000 and 2001 with $140 million in clothing, fertilizer, medicine, and corn

being delivered mostly through the World Food Programme and the World Health Organization.[18]

This aid accounted for 25% of the ROK's total development aid budget during these years.

While a January 2000 editorial published in the Rodong Sinmun indicated apprehension in

the DPRK regarding the development of an economic commonwealth as promoted by Kim Dae

Jung,[19] calling it a degradation of Korean relations to "mere economics," the North-South Summit

held in Pyongyang in June of that year presaged a more substantive economic relationship than aid

deliveries.[20] Joint venture projects such as an ROK-dominated industrial park in the southern North

Korean city of Gaeseong (Kaesong),[21] the establishment of an international tourist centre at Mt.

Geumgang run by ROK conglomerate Hyundai,[22] and the reconnection of rail and road links that

had been severed by the DMZ, were planned in consequence of the agreements made during the

summit. While the Joint Declaration made between the two Kims was a vaguely worded

proclamation, asserting no more specifically than to "promote balanced development of the national

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[18] ROK Ministry of Unification, cited in Snyder and Flake *(2003)*, p 126

[19] — *Rodong Sinmun* (Jan. 9, 2000), cited in National Intelligence Service documents <u>Overview of Reunification Issues: The (sic) 50 Years of South-North Relations</u> (Jan. 2000),
<http://www.nis.go.kr/eng/security/issue_index.html>

[20] It should be noted, though, that the summit was encouraged by the prospect of financial incentives offered to Pyongyang by Seoul should Kim Jong Il agree to host the meeting.

[21] Gaeseong as a site for the park would have two mutual advantages. For one, it is geographically accessible to both North and South Koreans, given its proximity to Panmunjom and the DMZ, simplifying logistical matters, shipping, and supervision. Secondly, though, Gaeseong has historical symbolic significance, as the city served as the capital of a newly unified Korea under the Goryeo Dynasty over one-thousand years ago.

[22] Hyundai chairman Chung Ju Yeong would meet Kim Jong Il personally on several occasions, personally helping to develop the plans for the Mt. Geumgang resort, and apparently becoming a key confidant of Chairman Kim in regards to reform policies and the introduction of corporate capital. Kim Jong Il sent an official statement of remorse to Seoul upon Chung's passing in March 2001.

economy through economic cooperation," the significance of the term "national" as inclusive of both North and South was a deliberate indication of the close association that would be pursued.[23]

Aid would continue in various forms, including the ROK-funded construction of a gymnasium in Pyongyang in 2000, developmental aid directed towards prevention of flooding along the Imjin River, sustained food aid to alleviate the famine conditions in the North, and disaster relief equipment following a large train explosion in the North Korean city of Ryeongcheon. Besides aid, though, it would be the creation of the Commission for Stimulation of Inter-Korean Economic Cooperation that would aim to move beyond aid, instead aiming to expand business contacts between North and South. Through inviting and hosting DPRK delegates to study market enterprise in the ROK and formulating economic policy for commercial enterprises working in the DPRK, the initial groundwork was being laid for North Korea to possess the capacity to pursue the economic incentives of engagement without coercion or demands for reciprocal actions.

The Gaeseong Industrial Park headed by Hyundai was one way in which accrued incentives would replace coercion as a tool of influence. The project, designed to house 700 light manufacturing firms, was intended in Seoul to have "spillover effects" such as the development of neighbouring communities, employment opportunities for North Koreans, infusion of foreign capital through exports, and impetus for reconnection of trans-DMZ land links. This would lead to a "multi-functional city, catering to international trade, tourism, manufacturing, commerce, and housing."[24] Labour costs are estimated to run as low as $57.50 per worker per month, with Southern firms taking advantage of Northern impoverishment. One analyst noted that Gaeseong would be "the largest ever combination of Northern labor and Southern technology, which would bring tangible benefits to both sides."[25]

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[23] A transcript of the North-South Joint Declaration is available at BBC News (June 15, 2000), <http://news.bbc.co.uk/1/hi/world/asia-pacific/791691.stm>

[24] Nam (2001), p 78

[25] Park Seok Sam, chief economist of the North Korea Economic Studies Division of the Bank of Korea, cited in "Industrial Park in NK Draws Southern Firms," *Korea Update* 15:14 (Aug. 9, 2004)

Well before Gaeseong would be officially designated as a trade zone, the DPRK began

participating in significant inter-Korean trade beyond the absorption of aid, with a 58% jump in trade

between early 2002 and early 2003,[26] and a 47.4% increase again between early 2003 and September

of the same year.[27] The ROK imported $36.71 million worth of textile and agro-fisheries products

from the DPRK in January and February of 2003, while the ROK managed to export $52.03 million,

mostly in machinery.[28] By the end of 2003, inter-Korean trade reportedly totaled $724 million,[29] with

the ROK replacing China as the DPRK's top export market for the first time, importing $233.75

million.[30] While the balance of trade continued to favour the ROK, Kim Dae Jung had continued to

drive against the possible threat perceptions in the DPRK regarding South Korean absorption

through to the end of his tenure. Aware that so long as the North was ultimately dependent on the

South to a disproportionate degree, fears of absorption would remain salient, and Pyongyang would

seek to balance against this dependency with a heightened militarist posture. Kim Dae Jung repeated

calls to the U.S. to relieve their sanctions against the North, in line with earlier statements he had

made to former defense secretary William Perry.[31]

While DPRK trade with Japan declined over the same period, largely due to Tokyo's linking

of diplomatic problems (such as Kim Jong Il's admission of a past covert program to kidnap

Japanese citizens) with economic issues,[32] South Korea remained firmly on a path of GRIT

engagement and the de-linking of political and economic matters. This issue separation was at its

clearest immediately following the DPRK nuclear admission in October 2002. Despite Pyongyang's

assertion that it "may possess" nuclear weapons and, regardless, that it deserved to possess them in

order to protect its sovereignty, Peninsular engagement efforts continued unabated, with successful

inter-ministerial meetings taking place in Pyongyang the week following the nuclear admission. A

[26] "Inter-Korean trade rises over 58 percent in Jan-Feb," NK Chosun News (Mar. 19, 2003), <http://nk.chosun.com/english/news/news.html?ACT=detail&linkv=-1&res_id=7753>
[27] Korea International Trade Association statistics (Dec. 9, 2003)
[28] NK Chosun News (Mar. 19, 2003)
[29] Anthony Faiola, "A capitalist sprout in N. Korea's dust: industrial park to broach free market," Washington Post (May 23, 2004)
[30] Kim So Young, "South top export market for North," Korea Herald (December 10, 2003)
[31] Harrison (2002), p 86
[32] "DPRK increases trade with Asian neighbours," Korean Overseas Information Service (Nov. 18, 2003)

joint press release published after the meeting detailed mutual plans to accelerate the construction of

the two rail links across the DMZ, develop the Gaeseong industrial park project, hold a working level

meeting at Mt. Geumgang to arrange a maritime agreement on the passage of civilian ships through

each others' waters, and South Korean use of fishing grounds in parts of the East Sea under North

Korean jurisdiction.[33] By the summer of 2004, many of these promises had been realized, with

ground broken at the Gaeseong Industrial Park (and South Korean firms prepared to move in by

November 2004), two trans-DMZ roadways (the so-called Gyeonggi and Donghae lines)

completed,[34] and various maritime agreements, such as the North-South Agreement on Marine

Transport, reached between North and South Korean navies concerning increased communication

and preventative measures against armed sea clashes.[35]

The policy of Roh Moo Hyun has largely been one of continuing Kim Dae Jung's work

through the Sunshine Policy, although there are some indications that Roh has deviated from the

GRIT formulation in favour of a more comprehensive engagement approach. The Roh

administration has argued at times that "there can be no acceleration of its mutual peace and

prosperity policy without settling (the nuclear) problem," and by May 2003, Roh openly linked

North-South exchange to progress on the nuclear front.[36] This does not reflect a reversal of Kim

Dae Jung or Lim Dong Won's approach entirely, though, but is likely more reflective of Roh's need

to appease conservative forces within the Seoul government who were consistently critical of

providing the DPRK with a "free lunch," as well as conservative forces in Washington who were

forging ahead with a North Korea policy more specific to compellence or deterrence than to

engagement. An incremental GRIT approach has been complicated by these pressures, but with

exchange and cooperation being "the only leverage that the (ROK) government has in relation with

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[33] NIS (Oct. 23, 2002), <http://www.nis.go.kr/eng/security/issue_index.html>

[34] On July 20, 2004, the first 100,000 tons of rice (one-quarter of a pledged total for the year) was delivered to the DPRK from the ROK through the Gyeongui and Donghae highways now connecting the two Koreas. The South Korean Ministry of Unification has said that the land delivery marks the expansion of "humanitarian exchanges and easing (of) military tension," although the logistical problems overcome in managing joint venture industrial parks such as Gaeseong cannot be overlooked. See "First overland transportation of assistant rice to North Korea," ROK Ministry of Unification newsletter (July 26, 2004)

[35] "Koreas reach accord on ending maritime clashes," *Sydney Morning Herald* (Jun. 4, 2004)

[36] Koh Yu Hwan, "Roh's N.K. Policy Lays Groundwork for Unification," *Korea Now* (Mar. 6, 2004), p 8

the North,"[37] Roh's policy has not actually gone through with the cancellation of sustained economic engagement.

DPRK Reactions to Economic Engagement: Cooperative and Resistant

Cooperative

Kim Jong Il's public mourning of the passing of Hyundai founder Chung Ju Yeong in March 2001 can be seen as an economically-motivated olive branch extended from Pyongyang to lucrative ROK *chaebol* corporations: a token of respect paid to the companies that may potentially pay back rather significantly. While Chairman Kim's statement may have simply been contrived for gain, it is no trivial or low-risk act for the North Korean leader to have demonstrated sorrow at the death of a pre-eminent southern capitalist. In making such a statement, Chairman Kim has given evidence to the political influence won by reformist elements in the Pyongyang hierarchy and the degree to which capitalist principles are no longer seen as inconsistent with DPRK policy and ideology.

In July 2001, a Pyongyang rally commemorating the 90th anniversary of the birth of Kim Il Sung took place, with participating officials using the opportunity to advance a new paradigm in the ideology of production. While statements made at the rally included the necessity of a continued military-first policy, officials reportedly proclaimed that a "fresh perspective and approach" must be adopted by workers, as the leadership pursued "improv(ing) the living standards of the people and (...) strengthen(ing) the national economy, following the wish of Kim Il Sung during his life." [38] No mention was made of socialist economic policy in upholding a rather retrospective, propagandist interpretation of the Great Leader's supposed ambition: national prosperity by creative (i.e. non-centralized) means.

Beyond rhetoric, the DPRK has undergone significant structural change in response to ROK economic engagement overtures. While the pace and depth of reform cannot yet be thought of as wholesale or revolutionary, "measured by North Korea's own yardstick, the reforms going on there

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[37] Ibid, p 9
[38] NIS (July 17, 2001), <http://www.nis.go.kr/eng/security/issue_index.html>

have become more and more significant."[39] Rodong Sinmun has proclaimed that "if we stick to this hackneyed and outdated (socialist) method, which is not applicable to the realities of today, then we will be unable to develop our economy." [40] Kang has thus agreed that reforms may be slow, but represent vast changes since the end of the Cold War and reflect an "irreversible" trend.[41]

On the reformist path, it may be argued that Kim Jong Il has long been interested in introducing market principles to the DPRK economy, with personal tours to Shanghai private manufacturing centres as early as 1985.[42] He would visit the city again in 2001, touring the Stock Exchange, high-tech NEC plants and GM automotive plants, while skipping over Beijing entirely.[43] By the time Kim Jong Il formally took control of the country in 1997, following his appointment as General Secretary of the Defense Commission, he wasted little time in applying for admission to the IMF and the Asia Development Bank, although Japan vetoed DPRK admission to the ADB at that time.[44]

Harrison has noted that, while the new constitution ushered in the following year subordinated the KWP to the armed forces, it also paved the way for an elaborated technocratic class to develop in place of Party ideologues. "Out of twenty-three vice-ministers and deputy ministers in ministries dealing with the economy in late 1998, sixteen were new appointees,"[45] marking the first steps in a bureaucratic sea change concerning fiscal policy. By the 11th Supreme People's Assembly in 2003, another pro-pragmatist cabinet shuffle brought former plant manager (and delegate to study South Korean economic practices in Seoul) Pak Bong Ju to the prime ministership, despite his having been ranked as only the 188th most powerful Communist official in 1994.[46] According to

[39] ROK National Security Council policy coordinator Wi Sung Lac, cited in Faiola (2004)
[40] – *Rodong Sinmun* (Nov. 21, 2001), as cited in Victor D. Cha and David C. Kang, "Can North Korea be Engaged? An Exchange," *Survival* 46:2 (Summer 2004), p 91
[41] David Kang, "North Korea has a point," *Financial Times* (Jan. 3, 2003:2)
[42] Choi in Moon (1998), p 58
[43] Nam (2001), p 69
[44] Harrison (2002), p 35
[45] Ibid, p 37
[46] Lee Dong-hyun and Ko Soo-suk, "Changes to cabinet indicate will for economic reform," *JoongAng Ilbo* (Sept. 15, 2003)

Korea University professor Nam Sung Wook, "(s)uch a (cabinet) shows that the North seeks to accelerate its reform."[47]

Balancing the military's political demands against the demands of a reformist generation occupying much of the expanding technocracy would require tangible gains to be made through new economic policy, and this technocracy would have to substantially outperform the military economy in reversing the domain of losses that had brought the DPRK into material bankruptcy. While Kim Jong Il may have calculated that hosting the inter-Korean summit in 2000 would bring certain side payments directly from Seoul, as indeed, former Hyundai chief Chung Mong Hun masterminded the transfer of $500 million of government funds to Pyongyang in order to secure the summit itself.[48] This has important implications for our understanding of the summit's true meaning in the DPRK. Kim may have seen the prospect of hosting the summit as little more than a means of securing a significant economic gift while paying lip service to ROK engagement overtures in a nationalist context. For the ROK, however, the payment was likely made within the rubric of an active engagement policy (as opposed to an appeasement policy) as the value of the summit itself was seen as a means of 1) kickstarting a socialization process in the DPRK whereby ROK agents would be seen as partners instead of adversaries, and 2) generating a higher array of expectations in both Koreas that engagement must make progress, thus having a residual impact on future negotiations regarding increased integration. The surreptitious delivery of this large sum of money does not reflect well on the integrity of the engagement process, but this does not necessarily subtract from the process as "engagement" as opposed to appeasement.

In support of Moon's argument, the most marked economic changes were generated internally and organically in the DPRK following the summit. These changes are apparent through a detailed reform policy initiated in 2002, though the policies were likely enabled through South Korean efforts at demonstrating a steadfast interest in investment.

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[47] Nam Sung Wook, cited in Lee and Ko (2003)
[48] Shortly after this covert transaction became public and Chung was publicly accused of embezzlement, he committed suicide by leaping from the 12th floor of Hyundai's Seoul offices. See "Hyundai chief jumps to death," *Shanghai Star* (Sept. 7, 2003)

Through the new policy, farmers' markets were not only tacitly permitted, but were overtly promoted by Pyongyang, as the ideological tenet of "self-reliance" became restructured towards "community self-reliance" and individual entrepreneurship. Local production units supplanted Party committee heads as decision makers in local economic management.[49] The failing Public Distribution System (PDS), the rationing arm of Pyongyang's command economy, was curtailed, and worker's wages became commensurate with productivity. As prices were liberalized, public markets emerged throughout the country, resulting in up to 25% of the DPRK's economy being managed privately.[50]

One notable public market, the Tongil (Unification) Market, was created in the suburbs of Pyongyang in 2002. PDS staples, along with imported goods, are sold freely, leading Guardian correspondent Jonathan Watts to speculate that Tongil signals a movement "closer in line with the successful economic reforms that have transformed neighbouring China."[51] Goods at Tongil are comprised of roughly half consumer goods and half agricultural goods, with thousands of vendors are "encouraged to be competitive" in their sales.[52] "There is an atmosphere in which everyone wants to make money now. Most people haven't figured out how to do it (...) But in this atmosphere, enterprising people are trying to figure out new angles and ways to make money." One aid worker in the area called Tongil a "halfway house to privatization."[53]

Pizza, chewing gum, and Coca-Cola have all been introduced to DPRK markets since 2002, a South Korean convenience store chain FamilyMart opened an outlet at Mt. Geumgang, and North Koreans have opened their own online store featuring postcards, Korean ginseng and domestically-produced artwork for sale to international buyers.[54] By late 2003, South-North Korean joint venture automotive manufacturer Pyeonghwa ("Peace") Motors was producing vehicles in the DPRK out of

[49] Cha in Cha and Kang, (2004), p 91
[50] Park Sukh Sam, "Measuring and Assessing Economic Activity in North Korea," Korea's Economy 2002, Korea Economic Institute (2003), p 77-80
[51] Jonathan Watts, "Market forces reshape the world's last Orwellian state," Guardian Weekly (Dec. 3, 2003)
[52] Selig Harrison, as cited by Erich Weingartner, "Selig Harrison Reflects on his Latest Trip to the DPRK," CanKor (May 28, 2004), <http://www.cankor.ligi.ubc.ca/issues/167.htm#six>
[53] Ibid
[54] Ko Soo-suk, "Pizza in Pyongyang," JoongAng Ilbo (June 3, 2002); "First convenience store to open in DPRK," Korea Herald (Nov. 7, 2002); "DPRK opens online shop," Korean Trade and Investment Promotion Agency document (Oct. 21, 2003)

Fiat parts, and before long, the company was permitted to launch a billboard advertising campaign along North Korean roadsides.[55]

The Sineuiju free trade economic zone on the DPRK-Chinese border has seen renewed activity in 2004, after the prospective capitalist industrial enclave was stymied by the arrest of its Chinese administrative head, Yang Bin, by Beijing authorities in the fall of 2002. Relocation of residents in the town has begun in order to make way for new industrial park infrastructure, although continued construction awaits adequate foreign investment.[56] The Gaeseong zone was officially declared open by Pyongyang on November 13, 2002, just three weeks after the Supreme People's Assembly decreed Mt. Geumgang as an official tourist zone with liberalized laws regarding South Korean investment.[57] By March 2004, the two Koreas had adopted the Agreement on Inter-Korean Settlement and Clearing, which would deal with clearing and settlement methods, credit lines, and interest rates.

Resistant

While the reforms have produced certain problems in the DPRK, mostly through exacerbated poverty among a new lower-class with wages drastically out of step with new unfixed prices, these problems have not been significant enough to cause a reversal of reform policy. ROK investment in key zones, coupled with the development and employment that it brings, has posed less of a danger to the Kim regime than a sustained domain of material losses incurred through a military economy and a totally closed society. The dangers of capitalist ideology corroding the basis of North Korea's regime legitimacy domestically will continue to be a concern for elites, who have still been wary of promoting many of their engagement ventures at home. Immediately after the train explosion at Ryeongcheon, South Korean Red Cross officials were rebuffed when they proposed delivering aid relief through the Gyeonggi land route, insisting upon a more lengthy sea delivery[58] – a

[55] Anthony Faiola, "North Korea experimenting with capitalism," *Dawn Internet Edition* (Sep. 16, 2003), <http://www.dawn.com/2003/09/16/intl1.htm>
[56] Ko Soo-suk, "DPRK holds out hope for Sinuiju," *JoongAng Ilbo* (Dec. 5, 2003)
[57] NIS *(Oct.-Nov. 2002)*, <http://www.nis.go.kr/eng/security/issue_index.html>
[58] Lee Young Jong, "North spurns trucked goods," *JoongAng Ilbo* (Apr. 26, 2004)

move that signaled concern in North Korea that over-zealous economic engagers in the South might take advantage of the emergency to set a precedent in using the new route to win continued easy access to the North (as noted above, the land route was nevertheless utilized three months later to deliver rice aid deliveries). Also, by summer 2004, few North Korean refugees in China were reportedly aware that the Mt. Geumgang tourist resort or the Gaeseong industrial complex even existed,[59] giving testament to the cautious and highly localized nature of economic reforms at this stage.

While I have identified four key factions in the DPRK thus far (Kim family, KPA, KWP, and the technocracy), the economic reforms have the capacity to empower a fifth hitherto relatively powerless political faction: civil society. If economic power can be translated into political power, then leaving many economic activities in the hands of individual entrepreneurs operating out of markets creates a new political class with power behind their interests. Market economies also create a new underclass of poor citizens, who will potentially advance new demands upon the leadership to manage the welfare system in an egalitarian fashion. The emergence of a complex civil society in DPRK is still some distance away, yet the potential for enhanced power that lays dormant in North Korean society puts significant pressure on the leadership to pursue the reforms cautiously.

It would not be fair, however, to equate caution with insincerity. Critics have charged that Pyongyang does not sincerely desire reform, and so advances it only far enough to solicit new investment towards regime survival, but not far enough to impact the society generally. Kim Jeong Yong has taken note of the skeptical argument, that "the ruling elite, especially the military, believed that, rather than change, survival required redoubling domestic socio-political control through intensified indoctrination and surveillance, and maintaining tension on the Peninsula."[60] The maintenance of tension may indeed enable the military to achieve political legitimacy, and the KPA's role in defending the nation against real or perceived threats is certainly its principal source of

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[59] Jung Sung Ki, "NK refugees abandon refugee bids to South: remain in China to care for families in North Korea," *Korea Times* (July 29, 2004)
[60] Kim Jeong Yong (2003), p 283

authority. At the same time, it would be against the empirical record to argue that significant reforms have not occurred, or that Pyongyang has not leapt over significant, if incremental, domestic legal and political hurdles in order to advance a new economic paradigm.

Lim Dong Won has spoken to this point, stating that while the steps thus far may appear small and relatively isolated, "these small changes will accumulate and pick up speed."[61] While Victor Cha has argued that "(n)either the language nor the nature of these initial reforms appears to have the same conviction of those seen in China or Vietnam,"[62] David Kang has echoed Moon in observing that, regardless of whether or not Pyongyang is actually ideologically converted to capitalism, there are "unintended political and economic ramifications that will accompany even minimal and reluctant economic reforms. Whether Kim Jong Il likes it or not, the dire economic situation in North Korea has forced him down a path that will be difficult to reverse."[63]

It is precisely through a severe domain of material losses (compounded by the unproductive military economy, the society closed to outside access, and the diminished array of allies) that Pyongyang has moved towards deeper reforms with long-term considerations. Given that Pyongyang has studied the prospects of economic opening for years prior to ROK engagement, yet had not pursued the matter in any committed fashion until that time, we can attribute contemporary reforms as contingent on the role South Korea has opted to play. As Seoul's Sunshine Policy has provided a steady source of aid directed to alleviating threat perceptions, enabling an impoverished and malnourished labour force, and winning access and influence to North Korean official counterparts, it has then evolved to establishing conditions conducive to investment, deeper economic cooperation, and better returns for a Pyongyang regime staffed by a nascent generation of pragmatic technocrats.

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[61] Lim (1999)
[62] Cha in Cha and Kang (2004), p 92
[63] Kang in Cha and Kang (2004), p 100

Overall

The DPRK's apprehension to become dependent on the ROK combines with fears that Sunshine is a subtle and corrosive form of gradual ideological invasion – a vision of South Korean "promises" as Trojan Horse "threats" that corrode domestic political goods. This inspires a cautious attitude in Pyongyang, and the KPA is able to play the balancing role of not only deterring foreign forces from invasion, but also "deterring" undue capitalist influence through its nourishing of a sense of threat. Every reformist step necessitates a new conservative step to balance regime legitimacy.[64] Factional divisions over the pace of engagement became discernible in the DPRK – while the KWP stated on Mar. 2, 2000 that the ROK should abolish its National Security Law and allow for "complete freedom of activity for all activists in the unification movement," the KCNA editorialized only two weeks later that the Sunshine Policy was "an attempt at unification (…) by scuttling our ideological and spiritual resistance."

Measures such as intensified indoctrination and the maintenance of threat perception, as noted by Kim Jeong Yong, as well as the acceleration in developing a nuclear deterrent and a continued military-first posture, may well be seen as critical tools in maintaining regime integrity: emphasizing some political goods (conservatism, ideological nationalism and Korean sovereignty) while allowing other political goods (socialist superstructure and the command economy) to mutate. These conservative counterbalancing measures do not come instead of economic reforms, though, but rather in parallel to them. Reformist changes have been real, as the emergence of markets, relaxation of price fixing, downgrading of PDS channels, promotion of pragmatic technocrats, and the constitutional changes to accommodate the acquisition and sale of private property have all shown.

Cha has argued that there is nothing strange about this counterbalancing, and that indeed, Pyongyang's history of delicate political counterbalancing throughout the Cold War and afterwards shows that a change-oriented engagement strategy can be carefully manipulated by DPRK elites.

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[64] Choi in Moon (1998), p 57

Noting Kim Jong Il's dilemma that "he needs to open up to survive, but in the process of opening up, he unleashes forces that could lead to the regime's demise," Cha asserts that there is no inherent reason why a prolonged totalitarian political system will corrode in step with economic opening.[65] Chairman Kim's emphasis on nationalism and the military are consistent with calls for a "rich nation *and* a strong army."[66]

While reforms seen so far may reflect this point, that Pyongyang seeks the best of both worlds in which economic strength is secured while a militant, nationalistic Kim dynasty retains power, the argument advanced by Moon, Kang, Park, Snyder and others is driven by the logic that the DPRK will inevitably become constrained by its drive to cooperate when faced with economic opportunity. This will reduce the rationality of brinkmanship as a negotiating tactic, as the country will have been moved into the domain of risk-aversion. On certain counts, however, the DPRK will resist moving into this domain, and will move intermittently, so long as increased dependence on external powers provokes powerful threat perceptions. Thus, DPRK has been cooperative with economic engagement streams insofar as they satisfy 1) recovery from a domain of losses, 2) proclaimed goals towards eventual unification: goals for which economic strength is prerequisite, and 3) a diversification of policy options away from military brinkmanship in pursuing negotiation. Conversely, the DPRK has been resistant to these streams insofar as they 1) are seen as threatening to political goods and regime legitimacy, and 2) incongruent with political identity. It is mindful of the latter points that the ROK's cultural engagement stream has been proffered alongside economic engagement.

Cultural Engagement: Moderating Negative Cognitive Biases

One line from a popular children's song tells the story of ROK efforts to ease threat perceptions first and build institutionalized structures later: "First comes love, then comes marriage." This serves as a simple characterization of Lim Dong Won's "easy first, hard later" approach to GRIT engagement with the North, particularly in regards to the trade in cultural goods. The

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[65] Cha *(2004)*, p 94
[66] Ibid (emphasis added)

cultivation of a common identity as "brethren," the reduction of mutual threat perceptions, and the emphasis on the social goods to be won through enhanced cooperation are executed first. Only once this common identity and sense of "we-feeling"[67] is strong enough, as fostered by the two sovereign Korean states, can an institutionalized, formal and legal arrangement (such as a political confederation) be pursued. This arrangement would effectively reify the two Koreas ambitions for cooperation in a broader, binding way. Binding mechanisms and the structuring of common institutions, however, would be reflective of a comprehensive engagement approach: the prerequisite to this is that the DPRK is moved away from risk-acceptance and towards risk-aversion.

Given the high threat perceptions in the DPRK towards outside powers, we have seen the how the very economic goods that may provoke this move towards risk-aversion may also be seen as threats to political goods. In such a case, threat perceptions need to be alleviated at the same time as potentially politically corrosive influences (the means for substantial economic change) are delivered. Seoul's cultural engagement angle is thus designed to alleviate fears in Pyongyang that South Korea is truly external, since threat perceptions in the DPRK are largely a function of fear of the external power. Seoul has made pains to demonstrate itself as benevolent towards the whole Korean nation, respectful of domestic cultural legacies, and interested in enhancing a pan-Peninsular nationalistic identity in line with North Korea's own calls for independence from foreign influences.

There are three specific types of cultural engagement Seoul has offered: 1) exchange of cultural displays, or joint cultural displays, in such spheres of sports and the arts, 2) routinization of family reunions between relatives separated by the DMZ, and 3) non-binding, joint North-South statements of intent or opinion regarding common interests, such as ambitions between the two states, or joint positions on third-party actions. Each of these types requires some empirical detail before analyzing North Korean responses.

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[67] Amitav Acharya has called a "we-feeling," or sense of common identity among regional states, necessary if such states are to pursue close, institutionalized cooperation, particularly in the security sphere. See Amitav Acharya, Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order, (Routledge, 2001), p 18

Cultural Displays

Three months before the North-South summit took place, the new ROK-based joint venture Pyeonghwa Motors had already hosted an invitation of the Pyongyang Students Performing Arts Company at the Seoul Art Centre. Through the Joint Declaration in 2000, however, the scope of cultural exchange has expanded, with an average of 83 South Korean citizens going to the DPRK each month for what the Ministry of Unification has deemed "social and cultural" purposes (See Figure 4.1).[68] These visits have included exchange of musical performances (by symphony orchestras, traditional Korean music groups, and South Korean pop stars), art displays, sport exchanges, and theatre productions. One such production has been "Chunhwangseon," a Joseon-era opera that tells of two lovers reunited after a prolonged forced separation. Other events have been more political in nature, with pro-unification rallies in the DPRK in attendance by South Korean representatives, NGOs, student groups, and labour organizations. Unity conventions, while seemingly political, though, have been designed as a form of cultural interaction, allowing South and North Koreans to mingle alongside the accompanying side-events such as photo and art exhibits, art troupe performances, track meets, hiking excursions, and informal academic debates.[69].

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[68] ROK Ministry of Unification. With an average of 83 visits per month, every month of the year 2000 was a below-average month for social and cultural exchange. 2001 and 2002 were above average 3 months and 4 months respectively, and 2003 was above average for 6 months. 2004 has been above average for 4 of the first 6 months.

[69] NIS (Aug. 5, 2002), <http://www.nis.go.kr/eng/security/issue_index.html>

**Cultural and Social Exchanges,
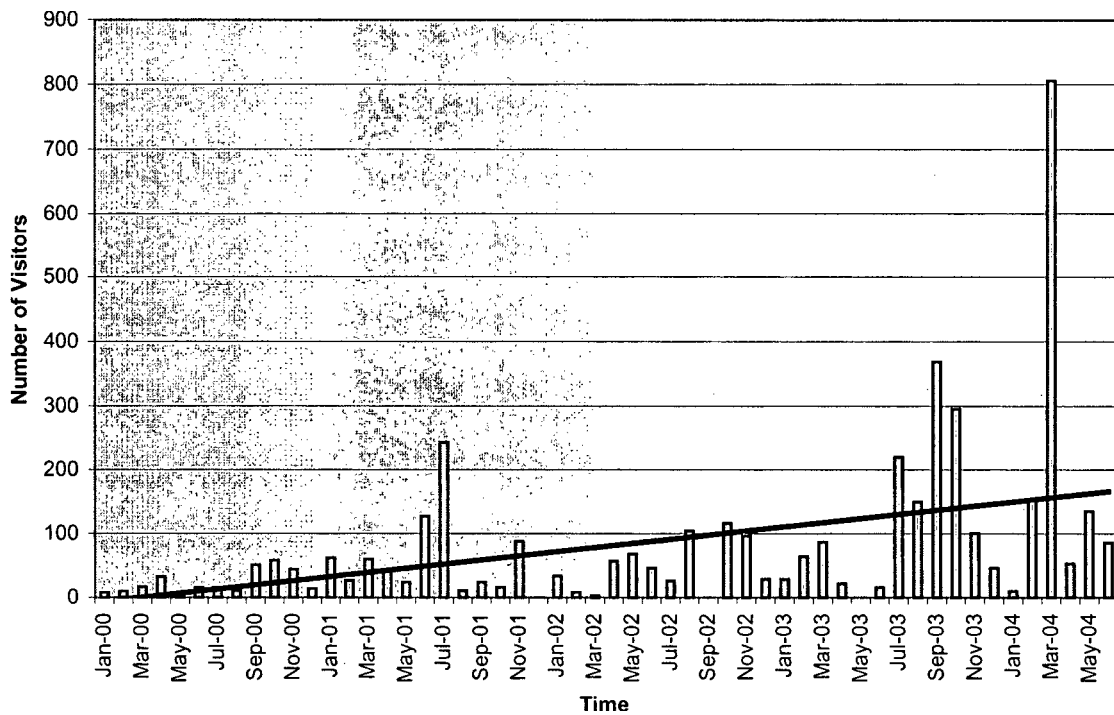ROK to DPRK (Jan. 2000 - Jun. 2004)**

Figure 4.1

Source: ROK Ministry of Unification
(Note: data not available for Dec. 2001, Sep. 2002, May 2003)

An important prong of the cultural drive overall has been the attempt by Seoul to solicit

ROK media firms in taking up the cause of promoting unification and, it would be assumed,

consider giving attention to the positive features of the process. In early August 2000, ROK Minister

of Culture and Tourism Park Ji Won led a delegation of 46 presidents of media companies to visit

Pyongyang, where they reached an agreement with their Northern counterparts, including provisions

to "increase media activities conducive to national unity and unification" and "no more libel and

slander."[70] Less than two weeks after this meeting, ROK broadcaster Korea Broadcasting Service

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[70] Ibid

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(KBS) hosted the DPRK's National Symphony Orchestra at the KBS Concert Hall,[71] and by October, another ROK broadcaster, SBS, was permitted to travel to the DPRK to cover celebrations for the 55th anniversary of the founding of the KWP.[72] Later that month, North Korean television broadcast a South Korean documentary highlighting Korean tigers living in Siberia.

In relation to sports, Taekwondo team exchanges and tournaments have enabled the two Koreas to engage with each other through their national sport, and other joint events such as shortened marathons at Mt. Geumgang have been held. While the DPRK did not qualify to field a team during the 2002 World Cup co-hosted by Japan and the ROK, the North Korean Football Association head Ri Kwang Gun sent a congratulatory message of congratulations to the South Korean Football Association upon South Korea's strong showing in the tournament. Ri stated that "it is a joint victory for the nation, as was the 1966 London World Cup (in which the DPRK advanced to the quarterfinals). The Games reinforced our view that if the Korean nation united its forces and wisdom, we would be able to achieve independent unification with far greater strength."[73]

In February 2004, the ROK and the DPRK agreed to a joint Olympic entry during the opening ceremonies for the Athens Games, repeating the symbolic joint entry made in during the Sydney Olympics in 2000. Bearing a common flag in the Opening Ceremonies, depicting only a geographic image of the Korean Peninsula, an ROK Olympic Committee official noted that the two sides would "cooperate actively" to field a unified team in 2008.[74] This sense of common nationhood was also reflected in the summer of 2004, when the Manhae Prize (an annual South Korean award given to the most outstanding work of literature in the Korean language) went to a North Korean novelist for the first time.[75]

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[71] NIS (Aug. 18, 2000), <http://www.nis.go.kr/eng/security/issue_index.html>
[72] NIS (Oct. 9, 2000), <http://www.nis.go.kr/eng/security/issue_index.html>
[73] Pyongyang Television, as cited in NIS (June 30, 2002), <http://www.nis.go.kr/eng/security/issue_index.html>
[74] South Korean Olympic Committee spokesperson Choi Eun Ki, cited in "Koreas to March Together at Athens Olympics," *Korea Now* (Mar. 6, 2004), p 5
[75] "NK writer wins Manhae Prize," *Korea Times* (Jul. 22, 2004)

Tourist and Family Exchange

Family exchanges have proven to be of enormous symbolic significance in advancing an atmosphere in which North and South Koreans are "brethren" who are separated by political circumstances, but not by social ones. Ten reunions have taken place between the summer of 2000 and the summer of 2004, with over 9,000 participants having crossed the DMZ each way. The first reunion took place on August 15, 2000 – coincidentally, the 55th anniversary of the liberation of Korea from Japanese occupation. The date itself has been commonly chosen as an emblem of cultural sovereignty and patriotism, with the founders of the ROK choosing August 15, 1948 as the day of the state's official founding.

In September 2000, in an effort to mollify DPRK fears that Seoul remained fundamentally postured against the North, 63 pro-Pyongyang expatriates in Japan were invited by Seoul to visit their families in South Korea. While this may not have been a direct act of cultural engagement with the North, Seoul's efforts to accommodate pro-North elements at home and abroad, if only in a low-risk and cosmetic way, have been intended to impress potential engagement target north of the DMZ.

Besides family reunions, cultural exchanges, and visits of a business nature, the major source of ROK civilian penetration into the North has been through the Mt. Geumgang tours, operated by Hyundai Asan as a cruise boat tour to the North Korean resort. Between January 1998 and March 2004, well over 600,000 South Koreans visited Mt. Geumgang.[76] By March 2004, the tours began generating a profit for the first time, as the average monthly total of visitors topped 16,000 people.[77] Aidan Foster-Carter has noted that, for the DPRK, the tours serve the rudimentary purpose of generating revenue,[78] whereas for the ROK, the tours serve the double purpose of 1) achieving deeper penetration into the North, and 2) generating the perception among South Koreans that historical landmarks in the North are legitimate "domestic" travel destinations.

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[76] "NK eases restriction on Mt. Kumgang tour," *Yonhap News Agency* (May 26, 2004)
[77] Aidan Foster-Carter, "The Real Deal?" *Comparative Connections* (Apr.-Jun. 2004),
<http://www.csis.org/pacfor/cc/0402Qnk_sk.html>
[78] Ibid

Joint Positions

The most direct and mutually viable type of joint statement has typically concerned perceived inadequacies in Japanese atonement for its imperialist history. Recent editions of Japanese history schoolbooks have de-emphasized the more violent aspects of the Occupation, prompting both Seoul and Pyongyang to formulate joint positions against Tokyo's "sins of omission." Pyongyang has certainly been more enthusiastic in its vilification of the contemporary Japanese leadership in order to maintain the rally-around-the-flag effect that helps to legitimize the leadership, and Seoul is likely wary to associate itself with such high-tempered rhetoric. The schoolbook issues, however, combined with Japanese territorial claims to the islets of Dokdo/Takeshima (disputed between the ROK/Japan), have given both Koreas opportunity to make symbolic gestures of cooperation and common outlooks in regards to third party events.

A third avenue for joint positions has arisen through Chinese claims to the historic northeast Asian kingdom of Goguryeo. One of the three founding kingdoms of Korea's first unification under the Silla Dynasty, Goguryeo occupied both the northern half of the Korean Peninsula and parts of Manchuria, and is considered in Korea to be an ethnic Korean kingdom with a causal cultural bearing on successive Korean dynasties. As China successfully solicited UNESCO to establish a "joint" World Heritage Site in both Manchuria and North Korea to commemorate the Goguryeo, Seoul has found an increasingly politically viable opportunity to join Pyongyang in condemning what is perceived as cultural appropriation.[79]

DPRK Responses to Cultural Engagement: Cooperative and Resistant

Cooperative

Generally, cultural engagement has been a low-risk venture for the DPRK, although they have accepted more South Koreans into the country than they have ventured to send to the ROK themselves. Total South Korean visitors to the North have more than doubled between 2000 and 2003, from 7,280 to 15,280. North Korean visitors to the South have also become more frequent,

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[79] Choi Jie Ho, "Fight over Goguryeo flares," *JoongAng Ilbo* (July 14, 2004); Choi Soung Ah, "Seoul might ask Pyongyang to join in Goguryeo battle," *Korea Herald* (Aug. 6, 2004)

although the scale is less impressive: 706 in the year 2000, and 1,023 in 2003.[80] This imbalance can be attributed to Pyongyang's concerns that even politically reliable DPRK citizens are at risk of undue Southern influence through exposure to life in the ROK, if only for short periods of time. Pyongyang has thus been fairly accommodating on the family reunions front, but has pushed for the establishment of a permanent family reunion centre at Mt. Geumgang, rather than continue to send North Korean citizens to mingle among the crowds in Seoul, no matter how controlled the reunions are.

Interaction between North and South Koreans has been permitted in endeavours that not only provide economic benefits, yet are also dressed in the flag of nationalist, cultural interaction. Under the tutelage of the Korean Peninsula Energy Development Organization (KEDO), 100 North Korean workers mingled with over 800 South Korean workers through building infrastructure for light-water reactors under the provision of the U.S./DPRK Agreed Framework. The infrastructure itself would an on-site "community village" for workers, with dining rooms, churches and temples, a tennis court, a library, and a "karaoke" room (a customary Korean *norebang*). The elaborate recreation facilities on site were designed as a means of enhancing a community atmosphere between KEDO member-state nationals, principally South Koreans, and DPRK nationals, building confidence, and augmenting tributary communication links. The ROK was publicly pleased that "workers began to cooperate with each other (...) in a friendly mood, thereby expanding mutual trust."[81]

Given the dichotomy between possible rationales behind DPRK threat perception towards the South (firstly, that a sense of threat is genuine, and secondly, that a sense of threat is a political good in itself), these ROK measures at alleviating threat perception are not difficult to accept for North Korea. Firstly, if the DPRK genuinely feels threatened by South Korea and sees economic engagement as a Trojan Horse, then cultural interaction helps the regime to manage its incremental shift away from socialist legitimacy to nationalist legitimacy. Cultural engagement thus aids

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[80] ROK Ministry of Unification
[81] Peace and Cooperation: White Paper on Korean Unification, ROK Ministry Of Unification document (2001), p 173

Pyongyang in accommodating a stable transition into a profit-driven market system. The side effect of this benefit, however, is that the nationalist legitimacy that Pyongyang seeks to cultivate continues to require a source of external threat. This leads into the second possibility, that the threat perception is a political good to be valued. The DPRK may accept cultural engagement, although Pyongyang will shift its sense of threat perception away from Seoul and towards Washington, Tokyo, or other perceived belligerent powers.

In determining whether threat perceptions vis-à-vis the ROK have been diminished, one very interesting indicator is the change in language regarding perceived enemies versus public perceptions of the Seoul government – this change has run congruent to the cultural engagement policy as initiated by Kim Dae Jung and as continued by Roh Moo Hyun. Rodong Sinmun and KCNA reports have continued, between 2000 and 2004, to oscillate between vitriolic furor and the occasional conciliatory note vis-à-vis external powers. Japan and the U.S., however, continue to be either assailed or accommodated as entire political entities, which uniformly harbour malevolent intentions towards the DPRK. Regarding Seoul, however, there has been a dearth of perceptible negative cognitive biases towards the ROK as a singular political entity. Instead, during points of tension with Seoul, Pyongyang has publicly chastised "anti-unification forces in South Korea," "far right-wing conservatives in South Korea," "ultra-conservative forces," "bellicose elements," "South Korean military authorities," or specific conservative political parties and members, principally "gangs of" the Grand National Party and former party leader Lee Hoi Chang, but not the entire southern state.[82]

This reflects a more conciliatory view of Seoul, an understanding that the South is politically divided between some genuine hawks and some genuine doves, and trust that there are dependable agents in the ROK that do not intend harm towards the DPRK. Relationships with these agents have been publicly valued insofar as the leadership under Kim Dae Jung and Roh Moo Hyun has largely been avoided as targets of blame during points of friction over logistical matters and military matters

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[82] Various documents, NIS (2000-2003), <http://www.nis.go.kr/eng/security/issue_index.html>

such as clashes in the West Sea or incursions over the maritime border, the so-called Northern Limit Line. While military talks between North and South have been slow to materialize, agreements have been reached this year that established a security hotline, and clear, diplomatic channels for dealing with perceived trespassing over maritime borders, as well as conduct over the DMZ, which reflects an appreciation for the political pressure exerted upon the ROK military by the engagement-minded administration. Whether this is a direct function of cultural engagement strategies is difficult to determine, but the change in the KPA's position towards one of holding dialogue over contentious security issues does represent the political value of cooperation in Pyongyang, as well as the perception that South Korean forces can be dealt with in such form as a negotiating table. This political good may be tied to the benefits incurred through economic engagement, but cultural engagement has been used to facilitate and rationalize deeper economic ties to skeptics at home in Pyongyang.

The Joint Declaration achieved during the North-South Summit may be ambiguous in its language, but the emphasis on cultural solidarity has become a real political good for Pyongyang. Regardless of whether these goods have been used to actually enhance cooperation in a practical manner, or have been used as divisive wedges to exploit points of friction between the ROK and the U.S., the DPRK has accepted cultural engagement as a means to enhance its own domestic and Peninsular position. Invoking the "solemn pledge" of the Joint Declaration has been a meaningful tool for Pyongyang in its dealings with the ROK, signaling a shift from outright provocation towards actually seeking to exploit dovish South Korean factions into keeping on a steady course towards the eventual objective of unification. This speaks to an interesting development, whereby the ROK seeks to identify (and pursue engagement with) receptive elements in the North, such as the technocracy, as well as the DPRK seeks to identify (and pursue engagement with) receptive elements in the South, such as Korean *chaebols,* the Ministry of Unification, and elements of Seoul's self-styled "progressive" leadership. This mutually reinforcing dynamic actually helps to stabilize the engagement process, as both sides identify receptive agents who will develop dependence on engagement itself to deliver key

goods: for the DPRK, this translates primarily into economic and cultural goods, whereas for the

ROK, this translates into electoral goods among a dovish voting public that has developed

expectations for progress with the North.

During long-awaited military talks in 2004, which ended in mutual agreement to dismantle

propagandist billboards and loudspeakers across the DMZ, the North broadcast final messages

imploring Seoul to "establish a confederate nation."[83] Shortly after the DPRK's withdrawal from the

NPT, KCNA editorials and reports referred to the Joint Declaration as means to implore continued

economic engagement: "In accordance with the spirit of the June 15 Joint Declaration, upholding the

spirit of one nation, we will continue to promote inter-Korean dialogue and cooperative projects."[84]

Citing a "spirit of national concord reflected in the historic June 15 North-South Joint

Declaration,"[85] North Korean media outlets have been mandated to utilize enthusiasm for

cooperation as a means of voicing the government's intent to continue the engagement process,

while also voicing disapproval with perceived collusion between the ROK and foreign, "imperialist"

forces as a violation of the Declaration itself. Thus, a cultural (and largely rhetorical) good has been

transformed into a real political good that eases regime transition away from outright socialism and

towards authoritarian nationalism, as well as a good used to guilt trip agents in the ROK who are not

perceived to be pursuing engagement heartily enough.

North Korean calls to accelerate the actual achievement of confederation may not be

thoroughly genuine, as the regime is not in a position to negotiate the conditions of such a

confederation in its own favour at this point. Making the call, however, serves as one example of

how the DPRK has transformed the pan-Korean rhetoric for peace and unity into a political good

that 1) keeps North Korean citizens looking to a distant horizon of nationalist achievement and

material well-being (key to distracting the people from close analysis of their poor circumstances in

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[83] ROK Ministry of Unification
[84] "KCNA calls for implementation of inter-Korean declaration," *Korean Central News Agency* (Jan. 9, 2003); NIS (Jan. 15, 2003), <http://www.nis.go.kr/eng/security/issue_index.html>
[85] "KCNA slams unreasonable judgment upon Korean social scientist overseas," *Korean Central News Agency* (Mar. 17, 2004)

real time), and 2) encourages ROK engagers to continue their work in securing development aid and economic engagement for the North, as well as driving wedges between South Korea's two political camps: nationalist doves and Washington-allied hawks, the latter of which demands evidence of North Korea's sincerity.

Resistant

This dependence on the Joint Declaration and on patriotic, cultural goods to help the regime to legitimize the economic engagement it needs has also led to points of significant friction and resistance when ROK agents are perceived as insincere – most evidently, this comes about through various manifestations of the ROK/U.S. alliance. Unable to coherently reconcile a nationalist, self-reliant discourse with joint ROK/U.S. military exercises such as Team Spirit, Ulchi Focus Lens (or U.S. contingency designs such as OPLAN 5027),[86] Pyongyang has reacted against engagement efforts in step with perceived cordial links between Seoul and Washington, the latter of which is seen as a permanent source of anti-unification policy. In January 2002, DPRK Central Broadcasting publicly condemned the remarks of ROK Foreign Minister Han Seung Su, as he encouraged the maintenance of a "cooperative system between the ROK, Japan, and the U.S." Pyongyang chose to interpret these remarks as invective, saying that they "sabotage the Joint Declaration."[87]

The DPRK, however, would seek to correct this negative trajectory during the same month, with Pyongyang Broadcasting declaring an official position that cultural bonds between North and South had grown strong enough to consider the pursuit of a "low-level confederation," and that pursuit of unification based on existing "common ground" was feasible. Two weeks later, Yang Hyong Seop, Vice-Chairman of the Standing Committee of the Supreme People's assembly, unveiled "three key appeals and proposals" regarding engagement efforts, within which he revealed a formal position to "pursue national unification regardless of (…) political circumstances," and "eliminate legal and institutional obstacles" to unification (which would include U.S. troop presence in the ROK

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[86] See "OPLAN 5027 Major Theatre War – West," Global Security document (July 13, 2004), <http://www.globalsecurity.org/military/ops/oplan-5027.htm>
[87] NIS (Jan. 5, 2002), <http://www.nis.go.kr/eng/security/issue_index.html>

and the maintenance of the National Security Law, but also domestic North Korean hold-ups to trade and investment).

Such suggestions may indeed have been intended to exploit ROK/U.S. rifts, hoping to isolate ostensibly conservative political elements in Seoul such as Minister Han. Regardless, shortly after these conciliatory overtures, the DPRK withdrew the policy of Three Appeals, as President Bush delivered his State of the Union address, describing the DPRK as one of three "axis of evil" affiliates.

From this point, open mistrust of various ROK political agents came into the fore, including military authorities, opposition politicians, and the Ministry of Unification, as Pyongyang fruitlessly demanded overwhelming evidence that Seoul was fundamentally at odds with the Bush Doctrine of pre-emptive war and hostility towards the North.[88] The Joint North-South New Year's Event, scheduled to celebrate the Lunar New Year at Mt. Geumgang, was cancelled by Pyongyang. North-South dialogue would remain at a standstill until April, at which time Lim Dong Won would travel to Pyongyang to craft a joint press release, essentially reasserting previously established plans to continue family reunions and "rekindle the (sic) inter-Korean relations."

Even when cultural goods are seen as relatively low-risk endeavours, the DPRK has nevertheless interpreted negotiations over logistics as an opportunity to engage as hard bargainers in materially insignificant, face-saving exercises. Controversial venues, such as a monument to Kim Il Sung's Koryo Confederate unification model, have been chosen by DPRK authorities as locations for joint ROK/DPRK cultural events, such as August 15 celebrations, causing consternation in Seoul, and successively difficult periods of dialogue over possible venue changes. In October 2001, the issuance of security alerts in the ROK during the U.S. war in Afghanistan led Pyongyang to delay

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[88] Many in the South Korean leadership went to great pains to demonstrate to Pyongyang that the new U.S. position was not shared in Seoul. Kim Dae Jung replaced his ambassador to the U.S. with a new representative with lower credentials, and some progressive ROK congressmen publicly demonstrated at the U.S. embassy in Seoul, carrying signs reading "Bush, you are the root of evil." A dramatic overhaul in the ROK/U.S. alliance, however, was an unrealistic expectation, and Pyongyang interpreted the general maintenance of ROK/U.S. status quo as indicative of an ultimate Southern subservience to foreign obligations. See Kim Hakjoon, "Sunshine or Thunder? Tension Between the Kim and Bush Administrations in Historical Perspective," *Korea Observer* 34:1 (2003), p 33

its exchange of Taekwondo teams, family reunions, and talks over easing restrictions for investment relating to Mt. Geumgang tours. Despite an ROK initiative proposing alternate venues away from Seoul to host the talks and meetings, the DPRK suggested that such a proposal "makes no sense."[89] Pyongyang has sought to complicate logistical and technical issues pertaining to cultural exchanges as testing grounds for ROK resolve, as the DPRK links economic and cultural engagement issues to the arena of defense and security. This has complicated ROK efforts towards maintaining a de-linked engagement agenda, as perceived threats cause Pyongyang to politicize each type of engagement stream.

Overall

ROK participation in U.S. military exercises, or acquiescence to U.S. pressures in the sphere of defense and security, has made cultural engagement more difficult, as the DPRK is able to frame Seoul as controlled or managed by an external power, thus running against engagement-minded ROK officials who are determined to portray themselves as actors "internal" to the Korean nation. While this complicates Seoul's efforts, Pyongyang still finds immediate advantage here by manipulating the threat perceptions that require even deeper concessions. The capacity to exploit dovish ROK factions is enhanced through participation in cultural engagement streams, and the job of North Korean propagandists to label economic engagement as "financial retribution" is made easier.

The ROK, for its part, has remained dedicated to pursuing a GRIT formula that attempts the depoliticization of each engagement stream, regardless of "speed bumps" that are perceived in Pyongyang. South Korea's acceptance of over 200 North Korean refugees in the summer of 2004 led to a temporary suspension of ministerial level talks, as a DPRK Foreign Ministry spokesman stated that "dishonest elements in South Korea" had teamed with the U.S. in luring the North Koreans away during visits to Manchuria.[90] Roh Moo Hyun responded by simply stating that "(t)he

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[89] NIS (Oct. 22, 2001), <http://www.nis.go.kr/eng/security/issue_index.html>
[90] "U.S. and S. Korean authorities hit for their allurement and abduction of North Koreans abroad," *Korean Central News Agency* (Aug. 3, 2004)

government will maintain the policy of reconciliation and cooperation toward the North, and in this context, will implement agreements on economic cooperation and projects including... civilian exchanges."[91]

By tending to ignore, or at least downplay, the political implications of certain actions, the ROK has sought to maintain stability in its engagement efforts. At the same time, however, the DPRK has demonstrated its ability to perceive and inflate the political miscues from the South to its own advantage, as a means of justifying hold-ups in the engagement process, raising the price for continued cooperation, and winning bargaining leverage, thus suiting North Korean desires for face saving.

The value of cultural goods are thus quite significant for Pyongyang in its attempts to 1) enhance a positive and cohesive sense of social identity for North Koreans as "Koreans" as well as (and more importantly than) being "citizens of a socialist state," 2) exploit the atmosphere of "common ground" between North and South for economic and political advantage domestically, and 3) rationalize a perpetual threat perception of the U.S. as a malevolent obstacle in the potential reemergence of a greater Korean nation. Cultural engagement streams are resisted, however, as they 1) animate threat perceptions, as they may be seen as covert window-dressing for an incremental ROK/American takeover strategy, and 2) conflict with identification as a fundamentally self-reliant state. This conflict, though, is part of the DPRK's mixed identity as both self-reliant (patriotic) and essentially Korean (nationalist). Even as the ROK seeks to dissuade Jucheist self-reliance and encourage a nationalist Korean we-feeling as the fundamental basis of North Korean identity, the very change-oriented nature of engagement continues to inspire resistance to change on these fronts.

Conclusions

Both economic and cultural engagement have seen specific areas of resistance, insofar as they correspond with areas of threat perception and sense of self-reliance in North Korea's ideational endowment. These areas of resistance, however, have been outweighed by cooperation, insofar as

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[91] Seo Hyun Jin, "Roh upholds reconciliatory policy toward North Korea," *Korea Herald* (Aug. 2, 2004)

they appeal to North Korea's 1) need to recover losses, 2) desire to replace Communist and self-reliant ideational discourse with a pan-Korean discourse, and 3) goals for eventual unification. It should be reiterated that unification is no longer advanced as the communization of the peninsula: instead, the DPRK envisions a confederation by which both Korean states may maintain regime survival within a new political landscape.

Such a politically binding institution, however, is unlikely so long as the DPRK continues to resist engagement for the reasons cited above. Threat perceptions will first need to be alleviated and identity will first need to be reoriented more fully towards cooperation, and as high threat perceptions and a fear of vulnerability is intimately linked to a high domain of losses, advances in political engagement are halted until the DPRK is able to recover from its losses. Economic engagement has inspired dramatic institutional changes in the DPRK, but as these changes are recent, significant returns are still forthcoming, and dependent on foreign investment.

With the perceived "superiority of all things Korean" that is inherent in much of the North Korean self-reliant discourse, it is easier for the leadership there to accommodate ROK *chaebol* firms such as Hyundai and Daewoo in providing this FDI. This ethnocentrism, however, has not yet significantly ameliorated a continued mistrust of "ultra-conservative" political elements in Seoul who are tied to U.S. interests. Washington remains a perceived source of threats, and the ROK's association with the U.S. has contributed to an incremental cooperative posture towards inter-Korean engagement in the DPRK. In some ways, South Korea's cultural engagement efforts may be having a more dramatic effect at home than in the North, as a self-styled progressive wave within civil society becomes increasingly sympathetic to the North Korean geopolitical situation, and less sympathetic to the U.S. position – this is readily observable in frequent manifestations of anti-American sentiment in South Korea in recent years.

With that, Snyder's argument that source states need to give targets "something to lose" in economic terms can be appropriated to explain some of the North's rationale in pursuing cultural engagement and upholding the emotional significance of the Joint Declaration. By cooperating in

cultural engagement streams, the DPRK gives South Korea "something to lose" – the electoral good of appeasing an increasingly nationalist South Korean voting constituency. As family reunions and joint Olympic marches have become powerful cultural symbols for citizens of the ROK as well as the DPRK, Seoul finds itself somewhat tied to an engagement policy in order to satisfy its own domestic appetite for such symbols. This would reflect a major milestone in the inter-Korean engagement process – the point at which "source" and "target" begin to exchange roles across an array of de-linked engagement streams.

Engagement is not a fixed or universal formula that applies equally to all dissatisfied states. The approach may be (and should be) tailored to suit the specific demands, internal processes of preference formation, sense of threat, and sense of endowment that each potential target maintains. Active engagement, as detailed in this thesis, is a flexible and determined approach that seeks to 1) establish increased channels into the target, 2) use these channels to deliver goods and reduce the domain of losses, 3) empower potentially defiant agents within the target to offload the process of socialization into a cooperative set of norms, and 4) maintain a deterrent against any lash-out or revolutionary scenario. The key to this process is undertaking a thorough study of what the target conceives as "threat," what the target conceives of "loss," and which specific agents within the target will make productive engagement partners.

Through this study, I have come to the conclusion that a steady, active engagement approach can have a real impact upon targets that are both materially deficient and vulnerable *and* profoundly hostile to outside influence. The DPRK has undergone a series of internal changes as a result of ROK engagement efforts, though these changes are largely limited to the GRIT channels that Seoul has pursued: economic management and cultural/ideological orientation. The results here also indicate that the ROK is in a uniquely strong position to carry out an active engagement policy with the DPRK, given that the intra-national character of the divided nation allows Seoul to portray itself as a natural partner, and an *un*natural adversary.

There are still fundamental questions about the nature of DPRK threat perception itself. I have detailed how elements of this perception are genuine, as the regime fears 1) a regional balance of power that reflects increasing relative losses, and 2) that the reforms necessary to make relative gains could inspire widespread domestic change, and thus a threat to regime stability. The threat, then, may be sourced in the latent capacity for North Koreans to revolt as much as it is sourced in foreign powers directly. This reflects a delicate two-level game being played in Pyongyang, as the

leadership seeks to enhance both its international and its domestic position at the same time – a natural dual-ambition, but one that is complex, as policies towards domestic power consolidation may compromise efficient foreign policies. As Putnam has noted in regards to two-level games, "[n]either of the two games (foreign and domestic policy) can be ignored by central decision-makers, so long as their countries remain interdependent, yet sovereign. The unusual complexity of this two-level game is that moves that are rational for a player at one board (…) may be impolitic for that same player at the other board."[1] With this in mind, threat perception may remain a political good in the regime's domestic propagandist discourse, but will gradually lose effectiveness as inevitable dependence on engagement streams reduces the value of this good relative to the benefits of bilateral cooperation.

What is the capacity for engagement as a change-oriented strategy to effect socialization of a target without provoking the concurrent counterbalancing responses? While comprehensive engagement approaches are more explicit in their attempts to lock the target into an elaborate system of incentives, the GRIT approach is more implicit, and is mindful of target threat perceptions. I have found that GRIT does not seek to alleviate threat perceptions as a prerequisite to cooperation, but sees threat perception as inevitably corroded once depoliticised incentive channels are established, and the target incorporates these channels into its sense of endowment. This is meant to inspire organic and incremental change within the target regime, as opposed to change that is highly specific and prescribed by source powers.

At the same time, I have come to the conclusion that threat perception in the DPRK is multi-dimensional, comprised of both genuine vulnerability and political manipulation. Alleviating threat perceptions is a complex task, but it is made even more difficult when "threat" is a political good for the conservative, militarist establishment in Pyongyang. This does not subtract from an active engagement's ability to affect the utility of threat. Even though these conservative elements may exist within the target, and they seek to maintain a pervasive sense of "fear" to legitimize their

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[1] Robert D. Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organization* 42 (Summer 1988), p 434

rule, engagement creates footholds within the government to build allies and confidants who advantage by the benefits of engagement. It also empowers the fifth faction – civil society – through encouraging a decentralized economic system that devolves some political power to entrepreneurs and consumers outside of the immediate state structure. While target leadership may be opaque, identifying competing interests in the target may help sources to identify competing factions within the target state. These factions (as associating with divergent interests) should be exploited and targeted individually, thus offloading the process of socialization onto the target itself.

What are the policy implications of an active engagement approach? Firstly, any deterrent measures that have characterized the source-target relationship should not be supplanted by an engagement process, but maintained alongside one. Deterrence offers a decidedly negative consequence to lashing out and to risk-acceptant behaviour, while engagement offers a better deal: perhaps it is not devoid of threats (insofar as change is threatening), but the process is *less* threatening, and it relieves the domain of losses that encourage risk-acceptance. Secondly, an engagement project must be long-term in its goals. Delivering benefits to a target, even if the conditions for reciprocity are low, must aim towards a socialization process by which the target comes to 1) depend on the source in certain issue areas, and 2) internalize norms of cooperation. This means the flexibility of active engagement is lower than in hawk engagement. Source states must be prepared to carry out an engagement project over the long term, which can be difficult for democratic states with a high leadership turnover. Successive governments abrogating the engagement project may do more harm than good, as they roll back the source-target relationship to one of high mutual mistrust. The target will be less willing to cooperate in any transaction in which it determines the source is bluffing, concealing true intentions, or unwilling to commit.

In this study, I have found that the inter-Korean engagement process has stabilized itself through allowing norms of cooperation to emerge both within the DPRK (as limited as these norms may be to specific issue areas) and in the ROK. After several years of engagement, a turnover in the South Korean leadership would not likely result in the end of the process. This is so because the

powerful cultural and nationalistic symbolism that inter-Korean engagement nourishes has created an electoral class that desires further cooperation. Even conservative South Korean governments, I argue, will have difficulty reversing the path to engagement against the will of a population that largely desires closer integration. Is this the result of active engagement generally, or is this the result of the fact that Korea is a divided nation? I argue that it is both: active engagement has given political power to actors sympathetic to cultural, nationalistic objectives, which has enabled an inter-Korean cooperative discourse to frame various Peninsular and international issues. The context of the divided nation makes cooperation more important in a political cultural sense, but this cooperation has only been effectively animated by the engagement project itself. This is clear as effective inter-Korean cooperation did not come about during the Cold War, nor in the immediate post-Cold War period, of its own accord.

With this in mind, the bilateral engagement process between South and North Korea will not necessarily see the target pursue dramatically increased cooperation with non-parties to engagement. This complicates the clarity of engagement's successes, as the engagement source (ROK) maintains close ties to the target's principal root of threat perception (United States). The U.S. is incapable of pursuing a GRIT strategy inclusive of cultural engagement streams, as the U.S. cannot frame itself as an internal actor to the Korean nation without provoking powerful resistance. The ROK has been concurrently reluctant to appear close to Washington, while still aware of the need to retain the alliance for the purpose of sustaining the deterrent dimension to the overall mixed strategy.

With these considerations in mind, it is not surprising that the DPRK has pursued inter-Korean engagement intermittently and in tandem with belligerent demonstrations of sovereignty, including defection from the NPT, and the public pursuit of a nuclear weapons program. These developments warrant international concern, and yet the ROK's insistence on a sustained engagement strategy is necessary insofar as the young process has not yet delivered enough of the benefits of cooperation to convert them into binding mechanisms. Withdrawing incentives for

cooperation at this juncture would not yet equal the reduction of DPRK baselines of expectations, and would not yet result in a sense of loss of endowment. The carrots, as it were, have not yet become sticks. Cessation of engagement would increase DPRK risk-acceptant behaviour, and in this domain of material losses, would increase the odds that Pyongyang would seek to proliferate in aim of enhancing its export portfolio.

Gains observed by the technocratic faction in the DPRK, through a remarkable advance through the state hierarchy, influence observable in constitutional revisions, and the emergence of markets, are congruent with the ROK's active engagement efforts. Other DPRK factions, especially the KPA, continue to maintain a heavy influence on Kim Jong Il's capacity to act: indeed, with Kim's leadership "officially" predicated on his having been enveloped by the KPA as Defense Commission Chairman, the military will continue to exert significant influence, and are likely to continue counterbalancing measures to slow the pace of reforms and to subvert a civil society empowered by economic freedoms. Identifying and targeting specific factions in the DPRK, as argued, is not simple, and yet the organic changes seen since engagement are largely a function of reformrist factions winning political ground.

Until projects such as the Gaeseong Industrial Park are fully functional, however, the shadows of the future for engagement's benefit returns remain uncertain. A risk-averse option for enhancing material well-being can only rival the risk-acceptant option of WMD proliferation once these returns are secure and the reformist come to win more influence with the Kim establishment.

Strict North Korean adherence to regimes such as the NPT will be necessary for the international community to rest assured, and yet such adherence is vulnerable so long as bilateral state relations as per the DPRK remain based on security dilemmas and a sustained sense of threat. Binding through institutional arrangements can be feasible only once the *states* that comprise these institutions have done the initial legwork in creating dependable channels of cooperation. This problem speaks to arguments made by Stephen Krasner that regimes hit roadblocks when they attempt to supplant state policy and take on significant powers over the range of policies a state party

may pursue. This is particularly the case in regards to security, as security policy is a vested state interest that is rarely abdicated to regime directives.[2]

While the capacity to bind the DPRK into international institutions such as the NPT (or even an eventual bi-Korean confederal regime) is still fragile, we have seen that ROK engagement channels have inspired and enabled certain key economic and ideational reforms that improve this capacity. If the current trajectory is sustained, we can expect that the eventual diminution of the North's domain of losses will create serious stakes in this trajectory; thus, cooperation will be self-reinforcing. Military belligerence towards external powers will continue to frustrate the policy, but the political value of such belligerence will begin to weaken as the benefits of engagement are appropriated into DPRK endowment and baseline of expectations.

Two critical questions face us at the end of this discussion. Firstly, is sustained GRIT engagement in the face of North Korean nuclear weaponization different than appeasement? Secondly, how can we be certain that ROK engagement overtures are responsible for North Korean reforms? To confront the latter question first, it has been argued that North Korean economic collapse in the 1990s, not engagement specifically, has been the principal impetus behind a minor reformist agenda in successive Supreme People's Assembly deliberations. Cha has argued that DPRK reforms are little more than contained coping mechanisms, and do not reflect any "trajectory" towards greater opening or increased marketization schemes.[3] It is likely that, without economic collapse in North Korea, engagement would not have been a reasonable strategy for the ROK or others, since the target state would not be suffering from a domain of losses, thus would be less persuaded by economic incentives. Indeed, these "promises" would outweigh domestic impoverishment as a perceived threat to regime stability. This is not to say, however, that engagement is not causally responsible for functional reforms. Without ROK investment into joint venture projects, developmental aid to help deliver infrastructure and resources to begin the process

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[2] Stephen Krasner, "Structural Causes and Regime Consequences: Regimes as Intervening Variables," *International Organization* 36:2 (Spring 1982), p 193
[3] Cha in Cha and Kang (2004), p 99

of "market socialism," no reformist agenda would generate proper returns. Reformist elements would remain politically isolated in Pyongyang and the regime would continue to rely heavily on militarization in order to contain the population, and sustain a sense of regime legitimacy through enhanced fundamentalist Jucheist ideology. ROK investment is clearly what enables reform to function.

Insofar as the reforms are insincere, we have seen through various arguments presented by Moon, Kang, and others, that Pyongyang may not be thoroughly enthusiastic about marketization from an ideational perspective, but this does not subtract from the irreversible social changes and new social norms that reform engenders. While the Pyongyang regime may aspire to contain this social change through counterbalancing, it will be forced to adapt the premise of its regime legitimacy as people's expectations begin to change, the liberalized economic system nourishes lateral social interactions, and a purely nationalist pan-Korean identity supplants a rigid, patriotic, state-based identity.

Addressing the first question, regarding the difference between GRIT engagement without apparent conditions and an appeasement strategy, we should not conclude with the sense that the ROK seeks to pursue a rewarding structure with the DPRK into eternity, regardless of failed reciprocity. As seen earlier, appeasement does not attempt to socialize the target state into the international system through altering the ideational foundations of the regime – instead, appeasement seeks to drive a potentially rogue regime away from specific provocations through buyouts. The ROK's GRIT methodology has very few conditions for reciprocity at this stage, but as a "general" method, it does not seek to buyout the DPRK in order to avoid specific transgressions. Nor does it seek to maintain the status quo on the Korean Peninsula: it seeks instead to change the status quo towards peaceable relations, a sustainable, marketized North Korean economic system, and renewed political and social norms that are amenable to institutionalized cooperation and eventual unification. At this early stage, however, few conditions are attached to engagement as Pyongyang's new reforms must first move significantly beyond the ground-breaking stage, and become established, dependable

sources of economic recovery. Once these reforms have become established, and ROK engagement is crucial to their maintenance, then the carrots-as-sticks approach may be employed. This, in time, can have considerable effects on the security sphere, on brinkmanship tactics, and on generally risk-acceptant behaviour as seen in the DPRK thus far.

While the DPRK faces an enormous task in balancing its need to engage for the sake of its own survival with its need for gradual ideational change (also in the interests of regime survival), the final paradox is that long-term success in this balance will lead towards some form of regime change. If the inherent motivation behind inter-Korean engagement is eventually creating the conditions conducive to unification, then state-sovereignty and regime survival will be ascribed to political institutions that do not yet exist, and the DPRK as it is known now (as well as the ROK as it is known) may submerge itself within a confederated political structure that renders each contemporary Korean state effectively void. This is a very far-reaching scenario, and yet the process of engagement here has driven towards the establishment of the norms and resources that may enable such a scenario. To see that Pyongyang has cooperated reluctantly is rational and understandable, as the changes undertaken thus far present risks that control may be lost to external agents. To see that there has been cooperation at all, and to the degree that the DPRK has accommodated change, is nevertheless impressive, and indicative of a trajectory towards structured, institutional change. As both Koreas develop interests in maintaining the engagement process, political agents who advantage by these interests give the process political momentum. This has already contributed to a new inter-Korean discourse that will becomes increasingly difficult to reverse for both engagement partners.

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