North Korea’s nuclear weapons programme and the maintenance of the Songun system

Dr. Benjamin Habib

Abstract  North Korea is unlikely to relinquish its nuclear programme because of its importance to the political economy of the Democratic People’s Republic of Korea (DPRK) state and the perpetuation of the Kim regime. Two observations give rise to this conclusion: firstly, the development of North Korea’s nuclear programme has been a long-term project spanning several decades. At no stage has Pyongyang shown a commitment to its dismantlement. Secondly, denuclearisation negotiations have followed a cyclical pattern in which the North has provoked crises to make new demands and gain leverage in negotiations. By inference, it is clear that the nuclear programme has great intrinsic value to Pyongyang. This paper argues that the nuclear programme has value as a bargaining chip in international diplomacy to extract economic inputs for its moribund economy, in domestic politics as vehicle for bureaucratic interests and as a rallying symbol of the country’s hyper-nationalist ideology, as well as its role as a defensive deterrent and important cog in Pyongyang’s offensive asymmetric war strategy. For these reasons, the Kim regime is unlikely to seriously entertain nuclear disarmament.

Keywords  North Korea; nuclear proliferation; coercive bargaining; systematic maintenance.

Dr. Benjamin Habib is a Lecturer in Politics and International Relations at the La Trobe University, Melbourne, Australia. Ben’s research projects include the political economy of North Korea’s nuclear weapons programme, East Asian security, international politics of climate change and methodologies for undergraduate teaching. Ben undertook his PhD candidature at the Flinders University in Adelaide, Australia, and has worked previously at the Australian Department of Immigration and Citizenship. He has spent time in teaching English in Dandong, China, and has also studied at the Keimyung University in Daegu, South Korea.

Address: School of Social Sciences, La Trobe University, Albury-Wodonga Campus, PO Box 821, Wodonga, VIC 3689, Australia. E-mail: b.habib@latrobe.edu.au
The entire question of North Korea’s denuclearisation hangs on Pyongyang’s motivations for acquiring a nuclear capability. If the motivation is purely one of national security, then the conclusion of an agreement featuring mutual concessions and confidence-building measures should be reasonably straightforward. The Six Party Talks – involving the United States, North Korea, China, South Korea, Japan and Russia – were established in August 2003 to provide new momentum to the denuclearisation agenda in response to the stalling of three party negotiations between the United States, North Korea and China that took place the previous April. Six rounds of negotiations took place from August 2003 until April 2009, when North Korea officially withdrew from the process. The Six Party Talks were based upon the assumption that with the right mix of incentives and pressure, North Korea could be persuaded to dismantle its nuclear capability. The fact that denuclearisation negotiations have been anything but straightforward should be a red flag to the international community that North Korea’s motivations for proliferation are more complex. In negotiations since 1994, the North has failed to make lasting concessions on its nuclear programme despite compelling incentives in light of the country’s economic weakness.

Instead, the regime has actively engineered crises as a means to extract international aid in exchange for de-escalation, without making any substantive concessions that would have limited or reversed the development trajectory of its nuclear weapons programme. Plugging holes in the economy is the driving imperative of North Korea’s behaviour in denuclearisation negotiations. The weaknesses that exist in the economic matrix give rise to the need for Pyongyang to leverage its nuclear programme to obtain international aid to plug these gaps. It is the military-centred economy that is the foundation of the Songun (military-first) system. The other imperatives identified in this paper are functionally important to strengthening this foundation and the legitimacy of Kim regime rule. North Korea’s long history of nuclear development, culminating with Pyongyang’s second nuclear test in the May 2009, strongly suggests that Pyongyang has no intention of relinquishing its nuclear programme. The best evidence supporting this argument lies in Pyongyang’s motivations for nuclear proliferation: the nuclear capability is too important to the political economy of the Kim Jong Il regime.

Much of the scholarship on Pyongyang’s nuclear ambitions neglects this political economy dimension. Many of the landmark publications on North Korea’s nuclear proliferation tend to be descriptive chronicles of the events of the nuclear crises. Several studies offer historiographic accounts of the first nuclear crisis, culminating in the Agreed Framework. For example, in Disarming Strangers: Nuclear Diplomacy with North Korea, Leon Sigal (1998) chronicles the negotiating track of this period, concluding that the United States would have to pursue more serious cooperative engagement with North Korea if it was going to accomplish its non-proliferation goals.
on the Korean peninsula. In their seminal work Going Critical: The First North Korean Nuclear Crisis, Joel Wit et al. (2004) offer an inside account of the first nuclear crisis, in which all three were involved as high-ranking officials in the US State Department. Charles ‘Jack’ Pritchard (2007) and Yuichi Funabashi (2007) have published similar descriptive accounts of the second nuclear crisis, documenting the diplomatic activities that led to the establishment of the Six Party Talks and the pursuit of a denuclearisation deal in that forum.

Other authors have incorporated the nuclear crises into longer-range historical studies of the Democratic People’s Republic of Korea (DPRK) state. Glyn Ford and Soyoung Kwon (2008) have investigated the history of the DPRK to analyse whether Pyongyang’s nuclear threat is real, or exaggerated as a threat by Washington to garner international support for its national missile defence system. Adrian Buzo (1999) locates the nuclear threat within the context of the heavily personalised state apparatus centred on the life and charisma of Kim Il Sung. In contrast, Don Oberdorfer (1999) has positioned his analysis of the first nuclear crisis in the context of a comparative study of North and South Korea since 1945. For Bruce Cumings (2005), the ongoing nuclear crisis is an event located on a timeline of Korean history stretching back to antiquity.

Many studies have made the assumption, explicitly or implicitly, that economic weakness will at some stage force North Korea to seek political accommodation with the United States and regional countries (Eberstadt 1997, 1999; Kim 1996). They also assume as self-evident that this would be in the best interest of the Kim regime, given the state of the North Korean economy. So why has this outcome consistently failed to materialise? One interpretation suggests that the United States and its allies lack the economic leverage to influence North Korea’s nuclear calculus. Stephen Haggard and Marcus Noland (2009, 2–3) suggest economic carrots and sticks fail to motivate Pyongyang because the North has reoriented its external economic relations toward closer ties with China, as well as other trading partners such as Syria, Egypt and Iran, which do not pose a serious sanctions risk.

Others such as Victor Cha (2002b) and Mitchell Reiss (2006/2007) have offered greater focus on the domestic dimensions of North Korea’s nuclear development. Indeed, the domestic political economy dimensions of the North’s nuclear proliferation are among the most important to consider in coming to an understanding of the complexities of the North Korean proliferation problem. It is along this important research trajectory that this paper locates itself. While Pyongyang has been happy to mouth the platitudes of denuclearisation through the negotiating process and leverage the nuclear card as a bargaining chip to extract concessions from regional states, at no stage has the Kim regime demonstrated through its actions an intention to fully dismantle its nuclear programme. This paper distinguishes itself from other scholarship in offering a detailed structural and
Its central contention is that the nuclear programme is central to the maintenance of the *Songun* politics system. *Songun* politics was formulated to demonstrate Kim Jong Il’s dedication to providing national security against external threats and to reassure the Korean People’s Army (KPA) that Kim and the Party would provide it with priority access to the state’s scarce resources (Pinkston 2006, 3). Kim Jong Il was shrewd in courting the military to bolster his power base during a turbulent period of leadership transition, dismal economic performance, food shortages and external security threats. The military has been mobilised to undertake a number of public tasks from infrastructure development to food procurement, while the KPA hierarchy has played an increasing role in social and economic decision-making processes (Vorontsov 2006). *Nodong Sinmun* (2003) described the role of the military in leading North Korea’s economic reinvigoration:

> Once we lay the foundations for a powerful self-sustaining national defence industry, we will be able to rejuvenate all economic fields, to include light industry and agriculture and enhance the quality of people’s lives.

The ultimate goal is a self-sustaining defence sector in which military activities generate more resources and economic goods than they consume, thus leading the country to economic recovery.

In establishing the argument that the nuclear programme is central to the maintenance of the *Songun* system, the paper will review theories describing the motivations of nuclear proliferation, concluding that economic, bureaucratic, and diplomatic considerations, as well as national security calculations, are integral to the decision of a state to obtain nuclear weaponry. Focussing on the North Korea case, the paper then discusses the birth of the *Songun* system during the ‘Arduous March’ period of 1990s, when long-term degenerative trends and immediate trigger events plunged the country to the precipice of state failure. It will then argue that the nuclear programme is integral to the economic stability, domestic bureaucratic interests and ideological legitimation that provide the foundation for the *Songun* system. For these reasons, the paper concludes, North Korea is unlikely to seriously consider denuclearisation in negotiations with the international community.

**Motivations for nuclear proliferation**

It is clear that the nuclear programme has great intrinsic value to Pyongyang. In general, states seek to develop and maintain nuclear weapons for a number of reasons. For Kurt Campbell (2004, 20) – subsequently
appointed as US Assistant Secretary of State for East Asian Affairs in the Obama Administration – these motivations are fivefold: a response to changes in US foreign policy; a breakdown of the global non-proliferation regime; erosion of regional security; domestic imperatives; and the increasing availability of nuclear technology. Scott Sagan (1996/1997, 55) is more precise, grouping these reasons into three categories: firstly, states build nuclear weapons to increase their security against foreign adversaries, particularly if their enemies also maintain a nuclear capability. Secondly, nuclear weapons can be used as political tools to advance parochial domestic political and bureaucratic interests. Finally, nuclear weapons acquisition, or restraint of nuclear weapons development, can provide a normative symbol of a state’s identity. Victor Cha (2002b, 211) offers a similar typology specific to North Korea, dividing Pyongyang’s nuclear motivations variously as ‘shields’, ‘swords’ and ‘badges’. If the North’s nuclear capability is intended as a shield, it is a product of the Kim regime’s feeling of chronic insecurity and as such has been developed as a deterrent. If it is a sword, the nuclear capability has been built for aggressive purposes and will comprise a key component of an offensive war plan with the goal of reuniting the Korean peninsula on Pyongyang’s terms. If it is a badge, the nuclear programme is a symbol of international prestige that affords North Korea greater diplomatic weight in the international arena than what it otherwise would enjoy. However, while conceptually useful, Cha’s framework pays inadequate heed to economic factors driving Pyongyang’s proliferation decision-making.

Building on the perspectives offered above, this paper groups North Korea’s motivations for going nuclear into three broad classifications: (1) proliferation for national security, (2) proliferation to address domestic economic and political issues and (3) proliferation for enhanced standing in international diplomacy. In terms of the North’s national security, the nuclear capability provides a low-cost strategic equaliser against the US/Republic of Korea (ROK) forces across the demilitarized zone (DMZ), providing a deterrent against attack or invasion from the South. This is the reason most often cited in North Korea’s official statements, which maintain that proliferation is a necessity to deter the United States. According to Pyongyang, the United States maintains the world’s largest nuclear arsenal and has issued several threats to use nuclear weapons against the DPRK over the past half-century. For a small state like North Korea, the rationale of proliferation is not to develop second-strike capabilities for mutually assured destruction (MAD), as in the superpower contest of the Cold War, but rather to maintain a nuclear threat just large enough to raise the uncertainty in the calculations of an adversary that a first strike would not be completely successful (Cha 2002b).

Alternately, the nuclear capability may have a role in Pyongyang’s offensive war plan. The DPRK’s war fighting strategy remains heavily predicated on reunifying Korea by force. The war plan is based around a two-front
surprise attack utilising asymmetric capabilities. The first front is to comprise a massive artillery bombardment followed by full-frontal attack across the DMZ, with the objective of rapidly taking Seoul. Simultaneously, ballistic missile attacks will target military bases, ports and command and control facilities in the ROK and Japan, in an attempt to disable reinforcement of the forward defences. Special Forces teams are to be infiltrated by sea, air and tunnel to create a second front, attacking US/ROK troops and important facilities from the rear. The objective is to capture Seoul quickly and then overrun the peninsula before American reinforcements arrive from abroad, with the aim of forcing a political settlement in which the North Korean occupation is accepted as a *fait accompli* (Minnich 2005, 11–2; Scobell and Sanford 2007, 32–8).

Official propaganda regularly publishes material referring to the ability of the KPA to destroy US/ROK forces south of the DMZ:

> It is the fixed will of the army and the people of the DPRK to wipe out the warmongers with a barrage of fire of the Songun army. The Songun army of the DPRK shows no mercy to the peace wreckers and the war provocateurs.

Korean Central News Agency (KCNA) 2009b

Vainglorious imagery notwithstanding, the aggressive theme of such propaganda messages is evident. It does not require much imagination to envisage a role for nuclear weapons within this framework. To compensate for its conventional military inferiority, the North has enhanced its ability to strike targets at longer range utilising ballistic missiles, self-propelled artillery and multiple rocket launchers. This allows the DPRK military to project force beyond the forward theatre without the need for wholesale movement of troops and military hardware. Nuclear warheads could be placed on short-range Scud-C missiles targeting military bases and logistical hubs in South Korea, such as port facilities in Seoul and Busan, or in artillery shells targeting frontline troops in the forward theatre (Pollack 2005, 137–8).

It is difficult to envisage, however, North Korea escaping massive nuclear retaliation from the United States should they employ nuclear munitions against South Korean and/or Japanese targets. The objectives of the war plan could certainly be achieved without nuclear weapons; after all, North Korean missiles are more than capable of destroying targets with conventional warheads. If North Korea were to use nuclear weapons in a war scenario, they are likely to be the weapon of absolute last resort in a losing gambit (Cha 2002a, 65). Assuming that the regime privileges its survival above all other objectives, the probability of this outcome is quite low, despite the incendiary rhetoric emanating from Pyongyang. If the regime does not require nuclear weapons to fulfill its war plan, or if an attack on South Korea is off the agenda, then an obvious question arises: why does North Korea require nuclear weapons? The answer to that question can be found
in the political economy of the DPRK state and the regime perpetuation efforts of the North Korean government.

**Songun politics and nuclear proliferation**

Beyond national security, the nuclear programme has value for the Kim regime in consolidating the domestic political system. In 1998, Kim Jong II consolidated his grip on power through the introduction of *Songun* politics, which is based on the idea of making North Korea a ‘strong and powerful country’. The nuclear programme has value in this regard at three levels: firstly, it provides the ideological pretext to divert the nation’s resources to the military. In this way, it helps to legitimise the privations that ordinary citizens bear in order for the military to be the privileged recipient of state resources. Secondly, the nuclear programme is the defining symbol of North Korea’s unique anti-American nationalism. The regime has painted itself into a corner through its rampant use of virulent anti-American, anti-imperialist propaganda (interview with Brian Myers on 27 July 2008, Seoul). The profligacy of the regime’s anti-American rhetoric is a function of the practical failure of *Juche* as the legitimising paradigm of the state; anti-imperialism is the only ideational pillar the regime has left. Thirdly, nuclear weapons development also serves the narrow bureaucratic interests of institutions within the DPRK state. In general, the vested institutional actors include the state’s nuclear establishment, which maintains all facilities related to the nuclear fuel cycle, and important units within the military bureaucracy (Sagan 1996/1997, 64).

**The birth of Songun politics**

The birth of the *Songun* system has its roots in the ‘Arduous March’ period of the 1990s, which itself was the culmination of various forms of state decay. The causes of North Korea’s problems during the mid-1990s can be categorised into three groups: (1) macro-level long-term trends, (2) intermediate level problems of institutional viability, and (3) micro-level short-term trigger events (Carment 2003, 410). Macro-level trends such as Pyongyang’s inability to access international capital and costly military competition with South Korea and the United States hindered the growth of the North Korean economy and locked the regime into a costly military contest that diverted resources away from productive applications. At the intermediate level, agricultural inefficiency related to collectivisation and intensive industrial farming practices, bottlenecks associated with the command economy, and growing official corruption undermined the efficiency of the economy and legitimacy of state institutions. Macro- and intermediate-level trends can be thought of as the product of declining marginal returns on investment. A society experiencing declining marginal returns invests increasingly heavily in strategies that produce a progressively lower output.
Institutions are problem-solving organisms that address new challenges by adding further nodes of organisational complexity in a process of continual accretion. In the problem-solving process the easiest and highest-return solutions are exhausted first until only the more difficult and costly strategies remain to be adopted. Over time, as the costs of solutions grow, further investment in complexity fails to yield a proportionate return (Tainter 1988 205–9, 2000, 9–10). In North Korea, a situation was reached where the maintenance costs of the state’s institutions and capital stock could not be serviced, leaving it vulnerable to the systemic shocks. The Soviet collapse in 1991 and natural disasters of 1995–1997, which were the micro-level trigger events that tipped the vulnerable system over the edge (Habib and O’Neil 2009).

Prior to the famine, the North Korean economy had all the characteristics of a typical Soviet-style command economy. The command system prior to 1991 suffered from long-term reductions in output through key economic sectors. The regime’s response, rather than restructure the economy to increase efficiency, was to prime the system with ever more inputs of resources and labour, which over time experienced declining returns despite the increasing scale of inputs (Lee 1988, 1267; Roy 1998, 86). The moribund North Korean economy, increasingly reliant on imported energy supplies, agricultural inputs and manufactured goods from the communist bloc, was vulnerable to disruptions to its input flow, a vulnerability that was exposed when the Soviet Union collapsed. The complexity of the economy could no longer be maintained without the enormous throughput of resources to cover for its glaring inefficiencies. What resulted was the splintering of the command economy into a number of parallel economies, including the huge military economy, an entrepreneurial economy, a court economy, and the illicit economy, along with the remnants of the command system (Chestnut 2005, 103–4; interview with I-ho Park on 28 July 2008, Daily NK, Seoul).

The political system was similarly transformed as the economy broke down, again as a result of long-term degenerative trends. North Korea today can be thought of as an eroded totalitarian state, where the foundations of the totalitarian order remain in place, in spite of substantial changes to the political economy of the state that have worn down social controls (interview with Peter Beck on 22 July 2008, Seoul; Scobell 2006, 3). The economic transformation that has taken place has triggered political change at the grass-roots level that is undercutting the institutions of the old order, a process that does not appear to have reached its conclusion. The regime is utilising the nuclear programme as a tool to regenerate the totalitarian order through its use as a bargaining chip to acquire inputs for the economy, as a symbol of self-reliance in regime propaganda and as a symbol of prestige for bureaucratic interests within the military, the paramount institution in post-famine North Korea. It seems clear that the nuclear programme is indispensable to the political economy of the Kim regime, which suggests
that the efforts of the international community to denuclearise North Korea have little chance of success.

The ultimate goal of Songun politics is to create a self-sustaining defence sector in which military activities generate more resources and economic goods than they consume (Eberstadt 2006, 288–9). Estimates of annual military expenditure range from $1.7 billion to $5 billion, or between 15.7% and 27.2% of North Korea’s gross national product (GNP) (2007). Yet these figures alone underestimate the size of the wider military economy, which commands preferential allocation of the country’s materials, resources and manpower (Moon and Takesada 2001, 377). It is estimated that the military economy incorporates approximately three-quarters of all activities within the North Korean economy, though this figure may be imprecise due to the absence of statistics (interview with I-ho Park on 28 July 2008, Daily NK, Seoul; Pinkston 2003, 9).

Not only does it subsume the tasks of provisioning supplies and armaments for the KPA, it incorporates many other aspects of the civilian economy. The military has come to control a number of powerful trading enterprises that manage the internal distribution of food, uniforms and weapons throughout the armed forces (Cumings 2004, 190; Haggard and Noland 2007, 54). These large military firms are also able to provide manpower for many important infrastructure projects such as land reclamation, road building, agriculture, housing construction and mining. Military firms incorporate total production and supply chains: the military operates railways, the best mines, farms, fisheries and textile factories (Pollack 2005, 144). Alexander Vorontsov (2006) has suggested that these powerful military-run firms may be developing into enterprises similar to the chaebol in South Korea in that they are involved in many different industries and maintain close ties with the bureaucracy, but enjoy a degree of independence from complete government intervention. Through its incorporation of productive activities in all sectors, the military is adding value to the economy beyond its security role and thus places less of a burden on the wider society than is presumed by foreign observers.

Songun politics is the rubric within which Pyongyang’s proliferation motives should be understood. The military economy is by far the most important parallel economy, accounting for up to 70% of North Korea’s domestic economic output and encompassing all economic activities related to the production, distribution and consumption of materials within the military sphere (Pinkston 2003, 9). The National Defence Commission (NDC) controls all activities within the military economy and is responsible for planning, financing, production and distribution of military-related equipment and technologies, as well as a large portion of foreign sales of military hardware (Bermudez 2001, 45–7). The relationship between Kim Jong Il, the government bureaucracy and the military is still highly symbiotic and interlinked. Institutional economic relationships mirror the political co-dependence between regime leadership, party and military.
Foundation of the domestic economy

The Songun system remains dependent on external inputs to keep it viable. The Kim regime has used coercive bargaining tactics to secure the international largesse that fulfils these input requirements. Possession of nuclear weapons can dramatically alter the prestige and diplomatic clout of a country. Nuclear proliferation represents a demand for a state to be treated as a major power in regional or global politics, often above and beyond what would otherwise be the case. For the leaders of nuclear-armed states, possession gives them greater leverage in their relations with other countries and allows them to be bolder in the pursuit of their national interests (Cha 2002b, 227). North Korea’s use of ambiguous nuclear blackmail and overt nuclear posturing has certainly succeeded in attracting the attention of its powerful neighbours in Northeast Asia. The brandishing of the nuclear card is often used by nuclear weapon states as a signal in international diplomacy that their vital interests are engaged, or that a particular policy position is absolute and immovable (Beckman et al. 2000, 187). It is possible that the October 2006 nuclear test was intended not only as a demonstration of the North’s nuclear capability, but also as a diplomatic signal to indicate that the unfreezing of North Korean assets in Banco Delta Asia was an important national interest that required immediate attention from the United States and regional states. This had the desired effect; US-DPRK bilateral meetings were held parallel to the Six Party Talks to deal specifically with the frozen funds and by early February 2007, a deal had been reached to transfer the money back to Pyongyang.

The nuclear capability gives the regime the bargaining leverage it needs to plug holes in its economy with inputs of aid from the international community. North Korea derives approximately one third of its revenues from international aid (Haggard and Noland 2007, 5–13). However, rather than using humanitarian assistance as an addition to supply, the regime used it as balance-of-payments support, offsetting aid by cutting commercial food imports and allocating savings to other priorities. In addition, as aid shipments are distributed by the military, they become a rent-seeking commodity as they are diverted from formal distribution channels to be sold for huge profit by the military in the private market.

International largesse comes in a variety of forms: food aid, energy supplies, fertilisers, development assistance and direct cash payments. Food aid from international donors has been extensive since 1995 (Manjim and Nikitin 2008, 10; Nanto and Chanlett-Avery 2008, 33; Pollack 2005, 147–8). During the famine period, the regime managed food aid distribution through the Flood Damage Rehabilitation Committee (FDRC), an organ within the Ministry of Foreign Affairs. The FDRC distributes aid shipments according to detailed distribution plans drawn up with aid donor organisations, which detail the dispersal of shipments down to the ri (county) level (Bennett 1999, 11–12). However, other North Korea
watchers believe that the distribution process is less transparent. For example, Park In-ho (interview on 28 July 2008), from the Seoul-based Daily NK news portal, suggests that the KPA subtracts a portion for its own provisions then on-sells the remainder for profit through the entrepreneurial economy. According to Park, when a shipment arrives, representatives from the official, military and court economies are on hand to receive their portion. The military gets the first and largest slice of the shipment, the court economy gets the next portion and the official economy is given the remainder. Because food aid is a fungible commodity, even if the military is not siphoning off aid shipments, money that otherwise might be spent on food procurement can be directed toward other spending priorities (Manyin 2005, 10). Therefore, any proportion of aid that is diverted wholesale for military use will strengthen the position of the KPA as the vanguard institution of the state. This is cold comfort for citizens outside of the military; food aid tends to reach them via the market, favouring those who have secondary income sources beyond the official economy.

Energy aid has been a feature of international assistance to North Korea since the Agreed Framework in 1994. Under the Agreed Framework, the United States pledged to deliver 500,000 tons of heavy fuel oil annually until the two light-water reactors to be built by Korean Peninsula Energy Development Organization (KEDO) came online. As these deliveries went unfulfilled through the late 1990s, Chinese oil grants partially filled the void: between 1998 and 2003, China delivered 129,000 tons of crude and diesel oil to the DPRK, along with 492,000 tons of coking coal (Lee 2009, 54). As part of the 2007 nuclear freeze agreement negotiated in the Six Party Talks, regional states committed to ship 1 million tons of heavy fuel oil to the DPRK. As of December 2008, North Korea had received almost half of the promised amount, along with fuel equivalent assistance (Manyin and Nikitin 2008, 5–6).

South Korean cash payments and development assistance have been extensive. Kim Kyung-Won has argued that cash payments made by the Hyundai group to the regime during 1999–2000 amounted to approximately 20% of its total foreign exchange earnings, a timely injection of funds as the regime struggled to overcome the famine period (Kim 2005, 58). Hyundai Asan is estimated to have made direct payments to the DPRK government of up to $800 million between 2000 and 2005 (Haggard and Noland 2007, 14). During the period 1995–2004, the South Korean government provided Pyongyang with $435.1 million in development assistance, including $90.6 million for development of the Mount Kumgang tourist resort, $21.8 million for the Kaesong industrial complex and $322.7 million to building road and rail links across the DMZ (Nanto and Chanlett-Avery 2008, 33). South Korea under Lee Myung-bak has ceased to provide the North with cash handouts, which now come for the most part from the Chinese government. From 1995 to 2004, net total development assistance from OECD countries for North Korea came to $1,529.6 million,
including $1,151.1 million receipt from France, $142.3 million from the
United Kingdom and $56.5 million from the United States. In 2005, how-
ever, this figure dropped to $148.7 million as the nuclear dispute escalated,
falling further to $59.6 million in 2006 as North Korea made significant
repayments of previously received grants (Nanto and Chanlett-Avery 2008,
31). Officially, South Korean assistance to North Korea is now offered
conditionally in response to signs of commitment to reform within the
North Korean hierarchy (Haggard and Noland 2009, 99). In practice, the
North’s lack of commitment in this regard has resulted in the cessation of
cash aid from Seoul.

China is North Korea’s most important source of foreign assistance. Chi-
nese support to North Korea comes via three forms – grant-type aid, trade,
and investment – which are sometimes difficult to delineate and often over-
lap. For example, the petroleum component of Chinese energy assistance is
delivered as direct aid grants, trade goods sold at ‘friendship prices’ below
the international market price, and as barter exchange for North Korean
mineral resources, which Chinese firms help to extract (Lee 2009, 51–53;
grants averaged 9.4% per annum of total Chinese exports to North Ko-
rea, however from 2002 to 2006 the aid component had dropped to only
3.38% of total exports (Lee 2009, 51–3). It is possible that the drop in aid
can be explained by the expansion of barter exchanges of oil for mineral
ores with the expansion of Chinese investment in North Korea’s energy
sector (Nanto and Chanlett-Avery 2008, 22–3). For Beijing, its multidimen-
sional assistance to the DPRK serves two purposes: firstly, it helps to prop
up the Kim regime and prevent the economic collapse of the North Korean
state. North Korea’s implosion is likely to drive large numbers of refugees
into China’s northeastern provinces – Liaoning, Jilin and Heilongjiang –
which in turn would be politically destabilising for that region (Snyder 2009,
128). Secondly, energy assistance gives China a degree of diplomatic lever-
age over Pyongyang, which it has used subtly to encourage North Korea
to participate in denuclearisation negotiations. Thirdly, investment in min-
eral development projects is part of Beijing’s wider effort to secure diverse
supplies of mineral commodities from around the world to drive China’s
economic development (Lee 2009, 46, 50–1).

International aid has clearly been an important component of North Ko-
rea’s splintered post-famine economic system, yet the role that it plays in
maintaining this system is complex. From 1996 to 2005, aid constituted ap-
proximately 37% of North Korea’s gross national income, peaking at 64%
in 1998 and 63% in 2001, then declining to just under 10% in 2005 (Haggard
and Noland 2007, 86; Lee 2009, 53). These figures however do not tell the
whole story. Gross national income statistics do not incorporate revenue
derived from the full spectrum of North Korea’s parallel economies. For
obvious reasons, illicit sources of revenue are not included, which means
that the actual figures for aid as a proportion of North Korea’s income are
likely to be much lower. However, because the national economy has split into several different branches, the impact of aid is unlikely to be uniform across each of the parallel economies. The overwhelming majority of aid granted as cash is funnelled directly into the court economy, allowing Kim Jong Il to lavish the regime’s upper echelon with material largesse (Oh and Hassig 2000, 66; interview with I-ho Park on 28 July 2008, Daily NK, Seoul). In this context, cash aid is integral to the leadership’s ability to buy the loyalty of important members of the elite.

North Korea has used this coercive bargaining tactic consistently in de-nuclearisation negotiations since the Agreed Framework in 1994 and prior to that in its relations with the USSR and China. The regime’s deliberate, directed provocations put pressure on the United States and regional states to provide material inducements to persuade it to pull back from the brink (Lim 2006). These deliberate ‘pinpricks’ fall short of war but are serious enough to raise concerns about possible escalation (Cha 2003, 72). Once the provocation has been executed, Pyongyang often issues new demands, or restates previous claims as conditions for a return to negotiations. For the United States in particular, the consistency with which Pyongyang has employed this strategy is a good indication that the regime is not serious about a denuclearisation deal.

By late 2008, with the signing of the September 19 agreement, negotiations had reached a point where the North was being asked to take significant steps toward nuclear dismantlement, steps that would cut into sections of its nuclear capability that it had no intention of giving up. The nuclear programme had matured in a technical sense from the development stage to the cusp of a full-fledged nuclear deterrent. Further progress in denuclearisation negotiations would degrade the North’s operational nuclear capability, in return for, on paper, much less than was offered as compensation under the Agreed Framework. If Pyongyang’s nuclear programme was a tool for extracting external inputs from the international community, then by mid-2008 the Six Party Talks had reached the end of its usefulness for that purpose.

This, of course, presented Pyongyang with a dilemma. Without the Six Party Talks as a forum to extract international largesse, the regime had to develop a new plan for its economic survival. In December 2008, the regime instituted a new mobilisation campaign, based on a revival of the Chollima movement, to reconsolidate the totalitarian political order and turn the DPRK into a ‘strong and prosperous country’ by 2012, in time for the centenary of Kim Il Sung’s birth. This new strategy appears to have taken shape in late 2008 in the wake of speculation in the United States and South Korea about Kim Jong Il’s ill health and the prospects of regime collapse (Toloraya 2009). North Korea’s provocative and escalatory behaviour since late 2008 indicate that Pyongyang has decided to go it alone. The rocket launch conducted on 4th April 2009, ostensibly to place a satellite in orbit, occurred amid the fervent revolutionary surge of the revived
Chollima movement (Person 2009). Advances in space science and technology are important sources of national pride, giving the launch tremendous domestic value as a representation of the national effort to build a ‘strong and prosperous country’ and as a symbol of scientific nationalism. The official announcement of the satellite launch on KCNA alluded to the mission as a triumph of North Korea’s indigenous scientific advancement (KCNA 2009a). Additionally, a successful mission to place a satellite in orbit would be a significant propaganda victory over South Korea, which is planning a similar mission for mid-2009 (Nakayama and Sin 2009).

Furthermore, the satellite launch and the nuclear test may have been orchestrated by Kim Jong Il to demonstrate that he and his supporting elite remain firmly in power, in light of Kim’s health scare in 2008. It would appear no coincidence that the satellite launch on 4th April occurred only 4 days prior to the First Session of the 12th SPA, during which Kim Jong Il was confirmed as Chairman of the NDC. Interestingly, his youngest son Kim Jong-un was given a role in the NDC, seemingly confirming the speculation that he has been anointed as Kim Jong Il’s successor (Nakayama and Sin 2009).

**Bureaucratic support**

Kim Jong Il was shrewd in courting the military to bolster his power base during a turbulent period of leadership transition, dismal economic performance, food shortages and external security threats. Songun politics was formulated to demonstrate Kim Jong Il’s dedication to providing national security against external threats and to reassure the military that Kim and the Party would provide the military with priority access to the state’s scarce resources (Pinkston 2006, 3). The court economy is a measure to buy the loyalty of the regime elite and ensure their commitment to maintaining the system. It is typical of communist states to develop a ‘court’ economy in which senior officials can exclusively access goods and services not legitimately available to other citizens (Holmes 1993, 76; Oh and Hassig 2000, 66). Foreign market transactions are made to secure imported goods via unaccountable financial, industrial and trading companies. Party bodies often set up economic departments in key institutions as a cover for these clandestine enterprises (Asmolov 2005, 39). Some North Korea watchers estimate that the court economy constitutes approximately 20% of total economic activity in North Korea (interview with I-ho Park on 28 July 2008, Daily NK, Seoul). Kim Jong Il realigned his power base to incorporate the KPA through the Songun politics doctrine. By giving the military priority access to the states resource base, Kim ensured that the key institutions of the state would be maintained.

Nuclear weapons development also serves the narrow bureaucratic interests of institutions within the DPRK state. Generally, in nuclear states, the institutional actors typically include the state’s nuclear establishment,
which maintains all facilities related to the nuclear fuel cycle and important units within the military bureaucracy (Sagan 1996/1997, 64). These institutions have a powerful vested interest in self-perpetuation and are likely to be active acquiring more resources to expand their role. For example, the fledgling bureaucracy established in the United States during the 1940s to run the Manhattan Project acquired a large pool of resources – including funding, personnel and physical plant – which gave it a strong incentive to fulfil its mission to perfect a nuclear weapon. Once this task was achieved, the continued existence of this bureaucracy was contingent on the use of the weapon it had created and the continued manufacture of further weapons to augment the existing stock (Beckman et al. 2000, 95).

Nuclear research has a long history in North Korea, beginning in December 1952 when Kim Il Sung established the Atomic Energy Research Institute as a branch of the North Korean Academy of Sciences to commence research into the use of radioactive isotopes in agriculture, industry and medicine. In 1956, the USSR established the Joint Institute for Nuclear Research located at Dubna, outside of Moscow, to facilitate cooperation in nuclear science among countries within the communist bloc. As a founding member of the institute, North Korea sent over 300 nuclear specialists and more than 150 advanced specialists to Dubna during the period of Soviet-DPRK nuclear cooperation (Mansourov 1995; Szalontai 2006, 3). At the same time, Pyongyang established indigenous nuclear physics departments at the Kim Il Sung National University and the Kim Ch’aek Industrial College, which conducted basic nuclear research and were responsible for the refinement of new ideas in the field emanating from abroad (Mansourov 1995, 26).

Today the Second Natural Science Institute is responsible for nuclear weapons research and development, in collaboration with the Academy of Sciences and the Second Economic Committee’s Fifty Machine Industry Bureau. The Nuclear Chemical Defence Bureau in the Ministry of People’s Armed Forces manages the research and development of defensive measures against nuclear, chemical and biological attack (Pinkston 2003, 9). It is estimated that over 3000 personnel are employed at Yongbyon, along with an additional number associated with other nuclear facilities around the country (Niksch 2006, 9). Command and control of the nuclear inventory is thought to be conducted by the Nuclear-Chemical Defence Bureau, an organ of the Ministry of People’s Armed Forces which reports directly to Kim Jong Il (Seobell and Sanford 2007, 16). Dismantlement of these institutional structures would be extremely difficult because once established, institutions take on a life of their own.

**Ideallogical legitimation**

During the Kim Il Sung era *Juche* was the dominant ideational paradigm of the regime. Kim Il Sung saw *Juche* as the independent creative adaptation
of Marxism–Leninism to the unique realities of Korea. Instead, the core of *Juche* is better understood as national pride, which is especially appropriate for Koreans who have always lived in a land surrounded by greater powers, which Bruce Cumings (1993, 213–4) suggests is more of a Korea-centric ‘state of mind’, of putting Korea first in everything. One of the other pitfalls of adhering to the literal translation of *Juche* as ‘self-reliance’ is that it traps one into thinking that *Juche* champions complete isolation. For Kim Il Sung, the quest for self-sufficiency did not preclude international trade or the acceptance of aid: ‘If you provide economic aid, we will accept it, but if you don’t, we’ll be OK nevertheless. This is the principle of self-sufficiency’. Kim Yeon-gak (2001, 386) believes that ‘self-standing’ is more appropriate than ‘self-reliance’ as a translation of *Juche* in the economic realm, an interpretation that implies the regime can self-manage the economy regardless of whether outside assistance is available. North Korea had long-established trade and aid relationships with the Soviet Union and other communist bloc countries, as well as Western-aligned European countries and Japan (Kim 2001, 386). Such activities were acceptable under *Juche* if they helped to plug holes in the planning matrix and consolidated the overall economy. However, when these relationships broke down in 1991 and the economy collapsed, *Juche* philosophy began to look like a hollow shell that no amount of reinterpretation could salvage.

Kim Jong Il’s answer to fill the ideological vacuum was *Songun* politics. The introduction of *Songun* politics in 1998 required North Korea to become strong in political ideology, economic capacity and military capabilities. Given the relative decline in the North’s conventional military capability, the nuclear programme thus became a symbol of the military component of the new legitimising paradigm. *Songun* politics and *Juche* have a symbiotic relationship, with each providing meaning for the other. John S. Park and Dong-sun Lee (2008, 275–6) suggest that *Songun* politics on its own would be unsustainable because of the excessive economic hardship that the military’s priority resource allocation imposes on the people. Similarly, the famine rendered *Juche* practically and philosophically bankrupt as a means of facilitating national self-reliance. However, together they provide the regime with a self-sustaining ideological and organisational structure that legitimises the channelling of vast resources into the military and by extension the indigenous nuclear programme. The technological achievement embodied in the nuclear programme boosts Kim Jong Il’s nationalist credentials and brings prestige to his leadership, which in turn strengthens the relationship between Kim and the military.

The regime is increasingly leaning on hyper-nationalism to legitimise itself as the other facets of its ideology slide into irrelevance. Brian Myers argues that the basis for North Korean nationalism is a race-based moralist worldview in which the Korean people are viewed to be inherently morally superior to all other peoples (Myers 2006). This inherent goodness is one of the reasons that Korea has been the perennial victim of rapacious foreign
powers, allowing the regime to ascribe evil actions to foreign powers alone. Unlike other facets of North Korean ideology such as Juche and Kim Il Sung-ism that have been undermined by real-world events, North Korea’s race-based nationalism is grounded upon an irrational myth that is much harder to disprove, making it extremely resilient and maintainable in both good and bad times.

This race-based nationalism can smoothly incorporate the dichotomy of communism facing off against the imperialist capitalist powers. Kim Il Sung regularly ascribed all of the miseries of Korea, the developing countries and the entire world to imperialism, led by the United States (Koh 1986, 26). This is a narrative that has been refined and amplified under Kim Jong Il; as economic conditions deteriorated and the old ideological paradigms came into conflict with the realities of the famine, anti-imperialism emerged as the one reliable propaganda tool on which to base the regime’s legitimacy. The regime needs the United States as an enemy figure upon which to focus the people’s attention while the country remains under extreme hardship (interview with Brian Myers on 27 July 2008, Seoul). This is the context within which the nuclear weapons programme is positioned in North Korean propaganda. For example, the first six paragraphs of the regime’s statement through KCNA announcing their October 2006 nuclear test were devoted to listing a series of American ‘provocations’ as the justification for the North’s nuclear deterrent (KCNA 2006). It seems logical to suggest therefore that the loss of this imperial enemy would undermine the regime’s justification for its nuclear deterrent. This may be so, but the loss of the external adversary would also undercut other facets of the organisation of the North’s political system, including social mobilisation, economic austerity, internal repression and Songun politics (Armstrong 2008, 18). For these reasons, anti-imperialism embodied in hatred of the United States has been critical to the political economy of the North Korean state.

Conclusion

Recent reports suggest that in the wake of its second nuclear test and with a succession plan in place, Pyongyang has indicated a willingness to return to denuclearisation negotiations (Hwang 2009). However, in the absence of internal systemic reform, it is highly likely that such proposals, even if they result in renewal of the diplomatic track, are cover for the regime’s efforts to service the deeply rooted requirements of systemic maintenance and regime survival. Indeed, it is the North Korean regime’s long-term vulnerabilities – weak economy, agricultural inefficiency, energy shortages, rigid political system and ideological fragility – that make the argument against the regime’s willingness to denuclearise so persuasive.

After examining the national security, domestic bureaucratic and international diplomatic rationales for North Korea’s nuclear proliferation, a convincing case can be made that the Kim regime will not willingly relinquish
this capability. In terms of the North’s national security, the nuclear capability provides a low-cost strategic equaliser against the US/ROK forces across the DMZ, it provides a deterrent against attack or invasion from the South and likely occupies an important role in the North’s asymmetric war plan. More importantly, Pyongyang’s nuclear capability provides it with the bargaining leverage necessary to extract largesse from the international community to plug holes in its economic matrix. This derives from the added prestige and diplomatic weight the nuclear capability has given Pyongyang at the international level, well above what it could otherwise expect. This imperative appears to be the primary driving force behind North Korea’s proliferation decision-making and negotiating behaviour. Other factors add momentum to the regime’s proliferation choices; domestically, the nuclear capability enhances the Kim regime’s legitimacy as the guarantor of a ‘strong and prosperous country’, fighting valiantly against the forces of American imperialism. It also is captive to the institutional inertia and sunk costs of bureaucratic interests.

Pyongyang will continue to exert all its efforts toward self-perpetuation via coercive bargaining. If North Korea returns to denuclearisation negotiations, it is highly probable that it will continue to leverage its nuclear programme to extract international largesse. In the absence of negotiations, Pyongyang is likely to engineer crisis situations to create a bargaining situation in which their de-escalation can be bought through aid contributions. The nuclear programme’s contribution to regime legitimation and stability in domestic bureaucratic politics provides added momentum to this policy choice, in effect locking coercive bargaining behaviour in as Pyongyang’s default foreign relations strategy. It is this multifaceted utility of the nuclear programme to the maintenance of the Songun system that railroads Pyongyang’s proliferation decision-making away from denuclearisation, in the direction of continued nuclear development.

References


