

NorthKoreaPanel podcast

Unidentified Male: You are listening to a podcast from the Stanford Center for International Security and Cooperation.

David Relman: Good morning. I am David Relman. I am the Science Co-Director here at CISAC. On behalf of our Center and the Shorenstein Asia-Pacific Research Center, I want to welcome you to this panel discussion on the ongoing North Korea crisis. There is no international security topic of more pressing importance at the present time than this one, and perhaps no better group of scholars and practitioners with deep experience on the ground to address this topic than the group we have assembled here today.

Our plan is for Gi-Wook Shin to provide some opening comments, then introduce each of our speakers who will have about ten minutes or so to make some comments. They will then engage in some conversation and intra-panel discussion. Then, we will open this up to all of you for your comments and questions.

Before I turn the podium over to Gi-Wook, I want to first give a quick but special thanks to Scott Sagan. I am not sure, Scott? Scott, John Lewis and Sieg Hecker. All of who provided important input into the planning of this event. I also want to thank Catherine McMillan for her tireless and thoughtful efforts in making this event happen.

Gi-Wook Shin is the Director of the Walter Shorenstein Asia-Pacific Research Center. He is also the Tong Yang, Korea Foundation, and Korea Stanford Alumni Chair of Korean studies; the Founding Director of the Korea Program; a Senior Fellow at the Freeman Spogli Institute for International Studies; and a Professor of Sociology, all here at Stanford. Gi-Wook is a prolific and highly influential scholar whose work has focused on Korean nationalism and politics, Korea's foreign relations, and on historical reconciliation in Northeast Asia.

Gi-Wook, welcome.

Gi-Wook Shin: Okay. Thanks David. As the Director of Shorenstein APARC, I am very happy to collaborate with the CISAC on this program. We are upstairs, the third floor. Believe it or not, so it's not easy to come down. One still down, but we are here today. I am very happy. Thanks for organizing this panel as we have been discussing about this North Korean issue for the last 20 plus years. We have had so many talks and conference events, and discussions. But whenever I do – or we do – I feel like we are back to square one.

Hopefully, we can try to make certain progress in today's conversation. But, as , in our current situation, it's not great. North Korea continues to develop the nuclear and missile programs. I think over the last couple of weeks, they tested like two or three more missiles. We already know that they conducting itself five nuclear tests and continue to test missiles.

Now, we are quite concerned that they might develop ICBM. reaching the Continental United States within maybe, in a few years or five years. There is no indication that they will stop either program. On the other hand, our president, Trump, he has been sending confusing and conflicting messages regarding the North Korea problem. Unfortunately, we don't really have any key personnel, either the State Department or the Department of Defense.

Also, we still don't know who would be representing the U.S. in Seoul. The U.S. Ambassador left Korea like January? The position has been vacant. Why is North Korea escalating tensions on the peninsula? I am not sure whether the U.S. has been very prepared to respond.

South Korea, _____ [00:04:49] is our new president. There is a higher expectation for more engagement with North Korea by the new government. But, we are not sure how. If they do. With China, the U.S. has been pushing China to solve the North Korean problem. But also, there is doubt that China may not make any fundamental change in their policy towards North Korea. Today, we will address the North Korean issues from multiple angles; not only from the U.S. and South Korean perspective, but also from the North Korean and Chinese views.

I am very happy to introduce an excellent line-up of experts; so, to my right, Ambassador Kathy Stephens. As you know, she has had a distinguished career in the American diplomacy; including her posts as American ambassador to Seoul a few years ago. I think, still in Korea she is remembered as the most. . . . I don't know, either the favored ambassador among American officials. She is with us at APARC as a William J. Perry Fellow in Korean Studies. Kathy will be speaking on the new South Korean governmental thinking and position on North Korea in the larger context of U.S.-Korea alliance.

Okay. Then we have James Person from Washington. He is now the Director of the Hyundai Motor-Korea Foundation Center for Korean History and Public Policy at the Wilson Center. Among other things, he has led the North Korea International Documentation Project that has been very well received among academics and policymakers. He will offer his perspective on the North Korean leadership in the current crisis, including a broader historical context as with thoughts on the China and North Korea relationship.

The last, but not least, Kathi Zellweger, who is a fellow, or a recent fellow at CISAC. She was also a Visiting Fellow some years ago. Kathi has spent a long time working on humanitarian work in North Korea. She actually lived in North Korea for many years. Today, she will share with us her view on the impacts of the current crisis on the North Korea people. How sanctions and changes in the Chinese trade are affecting them. Once again, each speaker will talk for about ten minutes. Then, _____ [00:08:09] on our discussion

among our panelists. Then, we will open it to the floor for Q&A. Kathy – ?

Kathleen Stephens: Yeah. Thank you, Gi-Wook. Thank you very much for the introduction, and for your leadership; and David, for your leadership. Thank you for all being here today. I am reminded as I look at all of you, and some familiar faces, and some new acquaintances. This is one of the reasons I am so glad to be at Stanford.

I mean, the day after Memorial Day, and we get a turnout like this for a subject like this. I really appreciate, not so much the quantity as to the quality and the variety of the voices here. I really look forward to a very lively discussion today.

I have been asked to talk about the South Korean perspective on the title of this panel, the North Korea crisis. Actually, one thing I was thinking about is – I don't think there are a lot of panels. I have been in Korea 40-odd years off and on; and living there for about 11 of those years. Not too many panels have actually called it the North Korea crisis. Because it has been a situation, if you like since 1953, and since the signing of an armistice. Of course, which Syngman Rhee did not sign up to. Because he wanted to continue to work for the reunification of Korea.

But in any event, it has been ongoing, while existential threat in many ways to South Korea. It is something that has evolved. I was back in Korea in late April and early May with the Stanford Group. I have to say. There was a bit of a sense of crisis there then. Although most people were focused mostly on the upcoming presidential election. But that crisis had a bit to do with nervousness that there was going to be some military action led by the United States with the reported and amended reports of U.S. movement of military assets and so on.

It was one of those few times I can think of over the many years that I have been in and out of Korea where a few Koreans sort of said, "Yeah. I actually did think about – what would it look like to actually have a military conflict here?" What would I do about it? But over the years, people have gotten pretty used to dealing with it. I think people here are often surprised that South Koreans seem so blase about what is a big threat.

Certainly throughout the crises, people learned to live with it. Somebody said to me actually when I came back, "Didn't you find Koreans were really stressed out by what was going on?" I said, " South Koreans are the most stressed out people in the world." But, it has to do with life in South Korea. They have kind of gotten, as I said, sort of used to North Korea. All of that said, and how they dealt with it. Certainly successive South Korean governments have depended on a very robust defense alliance with the United States. At various times under every Korean president, I would emphasize, both pre and post democratization and from across the political

spectrum have attempted various kinds of inter-Korean communication, and back channel. What do you think_____ [00:11:24]; reconciliation,_____ [00:11:26], and so on.

These efforts have not obviously brought the results that were hoped for. But, we can expect them to continue. I think the other point I would make about just before talking about the new Moon government, and about public opinion, and South Korea. I think it remains divided over North Korea. Some think that maximum pressure or even military force to bring about the collapse from unification. It is in the end the only way that this is going to be resolved.

I think that is a minority of the population. But, that is certainly a very deeply held view among some others. I think that it's worth it to try to lower tensions through dialogue, assistance, gradual opening. Even if there is more skepticism in some camps given the disappointing experiences of some of the sunshine years; that even if it doesn't resolve problems, at least, it's a way to manage them and to lower not only tensions but risk.

When it comes to North Korea's accelerated and growing nuclear, and missile capabilities; which is I think, what we're kind of focused on. What we think about more when we think about the North Korea crisis today. There is a humanitarian element too, which I am sure Kathi will talk about.

I think attitudes in South Korea have evolved and are still evolving. I think in the '90s, it was seen as mostly something the U.S. would kind of manage. That was the either Agreed Framework, of course; it was a bilateral agreement between the U.S. and the DPRK funded and supported by South Korea, Japan, and the E.U., but very much a bilateral kind of issue. That's kind of the way Pang Xiong [PH] wanted it too.

I think through those years. I am not going to go through all of the history here I have got. But, through those years, I think many South Koreans. I heard this on many occasions even up to the last few years. Who saw North Korea's nuclear program as mostly a kind of a bargaining chip.

I had heard many South Koreans say, "Well, they would never use it against us." They've already got their artillery. They can take out Seoul with that. This is a larger strategic deterrent, and, or bargaining chip. I do think that South Koreans are less sanguine about it now. I think they recognize that. I would agree with anyway. They say that Kim Jong-un has – I think, demonstrated a real doubling down on the development of a capability, including an intercontinental ballistic capability. That South Koreans recognize is affecting U.S. strategic calculations; and in a way that has huge potential ramifications for South Korea as well.

But, in the midst of all that, I just wanted to say again. The biggest issue in

South Korea over the last six months has been its own domestic politics. South Korea does have a new president, of course, Moon Jae-in, who is from the progressive slash liberal party in Korea, the Democratic Party. He has only been in office for three weeks, less than three weeks. I guess. Yeah.

Unidentified Male: Yeah, about –

Kathleen Stephens: He was elected three weeks ago today.

Unidentified Male: Yeah, about three weeks, yeah, about three weeks....

Kathleen Stephens: There was a poll, a Gallup poll, if it matters, and done last week in Korea on May 23rd or May 25th. I think. That showed, and these are numbers anybody would like. That even though Moon received only 41 percent of the popular vote in a multi-party race, he won by a healthy margin. But, as of last week, 88 percent of the respondents in South Korea think positively about Moon. Expectations are very high.

Another question that was asked in the polls is which country is most important? Because other than South Korea, I guess, implicitly maybe and maybe not – in establishing peace on the Korean peninsula. Fifty-five percent said the U.S. was the most important; and then China, 36 percent. Then, they were asked about leaders of these countries. Twenty-four percent had a favorable impression of Xi Jinping.

This is probably kind of low, but not unexpected given the kinds of pressures that China has put on South Korea in recent months, including de facto sanctions over the deployment of the U.S. Antimissile program, the Thaad program. Nine percent had a favorable impression of President Trump. He was bested by Mr. Putin who has 13 percent favorable rating.

These are some of the challenges that I think President Moon faces as he approaches the – we say the dual and connected issues of his North Korea policy and U.S. South Korean relations. Now, President Moon won on a platform that had more to do with South Korea's domestic issues, economic, inequality issues, corruption issues than foreign policy or North Korea. But of course, as his political lineage, it is clearly the Sunshine Policy of Kim Dae-jung and Roh Moo Hyun. He was Roh Moo Hyun's Chief of Staff.

During the campaign, Moon Jae-in did pledge to honor that legacy even while recognizing that conditions on the Korean peninsula and the stance of North Korea has changed. President Moon has moved a lot faster than President Trump has in appointing officials in the Blue House and elsewhere. Certainly in the Blue House, in particular, they have their experience – is in and not surprisingly – in the Sunshine Policy; and implementing that of Kim Dae-jung and Roh Moo-hyun administration.

I do think there is and will continue to be a strong push from within the administration to open up a stronger North-South inter-Korean element to the North Korea policy. I do think it's interesting that his new foreign minister designate; she has not yet been confirmed and does not come from the tradition of North Korea policy, and U.S.-ROK alliance management policy. She comes from multilateral affairs and actually out of the U.N.

I would also make the point that Moon supporters; and many come from now a younger generation. By younger, I mean those in their 20s and 30s now. It is my own view. I don't have polling to back this up. Although, I think I could probably find some. This younger generation and those who were out on the streets calling for change in Korea's own – South Korea's democracy may have somewhat different views of North Korea than even the somewhat older progressives.

That they have been shaped by some of the crises of recent years, including the sinking of the South Korean ship, the Cheonan, and the shelling of Yeonpyeong island. I always call it the first crisis in South Korea and having to do with North Korea that was caught on smartphones. I always say as I saw people watching almost lifetime video of the shells coming down on a South Korean island. I think that the mix, if you like of the progressive camp is... We will see. It is maybe a little bit different than what it was ten or 15 years ago in South Korea.

I think it's pretty clear. We have already seen some signs that President Moon will want to start on this effort to put his own stamp on policy towards North Korea with the restarting of humanitarian work. He has said and made clear that he wants to find ways of doing it. This does not impinge or violate existing international sanctions to which the ROK, of course, has signed up. But virtually all humanitarian exchanges had been suspended by the previous Park Geun-hye government after the January 6th – the 2016 nuclear test.

But last Friday, just before our long weekend, the South Korean Unification Ministry approved a plan by one South Korean NGO, the Korean Sharing Movement to have some initial contact. Now this depends, of course, on how _____ [00:19:40] responds. But, if they respond, there could be a trip by them as early as June to talk about an initial project, for example, on malaria. The Ministry of unification, which is the ministry that handles these kinds of bureaucratic level of requests is reviewing 19 other civic groups' requests for approval in the area of development exchanges as well according to the press.

Something has gotten a lot of attention is whether and when president Moon might move towards something he said he wanted to do. That is the reopening of the case on industrial park; which is kind of the last big project obviously, inter-Korean project to close by Park Geun-hye. About a year or so ago, it wasn't so long ago.

NorthKoreaPanel podcast

My own view but it could easily be wrong. It is that he's probably not going to make that the first thing he does. But, I think he will have to watch and see how quickly he wants to try to look into that; and also, what the North Korean reaction would be. But of course, President Moon is dealing with the fact that as Professor Shin has already mentioned, North Korea has had three missile tests.

I think just since his inauguration. I am not sure. We can draw our relationship between the two. I know there are many experts here. But my own sense is that these tests are happening on a schedule that has more to do with testing and with developing capability than sending political messages. But of course, they received his political messages anyway. The other thing I learned while I was in Washington last week is that a study has been done.

I am glad people do studies on these. It turns out that North Korea is most likely to have a missile test on a Monday. I always thought it was always on a Monday that happened in an American holiday. Because that was always my experience. But, in fact, there was a test on Monday Korea time as we know. Following that test, and this is kind of my last comment on President Moon.

President Moon did have a phone conversation, a 20 minute phone conversation, according to the Blue House, with Japanese Prime Minister Abe. The Blue House read out, I think is significant. Because it is coming from the Blue House. What they want to say about the call was this. President Moon agrees with Prime Minister Abe.

He said this. That now is not the time for dialogue for North Korea, but a time to heighten sanctions and pressure; adding that the ultimate goal of sanctions and pressure is to bring Pyongyang back to negotiations on its complete denuclearization. That is as much as I understand it; also and still, the stated policy of the Trump administration.

Again, from the Blue House adding this is why the international community must on the one hand, respond firmly; and on the other hand continue to send the message that dialogue is possible, if North Korea gives up its nuclear development. I have already run over my time. But, in terms of U.S.-ROK –

Unidentified Male: Okay.

Kathleen Stephens: – Relations and U.S. policy. Gi-Wook has already talked, I think, a little bit about this sort of rather incoherent at times set of statements that were made both during the campaign and afterwards about what U.S. policy should be and might be towards North Korea. As it is kind of settled to some extent; it seems to me it's quite similar to the outlines of the policy that was pursued by the Obama administration.

Indeed by the Bush administration in its later days, notwithstanding the fact

NorthKoreaPanel podcast

that in a sense, that strategic patience is over according to the Trump administration. There has been a tension, which I certainly welcome to trying to reassure. Reassurance is always important given some of the things that were said during the campaign.

Our allies in Seoul, the Secretaries Mattis and Tillerson have both been there, and vice president Pence. Mr. Pompeo was there and publicized, which is a little unusual. I think, to reaffirm the close partnership, and to put a real emphasis there; and at the U.N. on so-called, as Mr. Tillerson says, "Turning up the dial on sanctions."

We can talk more about what that might be like, a great talk of secondary sanctions; which would have some impact on China. But also a great emphasis, and we saw this in President Trump's meeting with Xi Jinping on getting China to do more; yeah, and not exactly a new idea to those of us who follow this for any length of time. But, it's something that has been much emphasized.

President Moon will visit Washington in just a few weeks, a date sometime mid to late June for a meeting with President Trump. He may well argue for a South Korean track of engagement with North Korea at the same time that the U.S. is cranking up the pressures of kind of a coordinated but dual track approach. I think his most important goal for this trip is going to be to establish a relationship with President Trump.

South Korea has been a little bit of kind of missing on the field for the last six months as it went through its own political crisis and resolution. I think it is that establishing a relationship. I think his most important message. It may seem like a simple one.

But I guess, that's what I will close with. That is that this is the Korean peninsula. U.S. policy on North Korea needs not only to kind of take into account South Korea. But in many ways, it needs to include and go through Seoul.

Gi-Wook Shin: Okay, and thanks Kathy. Now, let's go to Jim.

James Person: Great. Thank you, Gi-Wook, and David, and Scott also for organizing this panel and for inviting me. Thank you to Catherine for doing the heavy lifting and for being patient me in my sometimes delayed responses. I would like to provide a broader historical sensibility in my remarks; and also provide a North Korean perspective on two issues. First on the nuclear crisis; and second on the relationship between Pyongyang and Beijing.

We get so caught up in our own narrative of Kim Jong-un being mad, and irrational, and unpredictable, and determined to strike the U.S. homeland with the nuclear tipped ICBM. That it is easy to overlook the fact that for the

North Koreans, there is a genuine defensive rationale to their nuclear ambition. As odious as the regime may be, I think it's wrong not to give any credence to their security concerns.

We tend to divide ourselves into hawks and doves when it comes to interpreting what drives North Korea's nuclear ambition. Hawks tend to focus more on psychological tendencies, and extortionist motives, or revisionist intentions. Doves by contrast believe North Korea feels threatened militarily, particularly after the collapse of the socialist camp and the loss of their patron allies; taking a longer term historical perspective through an analysis of materials that I have obtained from the archives of North Korea's former communist allies over the years. One can clearly see or clearly identify a sense of mistrust of a malign and predatory world that has been at the basis of North Korea's foreign and national security policies really since the inception of their regime.

This is toward foe and friend alike. It is not a new phenomenon that emerged as a result of North Korea's political and economic isolation. It's also not connected directly to the loss of their patron allies after the collapse of the socialist camp. For several decades now, North Korea has been a paranoid regime, which believes that only the possession of nuclear weapons will guarantee their external security. Historical documents that I have been able to work with again from former communist allies reveal how key national security policies were impacted by U.S. actions around the world; and by developments in South Korea; and by the perceived lack of credibility of the Soviet Union and China.

For example, the key national security policy promoted by Kim Jong-un today, and the so-called Young Gent Line [PH] or the equal emphasis policy. It was introduced over five decades ago in response to the military coup in South Korea that brought to power Park Chung-hee. One can even trace. Or, one could argue that you can trace the origins of Kim Jong-un's pursuit of a nuclear deterrent to the perceived unreliability of the Soviet nuclear umbrella in the early 1960s. The North Koreans are also keen observers of global developments.

They draw important lessons from the experiences of other authoritarian regimes. The lesson that North Korea learned from the Bush doctrine of democratic regime change is that the United States engages in preventive or pre-emptive wars against regimes it does not like. It supports regime change in others, but only in countries that do not possess nuclear weapons.

This was the case with Iraq; which had an unrealized nuclear program. Libya where the leader voluntarily abandoned its nuclear program on a promise of improved relations with the West. Only for Gaddafi to be executed in the street by NATO backed rebels. Again, this is from North Korea's perspective.

More recent actions by the United States in Syria have reinforced these lessons for the North Koreans. Many officials in the Trump administration suggested that the recent Tomahawk missile strike in Syria and even the use of the mother of all bombs in Afghanistan were also signals to North Korea. If you look at the statements of North Korean officials in the wake of these two actions. It's clear. They have received the message loud and clear. North Korea's response to the Syria raid was that it "Proves a million times over," that they were right in developing a nuclear deterrent.

North Korea's Vice Minister Of Foreign Affairs, Han Song-ryol told the BBC, "We'll be conducting more missile tests on weekly, monthly, and yearly basis." We're trapped in a security dilemma with North Korea. While we are discouraging aggression through a show of strength, our actions reinforce their belief that they remain vulnerable. Just as Foreign Minister Han had promised and as Dr. Stephens mentioned, the pace of North Korea's missile tests has certainly escalated.

But, I would suggest that North Korea is also showing some restraint. While satellite imagery shows that the Punggye-ri nuclear test site is primed and ready, they have not detonated a sixth nuclear device. Despite the recent flurry of ballistic missile tests, they have not tested an ICBM despite having claimed that they possess the ability to do so already. Although, many estimates that I have seen from the U.S. suggests that they are still some ways off.

Instead the North Koreans have tested a series of – just in the past three weeks now. They have tested a series of solid fuel, two stage IRBMs that contain ICBM subsystems. While these are indeed provocations, one could interpret these tests as North Korea signaling that they are stepping up to, but not crossing the red line essentially drawn by President Trump when he announced to via Twitter that North Korea's development of an ICBM "... won't happen." No solution to the ongoing standoff with North Korea is possible without direct engagement.

The longer we allow our abhorrence for the regime to supersede our national interests by refusing to talk with them; and to take more seriously their security concerns, the more likely it will be that North Korea proceeds with tests possibly including an ICBM in the future, intensifying the security dilemma for the United States.

Time is not on our side. The North Koreans are learning from every test, even from those that seem to fail. While denuclearization should remain Washington's long-term strategic objective, in the shorter term, Washington – I think – it would be wise to consider a bold Nixon style initiative. That addresses Pyongyang's security concerns directly in exchange for an indefinite freeze or halt to North Korea's nuclear and missile programs; and for the return of inspectors.

If it is rejected by Pyongyang, the United States would be better positioned to consider sterner measures. But, I think we need to put this to a political test. But, any measures taken by the U.S. must be supported by South Korea, and by the South Korean government; which as Ambassador Stephens has noted is more favorably inclined to engagement with the DPRK. They should also be coordinated with China; which brings me now to the second issue I was asked to address, China's role and interests.

While China should be consulted, China should not be in the driver's seat. I think there is a fundamental misunderstanding about the relationship between Pyongyang and Beijing. This misunderstanding of that relationship really has impacted U.S. policy toward North Korea since the late 1970s. Materials from the Carter administration suggests that as we were moving forward with the normalization of relations with the PRC, we determined that there was no intrinsic value to talking with the North Koreans directly.

The Carter administration decided to let China deal with North Korea. This has been more or less the default policy of the U.S. over the past three plus decades. There were occasions as many people in the room know directly or from their direct experience. When we did engage more directly. But, the more less default policy has been to rely on China as what we believed to be China's influence.

We essentially outsourced our North Korea policy to China. But again, I think this was based on the fundamental misunderstanding of the relationship between Pyongyang and Beijing. Now, at the core of this misunderstanding was the question of how close the two regimes were. How much influence China had over North Korea. Now, there is no doubt today that China has greater economic leverage over North Korea than any other country. Between 85 and 90 percent of North Korea's foreign trade is with China.

That gives China an enormous amount of material leverage over North Korea. But, there are clear limits to Beijing's willingness to use that material leverage to pressure Pyongyang through sanctions. If China were to more fully utilize its material leverage, it could bring North Korea to its knees, which is what the United States hopes to achieve. It could also bring about state collapse. But that won't happen. While Beijing's support for Pyongyang appears to be softening, China will not destabilize North Korea.

China has its own interests on the Korean peninsula that go back centuries. Those interests do not align with those of the United States. The Korean peninsula has long posed a massive security problem for China. You can't understand China's present day approach to North Korea except against this background of the history of Chinese concerns about the peninsula as a source of insecurity. Today China's leaders do not view the actions or view actions that destabilize North Korea as in their interests because of

unpredictable potential outcomes.

No amount of pressure from the United States will alter this. They don't want to bring about state collapse on their border. They don't want to deal with the messiness that would immediately accompany state collapse; including the mass of refugees streaming across the border. Chinese leaders don't necessarily want a Korean unification, if it means having on their border a U.S. allied unified Korean state. Chinese leaders, it seems, would sooner live with a nuclear North Korea than risk state collapse on their border, and the loss of a buffer state.

Now, while China does have material leverage through its trade with North Korea; China does not enjoy the ability to, at will exercise political influence over North Korea. Historical materials that I have looked at over the years reveal that there is a profound sense of mistrust at the basis of the relationship. North Korean leaders perceived China as being overly interventionist and not respectful of Korean sovereignty.

I would be happy to discuss some of the key episodes in the relationship in the Q&A, if there is interest. But as a result of this mistrust, Chinese leaders do not have a free hand in North Korea. They can't simply pick up the phone and call Kim Jong-un, and tell him to cut things out. Something that President Trump believed possible until his meeting with President Xi at Mar-a-Lago when he learned that things were more complicated.

If we ask China to directly exercise political influence over North Korea, we are essentially asking China to do precisely what North Korea has most resented over the past six plus decades. It's only going to antagonize Pyongyang even further. This means that the United States needs to take a much more active role in dealing with North Korea, particularly since the regime uses the perceived existential threat from Washington to justify its pursuit of a nuclear deterrent.

Again I think we will need to take seriously North Korea's security concerns; which historical materials reveal are not simply the justification of a madman hell bent on securing a nuclear – or on nuclear weapons – but have been at the base of North Korea's foreign and national security policies for nearly seven decades. Thank you.

Gi-Wook Shin: Okay. Thanks Jim. Let's finally go to Kathi.

Kathi Zellweger: Thank you. Well, I'm delighted to be back at Stanford. Thank you for organizing this panel. I come from the humanitarian aid crowd, so 22 years of humanitarian aid to North Korea. Where are we today? That is one topic. Then, I will also talk a little bit about the impact of aid and the impact of sanctions. Let me start with that in March, the U.N. sent out the 2017 Need and Priority plan asking for 140 million U.S. dollars to meet the basic needs

of 13 million vulnerable people in the DPRK.

What are the issues today? Malnutrition, no longer famine, but chronic malnutrition is a major concern. Driven by a lack of sufficient diverse food, inadequate healthcare, and poor access to water and sanitation services.

External assistance plays an important role in safeguarding the lives of millions of people. Expectations on aid agencies are high and so is the challenge with the severe lack of funding. An example, in 2016 for a similar program, the funding level was at 26 percent only; so, U.S. dollar, 44 millions were received to assist 13 million vulnerable North Koreans.

That means 3.38 dollars per person. That doesn't go very far. During my recent visit to North Korea in April, I learned that some agencies might have to downsize further or even to withdraw because of the sharp decline in donations; so not a good picture.

Has aid made a difference? Monitoring aid brought me in touch with families, and with doctors, and hospital patients, farmers, teachers, and children. Years ago, people were very reluctant to meet strangers, even eye contact was avoided. By now, they are less fearful when dealing with foreigners; and have become curious about our way of life. Some even dream of traveling abroad.

Living standards of ordinary people have improved because of aid programs. A water tap in a family home does make a huge difference. Or, an increased family income because they work at sloping land management programs. Then, interactions are transforming relationships. Opinions of foreigners are changing. Information from abroad is impacting views and attitudes.

During the famine years, of course, aid saved lives, many lives. By now, the overall living conditions have – I would call it modestly improved. This is not so much due to aid interventions. Of course, they do play the role, but also because of the strong will and the resourcefulness of the local people. Then, a certain empowerment to make decisions, be it in terms of participating in market activities, or entrepreneurship; experimenting with authorized changes in the farming policy just to name a few crucial developments.

Over the past years, good working relationships with officials at different levels have been established,; and with that, a certain amount of trust and openness. Today problems and issues can be addressed much more directly. Access for planning and monitoring purposes is less difficult. Moreover, and this is very important, DPRK officials are much more receptive to new ideas. In fact, at the recent NGO meeting in Washington D.C., almost all of 18 U.S. NGO participating in the conference agreed that the working environment for NGOs in the DPRK has improved in recent years.

But now, to the sanctions and possible changes in Chinese trade with North Korea. The aim, as we heard before, the aim of the various sanctions is to pressure the Kim Jong-un regime to change its behavior by squeezing North Korea economically. U.N. and unilateral sanctions imposed on the DPRK exclude humanitarian assistance. It should not influence aid project in theory at least.

From my recent visits to North Korea, I don't see sanctions having a direct effect in humanitarian terms on the general population yet. Prices for rice and maize, as well as the exchange rate have remained stable. Also, the longer the sanctions persist, the more likely they will impact the lives of ordinary North Korean people, and increase hardship, and hamper development.

The most vulnerable; people with disabilities, the sick, the elderly, women and children already feel the pinch. The level of humanitarian assistance is decreasing year by year, not only because of funding problems. But also because of nowadays a more complicated and lengthy procurement process and slow delivery.

Then, there are also rumors of new fees and charges for all sorts of services. This hurts everybody. It's a downward trend to the poor. The poor will suffer more. Another example, some factories in North Korea are having difficulties in purchasing raw materials with the result that there will be under or unemployment. More people will have difficulties in making ends meet. More people will fall through an already very weak social safety net.

When I was there in April, Chinese trader were still very much active in the country. It remains to be seen what impact the restrictions on North Korea's coal export to China will have. Is punishment the sole goal of Beijing's coal ban? Some experts I spoke to felt that, if enforced, it will indeed squeeze the regime's revenues. But it would also be seen as a tester by Beijing to the new U.S. administration.

But back to aid agencies, how do we feel with the sanctions? A few examples; donors are very reluctant to provide funds for projects in North Korea especially companies. Because it cannot appear on any document that they are involved in North Korea.

Our banking channels do no longer exist. It's almost impossible to transfer funds for daily operational costs or even paying Chinese suppliers. This despite the provision for dispensation for humanitarian activities. Cash operations are undesirable and risky. Then, delays in procurement are common due to additional requirements for licensing and the need to ensure that the equipment or the supplies are not on any sanctions list.

Another point I feel strongly about. North Korean companies that used to

operate according to international standards have been pushed through the gray zone. I don't think that's a healthy development. The biggest impact however is the fact that there is, because of the political situation, no development cooperation with North Korea.

By linking relief rehabilitation and gradually, also development assistance, a stronger impact for enhancing the welfare of the general public could be achieved. With some DPRK aid programs, the first two steps have been taken. I think that's a commendable effort.

But let me also add, it is now widely acceptable that the compartmentalization between humanitarian aid, which should be short-term; and development cooperation, which is long-term is artificial as far as poor people themselves are concerned. Personally, I would also see Development and Cooperation perhaps as a carrot as we often talk of carrots and sticks.

In closing, one question I am asked all of the time. Has it changed in the 20 years you have been going there, this North Korea? Yes, and no, but it's certainly no longer the country I experienced in 1995. Some years, I created the term the Five Ms. These Ms are still very valid. They include the fact that markets and money are playing a role in the daily lives of ordinary people.

Mobile phones have become a very common form of communication. Motor cars have increased. Lastly in Pyongyang, but also in all other cities, there is a small middle class developing. Today, I would even add another M. That is that mindsets, particularly among the younger generation in Pyongyang are changing.

In closing, from my view point, pressure and sanctions will not solve the problem on the Korean peninsula. In fact, sanctions frequently increase the resolve of the determination of the country being targeted by sanctions both at government level and among ordinary people. I am convinced that only engagement offers a chance to address issues in a constructive and peaceful way. Thank you.

Gi-Wook Shin:

Okay. Thank you very much. Okay. I am going to start our conversation by asking one question to each panelist. Then, I will open it up to the floor. Let me start with Kathy about South Korean policy towards North Korea. Obviously, he is only in three weeks. I mean, once he assumes the power. Maybe, a little too early to say anything different, but I think there are two views about North Korea policy by the Moon government.

Okay. One view is that he might more or less repeat the Sunshine Policy of Kim Dae-jung and Roh Moo-hyun. About two years ago, I presented at the public hearing at the International Assembly about North Korea policy. At the time, Mr. Moon was a member. He was basically saying that Kim Dae-jung and the _____ [00:52:42] government made a lot of progress in inter-

Korea relations. But, then once _____ [00:52:48] came into power; and they basically destroyed any progress.

One indication is that he might go back to the Sunshine Policy like Sunshine two. On the other hand, things have changed a lot. Once again, now the North Korea tested _____ [00:53:09] on nuclear weapons. There so, he may have learned some lessons from the previous progressive government. Rather than pursuing Sunshine two, he might pursue his own – you might say moonlight policy toward the North Korea. Is he going to be Sunshine 2.0 or Moonlight? Either way, is he going to create any friction or tension of the Trump administration.

Kathleen Stephens: Well, my crystal ball is always cloudy. But, I think if we look at President Moon's own political pedigree, the things that have shaped his career, and his thinking, the people he has brought into the into the government, I think they are -- I think they remain proud of what they've tried to do. Feeling that particularly in building some lines of communication and assistance between North and South, that they did something that is a legacy, a great legacy of those two presidencies. They want to build on.

At the same time, I think they are also very mindful and particularly with a new administration in Washington that is very unpredictable. They need to take this step by step. I think that is what we have seen in these three weeks is a focus on trying to reinforce some of the traditional pillars of the alliance; and try to build a relationship with President Trump and take it from there.

But, yeah, I imagine that President Moon will want to discuss with President Trump and with others in the U.S. administration. Why Seoul needs to play a rather differentiated role? I don't know, if he would put it that way. But, I think something like that. I sort of wonder if he will...? I doubt that he is going to revive the use of the word Sunshine. I think that probably doesn't make a lot of sense.

But certainly, he can; as I said, respect the legacy and carry it on. I mean, the two things that have changed most, I think in North Korea. Well, I mean, and Kathy has mentioned some of them in terms of some economic changes. A differing relationship with China; but also, you do have a new leader in Kim Dae-jung who we don't know very well. He has been in power now for almost six years.

He has not traveled outside of North Korea. He has essentially met with almost no foreigners, leaders or others. Some people think one of the reasons is because of his age. In Korea, it really matters who is older than whom. But he is in his early 30s. But, I think that it's a different – it's a generational change that South Korea will have to take into account.

Of course, the other issue I think is that is the nuclear issue. The way that has

really shifted since Roh Moo-hyun was in power. When Roh Moo-hyun left office, there had been a test, and maybe two tests, nuclear tests. But, the Six Party Talks were still stumbling along. There was the Joint Statement of Principles, which did reflect an effort to work with the United States and China to address the security concerns of North Korea.

Because I agree on the importance of that. But I think that has become even more difficult to think about how you do that absent, if it is; acknowledging, and recognizing, acquiescing and North Korea's desire to be considered a nuclear weapons state. I think that's going to be very difficult for him.

Gi-Wook Shin:

Okay. Thank you. This is for Jim. You mentioned about our misunderstanding of China's influence. On North Korea, I agree. I guess. Only people who believe that sometimes we misunderstand China's influence on North Korea. But then, one has to wonder. Why then our U.S. government has continued to press China to make an influence on North Korea? Is it because of misunderstanding or a misperception of China's role? Or, there is no viable alternative to also send to China?

James Person:

A great question, and I have asked many people. Why we continue to believe China has held all of the cards? But, I haven't gotten a great answer. Many people just keep going back to the to the narrative of well the Chinese helped the Koreans during the Korean War. They saved North Korea from being wiped off the face of the map. I like to remind them that a lot has happened; or lot can happen in succeeding decades.

We're talking over six decades now. There are countless incidents where, as I mentioned, the North Koreans feel that the Chinese were being overly interventionist, or not respectful of Korean sovereignty starting with the Korean War.

The North Koreans look at the Chinese actions during the Korean War. They were not comfortable with a foreign military apparatus coming in and taking over control of field operations. There were just well-known disputes over the use of railroads, for example, during the Korean War where the Chinese essentially told the North Koreans. They could not use their trains for reconstruction.

The trains were standing still and became easy targets for American bombers. Just shortly after the war, you see Soviet reports talking about the North Koreans holding this bitter resentment toward the Chinese; and blaming the Chinese for not allowing offenses to continue, and not for not, and kicking the Americans off of the peninsula.

Within three years of the. Korean War, you had this major incident, domestic and political incident. China directly interfered by dispatching Peng Dehuai who was the commander of the Chinese People's Volunteers. There is no

question about it. They directly meddled in North Korean affairs in this incident.

The Consul Revolution is another period in where the North Koreans will turn back to and identify tense moments, I mean tense moments is perhaps the understatement of the century here. Essentially, there were border clashes, military clashes on the border in the vicinity of Paektu Mountain. You had Chinese Red Guards rounding up ethnic Koreans in Manchuria, executing them, and sending them across the border on trains with little notes attached to them saying, "This is going to happen to you next, you little revisionist." Chinese troops entered North Korean territory. The Chinese were openly criticizing Kim Il-sung and calling him a fat revisionist. Because he was straddling the fence in the Sino-Soviet split.

In 1980, you have another incident where the Chinese openly opposed Kim Jong-il's succession to the leadership. Now, up to the late 19th century, of course, it was the right of the Chinese emperor to confer legitimacy on a Korean monarch. But for the North Koreans in 1980, it was unconscionable. That China felt that it had the authority to express an opinion on who would succeed.

There is a profound sense of mistrust that goes back decades at the base of the relationship. Again, I just don't know, if it's because we don't study history well or apply the lessons of history well? But, we got it wrong in the late 1970s when we made the decision in the U.S. That there was no intrinsic value to dealing with the North Koreans directly.

We decided to outsource that policy, or our North Korea policy to China. But, for the better part of the last three plus decades, it has been the go-to policy. But, I am hoping. I'm fairly optimistic that is changing. Your eyebrows are raised.

I guess. You're not self-devising. But, it's interesting to see how.... When I release these historical materials, these conversations between North Korean officials and other communist leaders where the North Koreans are saying repeatedly over the decades. We don't trust China. Here is why: One, two three, four, five. At first, when I started releasing these materials, to see people and to share these with officials in Washington, they were like, "Well, I don't know about this." But now, people are accepting these and looking at these materials. Yeah, there is this mistrust in the relationship. We understand now. Hopefully, we will begin to see some changes.

Go-Wook Shin: Okay. Great, but yeah, Kathi, I love your concept of five M; – Mobile, motor, money, market, and middle class now. Adding six and now six M, mindset.... What will be an overall or long-term impacts of these five Ms or six Ms?

Kathi Zellweger: I think the long-term impact is really the last M, that mindsets are changing.

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Because especially with North Koreans now having mobile telephones, the communication flow among themselves has increased so much. Quickly, they can call their relatives on the other side of the country, and tell them what's happening. This was not possible some years ago. That makes a huge difference.

But of course, a lot depends what happens next in terms of aid programs, and in terms of North-South relationships, and of course, the U.S. too. I do think we need to look at long-term assistance and not just short-term. Then, I think the five Ms will increase also in other parts of the country. Now, you see in some cities, developments. For example, on my visit last October in a small town. I saw a taxi services.

Or, on my recent travel up to _____ [01:04:54], I noticed farmhouses now also have solar panels. There is more money floating around. People have more money. The more marketization, I think the more this will happen. But then, it is also how much will be permitted from the North Korean regime? I think it can only go as far as they feel comfortable with. But so far, I do see a step by step positive development.

Gi-Wook Shin: Okay. Thank you. We have about 20 minutes. I would like to open it to the floor.

Unidentified Male: You have been listening to a podcast from the Stanford Center for International Security and Cooperation.

[END OF TAPE]