This report is the research output of an FY2012 international affairs research project conducted by the Japan Institute of International Affairs to develop recommendations, and comprises a compilation of the papers written by the individual project participants. As suggested by the name, this project sought to provide area-specific analyses of circumstances in North Korea in 2012 as the country constructs a successor regime. Project participants were responsible for research presentations on their respective areas of specialty during the project period, and have solidified their views on their fields of research in the course of gaining feedback in debates with other project participants, participating in international conferences and making final report presentations in open symposiums. The papers contained in this report have been written via this process. For the convenience of readers, a synopsis of the report’s 11 chapters on discussions in the areas of politics, economics, and foreign policy and the policy recommendations presented in the conclusion is provided below.

Chapter 1: Domestic politics during the Kim Jong-un era (Hisashi Hirai, Project Member)

This chapter takes an overview of the process involved in creating the Kim Jong-un regime, particularly the organizational and personnel changes firmly set in place at the April 2012 WPK Party Conference and the fifth session of the 12th Supreme People’s Assembly and the flurry of replacements made among high-ranking military officials, and introduces the numerous visible changes (emphasizing “enlightenment,” reforming the educational system, seeking out economic reforms) made within the limit of a new regime having no choice but to stress its status as “heir” to existing policies (continuity) to firmly establish its own legitimacy. In addition, the chapter points out that an even more fundamental change can be seen in the Party exercising stronger control over the military (revitalizing the hollowed-out Plenary Meeting of the WPK Central Committee, selecting top Party officials for positions of military leadership) even while touting the Songun “military-first” policy.

Chapter 2: The Kim Jong-un regime and the armistice framework – the “Leap Day Agreement” and developments in relations with South Korea (Hideya Kurata, Project Member)
This chapter attempts to elucidate the context of North Korea’s intensifying foreign policy stances in recent years by using relevant statements as clues. Specifically, the chapter makes clear that North Korea’s actions through 2011 – excluding other countries (i.e., South Korea) from negotiations by demanding US-North Korea confidence building measures as a precondition for denuclearization, and making brash armed challenges toward the South to “demonstrate” the fragility of the armistice agreement – “culminated” in the Leap Day Agreement (February 2012), and that this resulted in the elimination of denuclearization from the negotiation conditions prompted by the Unha-3 launch that exposed this Agreement’s defect in not clearly distinguishing between the launch of a long-range missile and the launch of a rocket for peaceful space development as well as the public declaration that North Korea would be strengthening its “deterrence capabilities” vis-à-vis the US (i.e., acquiring the ability to launch a nuclear strike against the US mainland), and points out the potential for this enhancement of “deterrence capability” to trigger still more military aggression toward the South.

Chapter 3: North Korea in 2012 from an economic perspective (Mitsuhiro Mimura, Project Member)

This chapter discusses economic policy under the Kim Jong-un regime and focuses in particular on the degree of change exhibited by this policy. Specifically, it points out that the outwardly clear-cut changes toward pursuing closer economic relations with China and Russia, stressing the achievements of its space industry and cutting-edge technology and expanding welfare and recreation facilities should be viewed in a context of continuity from the Kim Jong-il era. This chapter’s assessment is that the new regime has still not yet shed its cautious attitude about switching to a style of economic management free of the dogmatism characteristic of the North Korean economy. Given that vociferous discussions are taking place, albeit within the existing framework, on economic vitalization based on a frank acknowledgement of current economic realities, this chapter concludes that redefining the modalities of a socialist economy will become an issue for the new regime in future.

Chapter 4: Still closer economic relations between China and North Korea in 2012 (Yukihiro Hotta, Project Member)

This chapter analyzes the current state of China-North Korea economic relations that have consistently expanded under international economic sanctions, at times even evoking doubts about the effectiveness of these sanctions. This chapter begins its examination of this expansion with the present state of such special economic zones as the Rason Special Economic Zone and the Hwanggumpyong Island/Wihwa Island free trade area,
infrastructure improvements (ports, railways and roadways), and the expanded traffic of tourists and other persons as starting points, uses various data and statistics to reaffirm that China has now “replaced” South Korea in its former status as a trading partner, and employs Chinese documents/materials to illustrate the troubles surfacing as economic ties grow with China (i.e., companies investing in North Korea), which is more corporate- and market-oriented.

Chapter 5: North-South economic relations (Tetsuo Murooka, Project Member)

This chapter recapitulates North-South economic relations during the Lee Myung-bak administration as a means of putting into perspective the economic ties that will serve as an important element in developing the “confidence-building process” with North Korea advocated by South Korea’s Park Geun-hye administration. North-South trade had expanded during the Kim Dae-jung and Roh Moo-hyun administrations, but dropped off rapidly following North Korea’s armed provocations; indeed, such trade was limited almost entirely to trade via the Kaesong Industrial Park (opened in 2004) through the latter half of Lee Myung-bak's term. With this industrial park being a de facto “the only interface,” the chapter makes clear that the park is actually expanding in scale. The chapter draws the conclusion that, while it is highly likely that this industrial park, preserved as a symbol of North-South cooperation projects and an incentive to encourage change in North Korea’s regime, will be maintained and utilized even during Park Geun-hye’s term of office, a counterargument claiming that the ultimate goal of building mutual trust will further recede could nevertheless emerge.

Chapter 6: Aspects of North Korea’s CNC policy - attempts at manifesting the “economy-building path of the military-first era” and its implications (Tomoki Iimura, Project Member)

This chapter addresses the vigorous moves made in North Korea in recent years to introduce computer numerical control (CNC) at production sites, presenting an overview of these efforts and analyzing their background. Specifically, this chapter notes that progress in adopting CNC is being displayed through the establishment of production bases for CNC machine tools, the transmission of CNC via groups of specialist engineers, and the emphasis given to the effectiveness of CNC in improving quality, an issue persistently plaguing the North Korean economy. The chapter then analyzes this policy, seemingly a form of “edification,” showing its significance as a symbol of the effectiveness of the “economy-building path of the military-first era” that advocates boosting the economy by prioritizing investment in the armaments industry (i.e., feedback from the armaments industry) and concluding that this policy for greater CNC reflects the authorities’ preference
for top-down technological innovation, with the flip side of that coin being restraints on discretion at every level.

Chapter 7: North Korea’s foreign policy (Hajime Izumi, Project Member)

Bearing in mind that establishing the legitimacy of a successor regime is presently the issue of greatest importance to North Korea, this chapter examines how foreign policy has been radicalized since the death of Kim Jong-il. More specifically, the chapter defines the Kim Jong-un regime as a “collective leadership regime” in which the “nominal supreme leader” is supported by his close advisors, and points out that the conventional foreign policy guidelines that had advocated systematizing high-level US-North Korea talks as a medium- to long-term objective were carried on even after the death of Kim Jong-il in the conclusion of the “Leap-Day Agreement” (March 2012). Mistakenly believing that this agreement would not contradict the launch of a long-range ballistic missile as a symbol of the 100th anniversary of Kim Il-sung’s birth and confronted with its consequence (i.e. accusation from international society), North Korea’s leadership determined that its only choice was to demonstrate the authority of the collective leadership regime with Kim Jong-un as supreme leader through a hardline hostile policy towards the US, and the chapter consequently surmises that this is why North Korea adopted a notably aggressive foreign policy stance. In addition, the chapter notes that the Kim Jong-un regime, with this kind of perception, will quite likely seek to repair its worsened foreign relations once it has secured a certain degree of legitimacy through a hardline stance toward the outside world.

Chapter 8: The place of North Korea policy in the Obama administration’s emphasis on the Asia-Pacific (Toshihiro Nakayama, Project Member)

Seeking to forecast the direction of the Obama administration’s policy toward North Korea in its second term, this chapter focuses attention on and analyzes the policy of emphasizing the Asia-Pacific consistently advocated by the Obama administration. The implications of this “pivot” are not limited simply to security commitments, and the chapter makes clear that the pivot stems from the US’ desire to remain involved in the stable development of this region so that it can continue being a player in the growth center that this region represents. In addition, the chapter points out that the US’ policy toward North Korea itself is a perpetual repetition of moves on the nuclear issue in the name of “strategic patience,” that North Korea’s place within the pivot is peripheral, constituting little more than “noise” within its policy toward China, and that a pattern has emerged wherein North Korea repeatedly uses provocative words and actions to circumvent this sidelining by posturing as a direct threat to the US.
Chapter 9: China-North Korea relations – the structure and transformation of China-North Korea relations (Shunji Hiraiwa, Project Member)

This chapter approaches the matter of China-North Korea relations, which have helped make North Korea “invisible,” from the Chinese side. Specifically, it uses case studies of the 2009 missile launch and nuclear test, the 2010 armed provocations against South Korea and the dynamism of the back-and-forth visits of key officials and economic cooperation between China and North Korea during this same period, and the 2012 missile launch to highlight two co-existing (and mutually influencing) vectors in China’s stance toward North Korea: its role as an actor serving as an intermediary with the US in international relations pertaining to the Korean peninsula, and that of an actor stressing its traditional ties of friendship with North Korea. It concludes that the way in which this situation changes as North Korea under the Kim Jong-un regime calls for a hardline course against the US contrary to Chinese advice will serve as a means of judging China’s true influence.

Chapter 10: Russia’s North Korea policy, with a focus on developments in Russia-North Korea relations (Shinji Hyodo, Project Member)

This chapter focuses attention on Russia, generally regarded as a supporter and friend of North Korea on par with China, that has relatively little trade with North Korea and would face a limited impact from a regime collapse there (as opposed to China, which shares a long national border with North Korea), and analyzes the background of Russia’s pursuit of a policy toward North Korea more in accordance with its ties to surrounding countries (the US, China, South Korea) than with North Korea’s direct strategic significance. The chapter points that as a consequence, Russia’s interests coincide with those of the US in terms of regional security and, in light of the declining importance of strategic collaboration with China, Russia is seeking out a more independent diplomatic approach to East Asia. Even while it criticizes North Korea for its proliferation of nuclear and other weapons of mass destruction, the chapter concludes that Russia have also surfaced to improve economic relations with North Korea as a consequence.

Chapter 11: Summary and recommendations: North Korea’s missile launches/nuclear tests and Japan’s responses (Masao Okonogi, Project Leader)

Shining a spotlight on the development of long-range missiles and nuclear weapons that symbolize the “continuity” of the Kim Jong-un regime, this chapter summarizes the history of that development and notes that “the persistence of the teachings (testament) of Kim Jong-il” through the completion of this development is regarded as a guarantee of the legitimacy of the successor regime. The chapter also recreates developments since the
April 2012 launch of an “artificial satellite” (long-range missile) from the viewpoints of North Korea and surrounding countries in seeking out patterns of brinksmanship similar to the first nuclear crisis (1993). Given that the policy options available to surrounding countries have significantly diminished since then, this chapter shows that North Korea’s neighbors have no fixed stance, having reached an impasse by trying to contain North Korea while holding out the possibility of negotiations. The chapter concludes that Japan needs to prepare against provocations as well for the reopening of negotiations (with multiple formats possible), i.e., it must exclude neither circumstance/possibility.