



MISSILES AND REUNIONS: THAW OR FREEZE ON THE KOREAN PENINSULA?

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Family reunions between North and South Korea may be an encouraging sign of a thaw in tensions on the Korean Peninsula, which could lead to further trust-building activities and economic cooperation. However, with missile tests and ongoing U.S.-South Korean military exercises, Pyongyang's intentions in agreeing to family reunions are unlikely to extend to more significant issues, namely denuclearization, which remains the fundamental sticking-point to a substantial improvement in relations.

In spite of North Korea's recent firing of four missiles amid current ongoing U.S.-South Korean military exercises, tensions between the two Koreas have eased somewhat since the start of the year. In his New Year's address, North Korean leader Kim Jong-un indicated a willingness to create a more conducive atmosphere for improving relations between the countries, which was followed in February by two high-level meetings, held at Panmunjom, during which the two sides agreed to hold family reunions that subsequently took place on February 20-24. The family reunions were the first since November 2010, while the meetings were hailed as the highest-level official contacts the two countries have had since 2007. Notably, North Korea agreed to let the reunions go ahead despite the military exercises, with Pyongyang and Seoul agreeing to decouple military and humanitarian issues. Pyongyang's motivations for doing so and the extent to which it represents a new dynamic on the peninsula is explored below.

Pyongyang's Calculus

Since its third nuclear test, North Korea (DPRK) has found itself increasingly isolated. With China also having taken a more determined stance toward it, inter-governmental relations between the two countries would appear to have deteriorated. Pyongyang is therefore in need of breaking out of its diplomatic isolation. By pursuing an improvement in relations with South Korea (ROK), this may also increase the likelihood of engaging the United States with which official talks have not taken place for two years—since a U.S.-DPRK bilateral meeting on February 29, 2012.

In fact, North Korea is desirous of pursuing a strategy of dialogue with the United States, which the DPRK regime views as the necessary negotiation partner to obtain a guarantee of security. Furthermore, North Korea recognizes that China's main concern is stability on the Korean Peninsula. Therefore, by taking steps to improve ties with South Korea, Pyongyang could also be seeking to improve relations with China.

One of the most urgent problems facing North Korea is the reconstruction of its national economy and improving people's living conditions. Although it has tried to initiate economic reforms, it has met with severe challenges and impediments, not least because the regime refuses to entertain fundamental changes of its economic system. As relations with China, North Korea's main trading partner, continue to sour—in particular after the execution of Jang Song-taek, who was rumored to have had close business interests with China—North Korea would benefit from expanding economic ties with South Korea. Indeed, the latter has already asserted its vested interest in assisting with North Korea's economic development. Last year, President Park Geun-hye indicated that she would increase humanitarian aid and offer development assistance should the North take steps to ease tensions on the peninsula. Accordingly, the North Korean regime may see financial support from South as a way of urgently reviving its economy, and through agreeing to family reunions is taking steps to ensure such.

With the family reunions now having successfully taken place, President Park has decided to resume humanitarian aid and now may have an auspicious opportunity to



facilitate positive engagement. Earlier this week, for example, South Korea offered medical assistance to the North to help stem an outbreak of swine foot-and-mouth disease.

Aid, Engagement, and the Nuclear Impasse

The effects of aid would vary depending on what projects were funded and how donors and recipients behave. South Korea's aid should take secondary place of supporting the smooth implementation of internal reforms. It should be focused not only on food and materials therefore but also on other areas, including social sectors and infrastructure, such as building schools and hospitals, transferring technologies in the agricultural, energy, and medical sectors, and training and educating people in North Korea. Thus, efforts should be geared toward improving the livelihoods of North Korean citizens. Improvement of the economic base in the social sectors can bring an opening up of North Korea's economy and society that could lead to a fundamental change in North Korea in the future.

While family reunions may thus be a harbinger of hope for further trust-building activities and greater economic cooperation, other recent developments on the Korean Peninsula are a reminder that points of contention remain firmly entrenched. Indeed, North Korean naval vessels violated the Northern Limit Line (NLL) three times on February 24, while three days later the DPRK fired four short-range missiles into the East Sea. While the above events are nothing out of the ordinary, the timing suggests that the DPRK is showing its discontent with the joint South Korea-U.S. military exercises, which began on February 24. Meanwhile, the South Korean government is unlikely in the near future to significantly ramp up cooperation with North Korea—cautious as it is about negative domestic public opinion—after the perceived North Korean provocations of recent days notwithstanding the family reunions.

North Korea's missiles were unlikely intended to torpedo recent positive developments in inter-Korean relations. Rather Kim Jong-un will likely continue diplomatic maneuvers aimed at extracting economic and humanitarian aid, mainly from the South Korean government. Moreover, the regime will continue to send signals that North Korea is ready for reforms to the outside world in order to try and obtain help. However, its nuclear and missile programs—designed to meet the need of regime survival and extract concessions—will be the main obstacles to attracting much

needed international aid and investments. Indeed, it is unlikely that more substantial economic aid will be provided unless North Korea moves toward denuclearization. While some level of inter-Korean cooperation may well be possible in the short term, any real improvement hinges on steps being taken to resolve the nuclear issue. So far Pyongyang has refused to discuss the nuclear issue with Seoul. Regardless, within its limited room for maneuver, the South Korean government should develop a strategic agenda that aims to guide Pyongyang in a direction of peaceful development on the Korean Peninsula. The resumption of family reunions is at least a small but positive step in this direction however tentative.

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