THE PECULIAR PRAGMATISM OF PYONGYANG

BY JOHN FEFFER

ILLUSTRATION BY CRAIG LAROTONDA

I met Mr. Yoon at my hotel in Pyongyang in the spring of 1999. With his lightly accented English and well-tailored suit, he seemed indistinguishable from the other South Korean businessmen prospecting for deals in the North. What should have clued me in, though, was that the other businessmen at the Potonggang Hotel—an Australian working with the North Korean military on a gold mining project, a Sri Lankan working for a German clothing company—seemed to be avoiding the South Korean. Pyongyang is such a challenging place to do business that English-speakers will usually gravitate toward each other, regardless of nationality or ideology. Yoon didn't seem to be bothered. He gave me his card, which listed two affiliations: Pyounghwa Motors and KumGangSan. "Look me up the next time you're in Seoul," he said.

At his headquarters in the Seoul Press Center two months later, Yoon eagerly filled me in on his myriad projects. He and his colleagues at Pyounghwa Motors had established a joint venture with Italian manufacturer Fiat to assemble new cars at a plant at the North Korean port of Nampo. KumGangSan, meanwhile, had facilitated numerous exchanges, including a visit to Pyongyang by a troupe of adorable South Korean children known as the Little Angels.

Only when Yoon unrolled the blueprints for his premier project—an enormous building next to the Potonggang Hotel in Pyongyang—did I finally realize with whom I was dealing. The building would one day be the largest church in North Korea. Pyounghwa Motors and KumGangSan were owned and operated by the Moonies.

It might seem obvious that the Moonies—the Unification Church founded by the Reverend Sun Myung Moon—would be interested in North Korea. Unification of the divided peninsula serves as governing trope of the sect. Moon has funneled millions of dollars to Pyongyang, including lavish birthday presents to former North Korean leader Kim Il Sung and his son and successor Kim Jong Il. In return, Moon's birthplace in North Korea—Chongchu in North Pyongan county—has been designated a World Peace Park to be administered by the church.

Not so obvious, however, has been Pyongyang's interest in the Moonies. While permitting some religious practices, North Korea has historically been hostile to evangelicals of all persuasions. More pertinent, however, is the passionate anti-communism of the Unification Church, visible in its support of the World Anti-Communist League and ownership of the arch-conservative *Washington Times.* The Moonies, it would seem, would be the very last organization that North Korea would actively court.

The romance between Pyongyang and the Moonies belies the traditional view of North Korea as a doctrinaire, unchanging, and fundamentally irrational state. As I discovered on subsequent trips, the North Korean government can be unexpectedly, even ruthlessly, pragmatic. The leadership will go to great

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lengths to achieve its primary goal of staying in power, whether that means an accommodation with an anti-communist religious group, reaching out to the United States and South Korea, implementing significant market reforms, or even building a nuclear bomb. In the current attempts to avert a full-scale war, involving backdoor negotiations and multiparty talks, Pyongyang's pragmatism may prove decisive.

Making fun of Kim Jong Il used to be a cottage industry in South Korea. The oldest son of long-serving leader Kim Il Sung was reputed to be a drunkard, a womanizer, a film fanatic with a preference for action flicks and pornography. At the same time, the South Korean press identified him as the man behind some of North Korea's most heinous acts, such as the bombing of the South Korean cabinet in Burma in 1983 and the blowing up of a South Korean passenger jet in 1987. Kim Jong Il was a villain straight out of pulp fiction—creepy, lascivious, and heartless. He was also the quintessential man of mystery. Prior to his elevation to the head of state after his father's death in 1994, the younger Kim had spoken fewer than a dozen words in public. He was known to have directed some movies in his youth before working his way up through the bureaucracy under the tutelage of his father. He was close to the military. But no one knew what was on his mind.

The picture of the new North Korean leader that emerged in the 1990s was substantially different from the lurid profiles that had been previously constructed by South Korean journalists. Kim Jong Il was not exactly of the stature of a Gorbachev. On the other hand, Secretary of State Madeleine Albright reported after her visit to Pyongyang in October 2000 that Kim was "very decisive and practical and serious." This pragmatism, which goes a long way to explaining the ongoing relationship with the Moonies, is reflected most dramatically in the transformation in foreign policy and economics that Kim Jong Il has set in motion.

Take, for example, the North Korean leader's newfound appreciation of the Chinese economic model. In January 2001, Kim Jong Il spent three days in Shanghai examining the means and ends of market socialism. Although the trip was begun under the usual veil of secrecy, it received unprecedented coverage in North Korea, where forty minutes of TV footage showed clips of his visits to General Motors and the Pudong stock exchange. Perhaps most surprising of all, the TV program showed Kim Jong Il in the home of a Chinese worker, where the rewards of Beijing's reforms—TVs and stereos—were in plain sight. After the Shanghai visit, Kim Jong Il began talking about the importance of introducing "profit-oriented" economic management. These reforms built on a raft of earlier changes—joint venture laws and free trade zones, overseas training in market economics for hundreds of officials, the establishment of the Research Center for the Study of the Capitalist System at the Ministry of Foreign Trade, and overtures to the Asian Development Bank and even the International Monetary Fund.

In July 2002, in perhaps the most unexpected departure from orthodoxy, the North Korean government applied the lessons learned in Shanghai by devaluing the currency, removing price supports, and raising wages to keep pace in what it blandly called an "economic adjustment policy." The government handed over collective land to private farmers in certain areas and expanded private plots in others. State-owned enterprises were instructed to wean themselves of state subsidies. Islands of private enterprise known as farmers' markets expanded in size, as well as in the variety of products on offer. On the other hand, like most liberalizing measures, these changes have caused difficulties for average people. Inflation has hit the economy hard, the gap between rich and poor is increasing, and a new elite of "red capitalists" has emerged. Such economic pragmatism in any other country would receive the blessing of the U.S. government, international financial institutions, and major banks. Yet Pyongyang's flirtation with market austerity has been largely ignored.

Note that this economic perestroika is unaccompanied by a loosening of political controls. The human rights situation in North Korea remains abysmal. The elite in Pyongyang views Western-style freedoms as the cause of the Tiananmen Square protests of 1989 and the collapse of the Soviet Union in 1991.

An allergy to democracy has not, however, prevented Kim Jong Il from seeking deals with democratic countries. Once focused on the communist bloc and the Third World, North Korea embarked in the 1990s on a concerted campaign to woo its former adversaries—Europe, Japan, South Korea, and, most importantly, the United States.

Much of North Korea's so-called irrationality—its pursuit of nuclear weapons, brinksmanship in negotiations, incendiary rhetoric—may simply be an attempt, albeit clumsy, to squeeze the best deal from Washington. The 1994 Agreed Framework, which froze North Korea's nuclear program in exchange for heavy fuel oil, two light-water nuclear reactors, and movement toward diplomatic recognition, seemed to be such a deal. But the United States never fully lifted economic sanctions or took the expected steps toward diplomatic recognition. Albright's visit to Pyongyang in 2000 and a proposed follow-up trip by President Clinton might have produced a grand bargain to end the Fifty Years War between the two countries. Kim Jong Il's gamble on diplomatic pragmatism would have paid off handsomely. Instead, Bill Clinton never went to Pyongyang, and George Bush went to Washington.

The Pentagon is ambivalent about a war on the Korean peninsula. According to Pentagon estimates, such a war would generate 52,000 U.S. and 490,000 South Korean casualties within ninety days. However, Pentagon adviser and former CIA chief James Woolsey has argued that 4,000 daily air strikes over a period of thirty to sixty days would knock out North Korea's nuclear program and its capacity to retaliate. Fifty years ago, conventional U.S. bombs destroyed upward of 75 percent of North Korea. U.S. military technology has progressed since then, and the Bush Administration has already declared its willingness to use nuclear weapons against North Korea. But a strike against Pyongyang remains a risky option militarily and politically.

From Pyongyang's standpoint, a second Korean War would indeed be a suicidal and supremely irrational act. Yet Pyongyang has declared economic sanctions an act of war, has played hardball in negotiations, and has periodically threatened to turn the capital cities of its adversaries into a "sea of fire." Why is the otherwise pragmatic Kim Jong Il guiding his country in this dangerous direction?

The chief source of North Korea's legitimacy has been an ability to prevent outsiders from seizing the country. To maintain this deterrent capacity, the regime has expended enormous resources to create a garrison state. In March, Pyongyang announced a doctrine shift: The economy was now subordinate to a military-first policy. Kim Jong Il, who has staked much of his standing on economic reforms and making deals with former adversaries, must nevertheless maintain the internal support of the military. The political hardliners have required a commensurate response to the Bush Administration policy.

The hawks in Pyongyang know hardliners when they see them. Although the Bush Administration has consistently maintained that it wants a diplomatic solution to the current crisis, it has all the while waved a menacing stick in the air and played hard-to-get at the negotiating table. Bush has confessed a personal loathing for Kim Jong Il and the current North Korean government; Secretary of Defense Donald Rumsfeld circulated a memo in April arguing for a wildly improbable alliance with China to depose the North Korean leader. At the military level, the Nuclear Posture Review singles out North Korea as a possible target of a first strike, the Administration refuses to rule out a preemptive strike, and the Pentagon's Operational Plan 5030 promotes allied troop maneuvers designed to drain North Korean resources, harass the North Korean military, provoke a foolish North Korean attack, or trigger a coup.

Alongside the military threats are the economic ones. Washington has crafted the Proliferation Security Initiative to block any suspicious materials from entering or exiting North Korea. The explicit goal is nonproliferation and drug interdiction. The underlying objective is to shut down the North Korean economy. In August, for instance, Taiwan seized a shipment of phosphorus pentasulfide, a so-called dual use chemical that is largely used in the production of pesticides. Whatever the North Korean intentions for the chemical—in a pinch the military could always arrange a rail shipment from a Chinese company—a broadly defined "dual use" category is an effective method of tightening the noose around North Korea, as it was against Iraq.

The hardline faction in Washington has alienated those a great deal closer to home, as well. Jack Pritchard, envoy to North Korea under Bush and Asia point person for the Clinton Administration, recently left the State Department. Former U.S. Ambassador to South Korea and prominent Republican Donald Gregg has been vocal in his criticism of the Administration's position, as has Jimmy Carter.

Meanwhile, the six-party talks that took place in Beijing in late August provided no indication that Washington has modified its hardline position. The U.S. delegates came to talk but not to negotiate; there was no give to their take. The Administration has continued to insist that North Korea trade away its only bargaining chip—its nuclear program—before any deal will be considered.

North Korea is clearly in a bind—surrounded militarily, labeled "evil," and facing a virtual economic blockade. The regime has seized on a nuclear program as the magic escape hatch from its predicament. As such, North Korea's current attempts to build a bomb in violation of international agreements are entirely and dangerously logical. During the Vietnam War, Richard Nixon attempted to force a better negotiating position from Hanoi by acting as though he were crazy enough to use nuclear weapons. Kim Jong Il has similarly cultivated a "madman" persona to put the fear of massive retaliation into Washington. This is the pragmatism of the desperate. Only a robust North Korean deterrent, Kim Jong Il's "madman" persona, and Pentagon fears of large-scale casualties stand in the way of Woolsey's proposed 4,000 air strikes a day.

When I met the representative of the Moonies in Pyongyang in 1999, relations between North and South were heading toward an unprecedented détente. In the wake of the first summit between the two Korean leaders the following year, every major institution in Seoul scrambled to make contacts with the North. On each visit to the South, I was inundated with requests to help facilitate exchanges with North Korea.

North Korea's pursuit of nuclear weapons and the Bush Administration's preference for regime change have cast a pall over North-South relations. Many South Koreans blame Bush. "We in Korea feel that he and his team are dangerous because they neither listen nor understand the situation," says Francis Daehoon Lee, deputy secretary of People's Solidarity for Participatory Democracy, one of the largest civic groups in South Korea. "They are much more dangerous than the ailing North Korea." The prospect of war between the United States and North Korea strikes terror into the hearts of South Koreans, regardless of their political beliefs. According to a June poll by the Korean Social Opinion Research Institute, more than 92 percent of South Koreans oppose any form of military conflict on the Korean peninsula.

Détente between North and South is an endangered species. Exchanges between the two countries continue, with South Korean archaeologists heading north and North Korean athletes heading south. But many inter-Korean projects, such as a resurrected rail link and a joint industrial zone, have barely moved forward.

Even the Unification Church is not immune. According to journalist and North Korea specialist Brent Choi of the South Korean newspaper *Joongang Ilbo*, Pyounghwa Motors is producing less than one car a day and the World Peace Park hasn't gotten off the ground. The Moonie's grand church next to the Potonggang Hotel, a potent if somewhat bizarre symbol of Pyongyang's pragmatism, is still nothing but a hole in the ground. ◆

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