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Putin's Policy Towards the Korean Peninsula:
Why Has Russia Been Losing Its Influence?

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Is Russia really a substantial participant in the six-party talks? This seems to me to be a legitimate question to be raised. The impression from watching the fourth round (July-September 2005) and the fifth round (November 2005) of the six-party talks over the issue of denuclearization of North Korea was that Russia was playing only a minor role.

All other members of the conference have been making their own presence felt. While the conference is called the six-party talks, the United States of America and the Democratic People's Republic of Korea (DPRK or North Korea) have been playing the leading roles. The People's Republic of China (PRC) has been hosting the talks and has been busy formulating drafts of joint statements and trying to get a consensus for them from all participating countries. The Republic of Korea (ROK) announced in early 2005 that it is ready to provide North Korea with 2 million kilowatts of electric powers. Japan has shown its unique position by insisting that the issue of abduction of Japanese citizens by North Korea should be resolved as well as the denuclearization issue in the six-party talks. In comparison with the activities by the other five participants, the Russian delegation headed by Alexander Alekseyev, Deputy Minister of Foreign Affairs of the Russian Federation, has not been impressive.

Gorbachev's Radical Change in Policy

In the Soviet days the situation was quite different. Up until some time in Gorbachev's period, the USSR had been exerting great influence --- even far greater

than that of the PRC --- upon North Korea. In order to understand this, there is no need to look back to the entire history of Soviet policy toward the Korean Peninsula. It is sufficient to recall, for instance, the situation at the beginning of the Korean War (1950-51). More than once Kim Il-song had to go to Moscow to obtain permission from the Soviet leader Joseph Stalin to start a war against South Korea.¹

In the first three years (1985-87) after Gorbachev's accession to power, the Soviet Union's economic and military assistance to North Korea increased. At that time, the Soviet Union was contributing to seventy industrial projects in North Korea, which produced about 25 percent of North Korea's gross output, and the volume of the USSR's bilateral trade with the DPRK also increased in the years from 1985 to 1987.² In 1990, trade with the Soviet Union accounted for about 60 percent of North Korea's foreign trade.³

The Gorbachev administration, however, gradually began to pay more attention to South Korea than to North Korea. There was a hint of such a change in foreign policy direction when Gorbachev stated in his speech at Vladivostok on July 28, 1986, that "There is a possibility not only of removing the dangerous tension on the

¹ Nikita S. Khrushchev, *Khrushchev Remembers*, translated and edited by Strobe Talbott (Boston: Little, Brown 1970), p.36; Peter Lowe, *The Origins of the Korean War* (London: Longman, 1986), p.156; Boris Slavinsky, "The Korean War that Nearly Led to a World Conference," *New Times*, No.23 (1990), p.38; David Holloway, *Stalin and the Bomb: The Soviet Union and Atomic Energy, 1936-1956* (New Haven, CT: Yale University Press, 1994), pp.277-78.

² Yoke T. Soh, "Russian Policy Toward the Two Koreas," in Peter Shearman, ed., *Russian Foreign Policy Since 1990* (Boulder, CO: Westview Press, 1995), pp.181-82,

³ *Ibid.*, p.182.

Korean Peninsula but also of beginning to move along the path of solving the national problem of the entire Korean people.”⁴ In January 1988 the Soviet Union under Gorbachev announced its decision to participate in the Seoul Olympics, which Pyongyang had refused to take part in.

About the same time the ROK’s foreign policy also began to change. On July 7, 1988 South Korean President Roh Tae-woo made his “Northern Policy” public. Roh’s northward diplomacy aimed at improving South Korea’s economic and other ties with communist countries while at the same time bringing North Korea out of isolation in the international community.⁵ In response to this appeal by the ROK, Gorbachev stated in his speech two month later, on September 16, 1988, at Krasnoyarsk that “I think that in the context of a general improvement in the situation on the Korean Peninsula possibilities can open up for formulating economic relations with South Korea too.”⁶ In the end the Gorbachev administration radically changed its policy toward the Korean Peninsula: It abandoned North Korea, which from the ideological point of view the Soviet Union had been supporting and assisting for a long time, and decided to deepen its relationship with the capitalist state South Korea.

Economic Motivations

⁴ *Pravda*, 1986.7.29.

⁵ Soh, *op.cit.*, p.182.

⁶ *Pravda*, 1988.9.18.

At that time the Soviet Union under Gorbachev was suffering from an economic predicament that was helpful in justifying the change in its policy toward the Korean Peninsula. Considering the great economic difference between North Korea and South Korea, it could be said that the policy change came even too late. Whereas the DPRK was a country to which the Soviet Union had to provide economic aid, the ROK turned out to be just the opposite, as it was able to give material and financial assistance to the Soviet Union. In his memoirs, Gorbachev wrote “Our interests in South Korea, one of the East Asian ‘dragons’ which had succeeded in creating an economic miracle, grew in relation to the worsening of the economic situation in the USSR.”⁷

Whatever the reason may be, the Soviet Union under Gorbachev decided to make a clear approach to South Korea, and diplomatic relations were normalized on September 30, 1990. Moscow reportedly received about \$3 billion in credit from Seoul.⁸ Pyongyang bitterly denounced Gorbachev’s decision and deal, which *Nodong Sinmun*, an organ of North Korea’s Leading Party, criticized under the headline “Diplomatic Relations Sold and Bought With Dollars.”⁹ North Korean Foreign Minister Kim Young Nam warned that because of diplomatic normalization between the Soviet Union and South Korea, North Korea would be forced to accelerate

⁷ Mikhail S. Gorbachev, *Zhizn’i reformy* (Moskva: Novosti, 1995), kniga 2, p.282.

⁸ Don Oberdorfer, *The Two Koreas: A Contemporary History* (Revised and Updated Edition) (Reading, MA: Basic Books, 2001), pp.225-28.

⁹ *Ibid.*, p.217.

development of its nuclear weapons for the sake of its self-defense and to withdraw from the Nuclear Non-Proliferation Treaty (NPT).¹⁰ This could be considered the beginning of North Korea's nuclear development.

At any rate, as a result of the establishment of diplomatic relations with Seoul, economic and trade relations between the Soviet Union and North Korea greatly decreased. Soviet-North Korea trade, which had once accounted for about 60 percent of North Korea's total foreign trade, dropped to less than 20 percent in 1990-91. The decline stemmed from Gorbachev's decision on November 2, 1990 that the basis of foreign trade would be henceforth settled in hard currency.¹¹ North Korea had been able to purchase energy resources, weapons, machinery and other commodities from the Soviet Union at "friendly prices." In the case of oil, for example, the price paid by North Korea was about \$60 per ton, only about half of the "world market price."¹² But both the USSR (after 1990) and China (after 1991) demanded that the DPRK pay for oil supplies in hard currency at world market prices.¹³ Bilateral trade between the Soviet Union/Russia and the DPRK plummeted from \$3.5 billion in 1988 to \$2.4 billion

¹⁰ *Ibid.*, p.213.

¹¹ Alvin Z. Rubinstein, "Russia's Relations with North Korea," in Stephen J. Blank and Alvin Z. Rubinstein, eds., *Imperial Decline: Russia's Changing Role in Asia* (Durham, NC: Duke University Press, 1997), p.173-74.

¹² Vladimir D. Andrianov, "Economic Aspects of the North Korean Nuclear Program," in James Clay Moltz and Alexander Y. Mansourov, eds., *The North Korean Nuclear Program: Security, Strategy, and New Perspectives from Russia* (London: Routledge: 2000), p.47.

¹³ *Ibid.*

in 1989 and to less than \$2.6 billion in 1990.¹⁴ Conversely, bilateral trade between the Soviet Union / Russia and the ROK blossomed from a mere \$290 million in 1988 to \$889 million in 1990.¹⁵

Yeltsin's Policy toward the DPRK

Boris Yeltsin demonstrated his departure from Communism (or Socialism) more boldly than Mikhail Gorbachev did. The DPRK in principle has advocated its devotion to Socialism, although, strictly speaking, it is a North Korean variant of Socialism, based on Ideology of *juche* (Self Reliance).¹⁶ The Yeltsin administration's economic policy toward North Korea did not differ from that of Gorbachev's administration. It ceased to provide economic aid to the DPRK and demanded that Pyongyang for Russian goods in foreign currency. Consequently, bilateral trade between Russia and the DPRK decreased to \$84 million in 1995, \$65 million in 1996, \$84 million in 1997, \$65 million in 1998 and \$51 million in 1999.¹⁷ Moscow's exports

¹⁴ James Clay Moltz, "The Renewal of Russian-Korean Relations," in Moltz and Mansounov, *op.cit.*, p.197; Yong-Chool Ha, "The Dynamics of Russian-South Korean Relations and Implications for the Russian Far East," in Judith Thornton and Charles E. Ziegler, eds., *Russia's Far East: A Region at Risk* (Seattle, WA: University of Washington Press, 2002), pp.402-3; Korea International Trade Association, www.kita.net

¹⁵ Moltz, *op.cit.*, pp.197; Ha, *op.cit.*, p.402; _____

¹⁶ The term *juche* means literally "self-reliance" or "independence." In North Korea usage it has a broad range of political, social, economic, cultural, and philosophical connotations connected to the all-embracing concept of self-defined national autonomy. Selig S. Harrison, *Korean Endgame: A Strategy for Reunification and U.S. Disengagement* (Princeton, NJ: Princeton University Press, 2002), p.15. See also Oberdorfer, *op.cit.*, pp.19-20.

¹⁷ Moltz, *op.cit.*, p.202; Ha, *op.cit.*, pp.402-3; Korea International Trade Association, www.kita.net

to Pyongyang accounted for 90 percent of total bilateral trade turnover between Russia and North Korea, with imports from the DPRK making up only 10 percent.¹⁸ The Yeltsin administration stopped Russia's military assistance to Pyongyang and requested that the DPRK pay for Russia's arms exports on a commercial basis in hard currency. It is estimated that approximately 70 percent of North Korea's debt to Russia, \$4.32 billion, can be accounted for by weapons that were not paid for.¹⁹ Such circumstances made Moscow "less a patron than an insistent debt collector."²⁰ Reversely, bilateral trade relations between the Russian Federation and South Korea increased rapidly and tremendously, from \$889 million in 1990 to \$1.9 billion in 1993, \$2.2 billion in 1994, \$3.3 billion in 1995, \$3.7 billion in 1996, \$3.3 billion in 1997, \$2.1 billion in 1998, and \$2.2 billion in 1999.²¹ The DPRK thus replaced the ROK as Russian's trade partner.

[Table Trade between Russia and the two Koreas]

¹⁸ Moltz, *op.cit.*, p.202.

¹⁹ Moltz, *op.cit.*, p.202; Ha, *op.cit.*, p.403.

²⁰ Rubinstein, "Russia's Relations with North Korea..." p.172.

²¹ Alexander N. Fedorovsky, "Russian policy and interests on the Korean Peninsula," in Gennady Chufirin, ed., *Russia and Asia: The Emerging Security Agenda* (Stockholm: SIPRI, 1999), p.395; Ha, *op.cit.*, pp.402-3; Korea International Trade Association, www.kita.net

In 1993, when Pyongyang threatened to officially withdraw from the Nuclear Non-Proliferation Treaty (NPT), the crisis over North Korea's nuclear development became actual. In 1994, in an attempt to prevent Pyongyang from developing its own nuclear program, the United States, South Korea and Japan decided to provide North Korea with light-water reactors (LWRs). At that time the DPRK was building a nuclear power plant of gas-graphite reactors, from which weapons-grade plutonium can be produced. The U.S., the ROK and Japan considered it a good idea to replace gas-graphite nuclear reactors with light-water reactors in North Korea. Reactor-grade plutonium discharged from LWRs cannot be used in nuclear weapons until it is separated from the radioactive fuel. The process of separation is carried out inside heavily shielded chemical reprocessing plants. North Korea's existing reprocessing plant would require extensive modification to separate plutonium from LWR spent fuel. Of course, North Korea could secretly build another reprocessing plant, but such a step would violate the 1994 Agreed Framework and the plant would be difficult to hide.

Why did, then, Pyongyang agree to such a deal? Why does it insist, as it did in the fourth six-party talks in 2005, on acquiring LWRs? First of all, North Korea can obtain uranium for light-water reactors within the country. Moreover, LWRs can produce much more energy than gas-graphite reactors and could therefore help reduce the energy shortage in the country. Besides, North Korea does not have the technological capability to produce LWRs and must therefore import such reactors.

Economic factors alone cannot explain why the DPRK insists on obtaining LWRs: It would take several years to construct LWRs and begin operations of the reactors in North Korea. LWRs, due to their use of enriched uranium, have nuclear power capabilities that may also satisfy the DPRK's political ambition of becoming a nuclear power state. Furthermore, if the LWRs were destroyed, radioactive contamination would spill over into neighboring countries. Because of such a fear, other powers would be deterred to launch an assault against the DPRK, contributing to the security of North Korea.

Exclusion from the KEDO

In 1994, a so-called Agreed Framework by which Pyongyang would acquire two 1,000-megawatt (MW) light-water nuclear reactors (LWRs) and heavy fuel oil by the year 2003 was established. The project is valued at \$4.5 billion,²² with costs for construction to be covered by the ROK (70 percent) and Japan (21.7 percent). Pyongyang was reluctant to accept the South Korean type of LWRs for psychological and security reasons.²³ In the first place, North Koreans were afraid that they would lose face by receiving aid from the South. They were also worried that South Korea could easily manipulate them by limiting in the future the supply of nuclear fuel and

²² *Vremiia novostei*, 2002. 8. 5.

²³ Oberdorfer, *op.cit.*, p.365.

spare parts for the South Korean model of LWRs.²⁴ A face-saving intermediary organ created as the financier and supplier of the LWRs by U.S., South Korea and Japan is an international consortium known as the Korean Peninsula Energy Development Organization (KEDO).

In 1995 the Yeltsin government informed Pyongyang of its decision not to prolong any longer the USSR and DPRK Treaty of Friendship, Cooperation, and Mutual Assistance signed in 1961. Article One of the treaty stipulates: “Should either of the Contracting Parties suffer armed attack by any state or coalition of states and thus find itself in a state of war, the other Contracting Party shall immediately extend military and other assistance with all the means at its disposal.”²⁵ A year later the treaty became null. It is, of course, for Russia inappropriate to have no treaty at all with the DPRK. The Yeltsin government thus decided to sign with Pyongyang a Russia-DPRK Treaty of Friendship, Good-Neighborliness, and Cooperation. The treaty agrees that Moscow and Pyongyang “get in contact and consult with each other in case of some emergency.” In this regard the treaty greatly differs from the 1961 Soviet-North Korean Friendship Treaty, which, as aforementioned, contained “an automatic military intervention clause.”

The Soviet Union had been so to speak a “sponsor,” “godfather, security

²⁴ Roald V. Savel'yev, “Leadership Politics in North Korea and the Nuclear Program,” in Moltz and Mansounov, eds., *op.cit.*, p.122.

²⁵ Alvin Z. Rubinstein, “Russia and North Korea: The End of an Alliance?” *Korea and World Affairs* (Seoul: Research Center for Peace and Unification of Korea), Vol. XVIII, No.3 (Fall 1994), p.500.)

guarantor, economic benefactor” for North Korea.²⁶ The Russian Federation during the Yeltsin period, however, slipped down from such a position. Not only that, it was squeezed out to the position of an “outsider.”²⁷ Russia was eager not only to participate in the KEDO’s LWR-transfer project but also to provide North Korea with its own LWRs. A full-fledged membership in the KEDO project would have certainly increased Russia’s international prestige. The sale of Russian-made LWRs to North Korea would have brought economic benefits to Russia. However, Russia was entirely squeezed out from the U.S.-DPRK negotiations over the latter’s nuclear question held in Geneva in 1993-4. Russia was excluded from the KEDO’s project. Its proposal to provide North Korea with the Russian type of light-water reactors was also rejected.

Why was the Russian Federation under Yeltsin treated as an “odd-man out”? Russia has been left out on the North Korean issue for following reasons: (1) Moscow lost its influence over Pyongyang due to the fact that Russia developed its trade and other economic relations with South Korea more than with North Korea, (2) integration of Russia’s Far Eastern region with North-East Asia as a whole and the Korean Peninsula in particular remained at a low level, (3) Pyongyang wanted to directly and solely negotiate with the United States on such issues as the survival and security of its own regime²⁸, and (4) Washington tended to ignore Moscow’s contention

²⁶ Oberdorfer, *op. cit.*, pp.197, 199, 210.

²⁷ *Izvestiia*, 1994. 10. 29; cited in Harrison *op. cit.*, p.344.

²⁸ Ha, *op.cit.*, p.407.

that it had an inherent right to participate in international decisions relating to the Korean Peninsula.²⁹

DPRK's Nuclear Problem

Both Gorbachev and Yeltsin promoted a policy of rapid improvement in diplomatic relations with Seoul, thereby disregarding Pyongyang. In Putin's period such policy orientation has been revised, albeit partially, so that it has become a more balanced one. The main reasons for such a shift in policies regarding the two Koreas are that the Putin government has switched its basic foreign policy orientation in general from "Atlantism" to "Eurasianism" and that the economic benefits of the Russia's relationship with South Korea in terms of aid, investment and trade were not likely to be as grandiose as originally anticipated.³⁰ Even if the benefits had been sufficient, Russia could not have utilized the benefits effectively due to its domestic confusion.

When Putin took office in early 2000, his administration considered that Moscow's policy toward the Korean Peninsula during both Gorbachev's and Yeltsin's periods had moved too far toward Seoul, departing from Pyongyang. The Putin government regarded such a swing of the pendulum as too extreme, and it considered some kind of bilateral treaty with the DPRK to be appropriate and necessary. In

²⁹ Harrison, *op. cit.*, p.342.

³⁰ Harrison, *op. cit.*, p.338.

February 2000 Putin (to be exact, acting President) sent Russian Foreign Minister Igor' Ivanov to Pyongyang to officially sign the Russia-DPRK Treaty of Friendship, Good-Neighborliness and Cooperation. After becoming the new Russian President, Putin demonstrated his enthusiasm to improve Russia's relationships with North Korea. President Putin had summit meetings with the DPRK's head of the state Kim Jong-il in 2000, 2001, and 2002.

From about 2002, however, Russia-DPRK relations began to cool again. The main reason for the change was the nuclear issue in North Korea. In October 2002, when the DPRK's possible plan for obtaining highly enriched uranium (HEU) surfaced, Pyongyang did not deny such suspicion and in fact even helped worsen the situation by the following actions: it expelled inspectors of the International Atomic Energy Agency (IAEA); it resumed its nuclear development program, which had been suspended by the US-DPRK's Agreed Framework; it declared its intention of officially withdrawing from the NPT regime (in January 2003); it also declared that it possesses nuclear weapons (in April 2003); and it announced that it will produce nuclear weapons for its defense (in February 2005).

At that time North Korea may not have had any policy alternative to blackmailing the outside world by the threat of nuclearization in order to get out of various difficulties it was facing. In fact, from around 1992 Pyongyang has been resorting to the threat of nuclearization as a trump card for obtaining economic assistance, state recognition and insurance of security. What would happen if the

DPRK accepted IAEA's inspection and cooperated with the IAEA in clarifying the question concerning plutonium production from reprocessing of nuclear fuel rods? It would make clear whether North Korea actually possesses nuclear weapons, thereby depriving Pyongyang of, or at least significantly diminishing, its bargaining power in its conduct of foreign affairs.³¹ Therefore, it would be wise for Pyongyang not to announce that the DPRK already has nuclear weapons and to let other countries think that it is up to them to determine whether North Korea goes nuclear. In short, intransparency concerning its nuclear program serves as the most powerful trump card for Pyongyang.

Putin's Dilemma

Russia wants denuclearization of the Korean Peninsula and is therefore opposed to the DPRK's possibility of going nuclear. There are several reasons for us to believe this.

Generally speaking, with an increase in the number of nuclear power countries in the world, the voice of Russia as a great nuclear power in the international arena will decrease. For this reason, the Russian Federation wants to keep the status quo of the NPT regime. Moreover, if North Korea goes nuclear, it might trigger the nuclearization of South Korea and Japan. If North Korea with nuclear weapons and South Korea are united in the future, the unified Korea would naturally be a nuclear

³¹ Oberdorfer, *op. cit.*, p.308.

country. Japan would be then surrounded by nuclear states, including as Russia, China and the unified Korea. Confronted with such a situation, Japan might also consider it necessary to go nuclear. It is therefore reasonable to assume that Russia intends to prevent Northeast Asian countries from taking such a path of escalation (chain reaction).

There is one more scenario that Russia fears. As a result of DPRK's nuclearization, some unstable situations will emerge in Northeast Asia, thereby increasing the chance of U.S. intervention in that region. As a matter of fact, upon hearing of North Korea's possible development of nuclear weapons, Washington made a decision to deploy its Aegis-equipped destroyer to the Sea of Japan. If a military clash between the U.S. and DPRK occurred, it would undoubtedly have a negative impact on Russia, which has a 17.6-km stretch of its national border shared by the DPRK. If such a military clash occurred, refugees from North Korea would pour into the Russian Federation (RF), giving rise to instability in the Far Eastern part of Russia.

In August 2003, Russia in fact conducted a military exercise to prepare itself for such emergency scenario. The exercise was interpreted as a warning against diplomatic adventurism conducted by North Korea's General Secretary Kim Jong-il.³² In August 2005, Russia also conducted for the first time a large-scale joint military exercise with China. Its primary objective appears to have been a political and military demonstration directed at Taiwan, judging from the fact that the exercise was

³² Rozman, *op. cit.*, p.6.

first planned to be conducted in the China portion in Zhejiang Province, which is geographically closer to Taiwan than Shandong Province, where it actually took place. However, the fact that the first phase started at Vladivostok, close to the Russia-DPRK's border, suggests that another objective of the exercise was to prepare Russia and China for a contingency that might take place on the Korean Peninsula.

However, the above should not necessarily be interpreted to indicate that bilateral relations between the Russian Federation and the DPRK have become completely cold. The Russian Federation and the DPRK are, or at least pretend to be, friendly with each other. For instance, when the U.S., Japan and, to certain extent, South Korea took diametrically opposing positions against North Korea in the six-party talks on North Korea's nuclear issue, Russia under Putin took a position that was closer to the position taken by North Korea. In the first, second, and third rounds of the six-party talks, Pyongyang insisted on "a guarantee of North Korea's political regime by the U.S. and others," whereas the U.S. considered that North Korea's denuclearization should come first. U.S., Japan, and South Korea also demanded "the complete, verifiable, and irreversible dismantlement (CVID) of all nuclear programs in North Korea," whereas the DPRK demanded cessation of hostility and economic compensation in exchange of "freezing" of nuclear facilities. In such a scheme of confrontation, Moscow has taken a position closer to that of Pyongyang, revealing some differences in attitude and policy from those of the United States and Japan. Such a trend was also seen in the fourth round of the six-party talks (in 2005) in Beijing.

Why does Russia under Putin take a position that is relatively close to the position taken by North Korea. There are political-diplomatic and economic reasons.

Putin's "Pokazukha" tactics

First of all, there is a political motivation that Moscow wants to use North Korea as a trump card for Russia's diplomacy. In Northeast Asia, the Russian voice is extremely minimal. Given this, the Kremlin naturally aims at presenting itself to be as large an entity as possible.

As mentioned above, Russian President Putin conducted a series of summit meetings with North Korean leader Kim Jong-il from 2000 to 2002. The DPRK is currently the most secluded and secretive "communist" country in the world. The Russian President is the one of the few world leaders who have contacts with the dictator of this reclusive state. This is the image that the Kremlin intends to convey to the international community. The first Russia-DPRK summit meeting, which became possible as a result of Putin's visit to Pyongyang in July 2000, created a diplomatic "sensation."³³ The Russian President became all of sudden a leading star in the G-8 Summit in Okinawa, which took place immediately after his visit to Pyongyang. On that occasion, President Putin made it public that he succeeded in obtaining from Kim Jong-il a promise that the DPRK would be ready to abandon its program for development of missiles and to use such technological devices only for

³³ *Gazeta.ru*, 2005.11.5.

peace purpose if the DPRK could get assistance for its nuclear program³⁴, thereby demonstrating the ability of Russia to serve as an intermediary between the DPRK and the West.

Afterwards, however, a series of questions were raised. Did these words of the Russian President correctly convey the true intention of Kim Jong-il? Was it possible that Putin exaggerated what the North Korean leader had told him? Or, was it possible that Putin misunderstood the real meaning of the North Korean leader's words? These questions cast serious doubt regarding the capacity of the Russian President to serve as a pipeline between the DPRK and the international community.

Despite such doubt, Putin has kept resorting to the tactics of "*pokazukha* (show)." For instance, he has frequently sent Alexander Loshukov (then Russian deputy foreign minister), Alexander Alekseyev (currently Russian deputy foreign minister), and Konstantin Pulkovskii (then Russian Presidential Plenipotentiary Envoy in the Far East Federal District) to Pyongyang. These special envoys each stayed for a long time in Pyongyang, giving the impression that they were conducting very important meetings with North Korea's top leader.³⁵ Such "meetings" have, however, seldom produced any meaningful results. Why is it so?

³⁴ *Ibid*

³⁵ Konstantin B. Pulikovskii, *Vostochny; Ekspress po Rossii s Kim Chem Irom* (Moskva: "Goredets-izdat", 2002, 194pp.

Loss of Role as an Intermediary: Its Reason

“Money gone, friends gone.” To put it bluntly, this is an answer to the above question. Currently Russia does not have much trade or other economic intercourses with North Korea. The former Soviet Union was, as aforementioned, the largest economic partner for DPRK, its trade with the DPRK accounting for 60 percent of the DPRK’s entire trade and amounting to \$3.5 billion in 1988. The volume of Russia’s trade with DPRK in 2003, however, was only \$115 million. In contrast, the amount of China’s trade with DPRK in 2004 was \$1.385 billion, which accounts for 48.5 percent of North Korea’s entire trade volume, \$2.857 billion. South Korea’s trade with DPRK in 2004 was \$697 million.

Another reason why Putin’s Russia has no longer been effectively playing a role of good office is ascribable to the fact that it does not at all abide by the rule of “give and take.” The Kremlin’s attitude toward Japan provides a good illustration. President Putin proposed a so-called “Iron Silk Road” plan from Asia to Europe through the Korean Peninsula, connecting the Trans-Siberian Railroad (TSR) with the Trans-Korean Railroads (TKR). During his visit to Seoul in February 2001 and during his visit to Vladivostok in August 2002, he agreed to make efforts in these projects regarding railway connection with Kim Dae-jung and Kim Jong-il, respectively.

The Russian plan is to first connect railroads of South Korea and North Korea, then to link the connected “Donghae Lines” in the east (Pusan – Kangrond – Wonsan)

with the TSR at Khasan, and finally to connect the “Kongui Line” on the west coast (Seoul – Pyongyang – Sinuiju) with the “Gyeongwon Line” (Seoul – Wonsan – Rajin-Khasan). The Russian plan is a counterproposal to the Chinese plan of first to connecting the “Kyongui Line” with the Trans-China Railway (TCR) and then linking the TCR with the TSR at Zhengzhou.³⁶ Despite the announcement of its grandiose plan, the Russian government does not have sufficient financial resources to complete such gigantic projects, which will cost approximately \$3 billion. Putin administration is expecting to rely on financial contributions from Japan and South Korea. It is also expected that Japan and South Korea will be among the main countries utilizing these railroads upon their connection.³⁷

If Russia is serious in its plan for linking the Trans-Siberian Railroad with Trans-Korean railroads, the Kremlin should demonstrate its good intentions to Tokyo. Moscow does not, however, seem to have such an intention at all. Without a “give and take” deal, state relationships cannot last. The current Russian way under Putin of dealing with Japan seems to be, as it was previously in the Soviet days, one based on

³⁶ Yong Sang Lee, “The Current State of the ROK’s Railways and Ways of Connecting Railways Between South and North Korea,” *Erina Report*, Vol.54, Oct. 2003, pp. 11-17; Yeong Mi Yun / Won Soon Kwon, “Railways Linkage between Russia and Korea: Perspectives of Political and Economic Cooperation in Northeast Asia,” in *The Regional Dynamics of Northeast Asia and Russia’s Globalization in the 21st Century: Cooperation, Competition or Conflict?* (Seoul: Research Project for the Globalization in Russia’s Regions at Hankuk University & Foreign Studies, Korea, 2004), pp.8-13; Nodari A. Simonia, “TKR-TSR Linkage and its Impact on ROK-DPRK-Russia Relationship,” *The Journal of East Asian Affairs* (Seoul: The Research Institute for International Affairs), Vol. XV, No. 2 (Fall/Winter 2001), pp.180-202.

³⁷ Concerning the fact that Japanese companies are using the TSR route and its reasons, see the following article: Hisako Tsuji, “Growing International Use of the Trans-Siberian Railway: Japan is Being Left out of the Loop,” *ERINA Report*, Vol. 52 (2003 June), pp.22-26.

the principle of unilaterally requesting: “give and give and give”³⁸ to Russia, not necessarily the principle of “give and talk.” Russia’s uncooperative attitude toward the Japanese abduction issue is a good illustration.

During the Russo-Japanese summit meeting held on the occasion of the G-8 Summit at Kananaskis in June 2002, Japanese Prime Minister Junichiro Koizumi asked Russian President Putin for his cooperation in persuading North Korean leader Kim Jong-il to do his utmost to solve the Japanese abduction issue. In spite of such a request, the Russian President did not mention this message to the North Korean leader when they met at the Russia DPRK’s summit held two months later in Vladivostok. “The Japanese abduction issue is a purely bilateral one, which has to be solely handled and resolved between Japan and the DPRK.” This was an explanation, or excuse, given by Russian President Putin to the Japanese Prime Minister Koizumi.

It is Russia that suffers most from the policy of insisting on the rule of “give and give and give,” not that of “give and take.” As long as Japan and the DPRK have no direct channel to communicate and deal with each other, Russia could play the role of an intermediary. However, once a direct route, whether official or unofficial, is created between Japan and the DPRK, then Tokyo and Pyongyang no longer need Russia as a good office. The two states can directly negotiate and deal with each other without involvement of a third party, Russia. As a matter of fact, Japanese Prime

³⁸ Joseph Whelan, *Soviet Diplomacy and Negotiation Behavior: Emerging New Context for U.S. Diplomacy* (Washington, DC: U.S. Government Printing Office, 1979), p.108.

Minister Koizumi himself went to Pyongyang twice in September 2002 and May 2004. These visits resulted in depriving Russian President of his mediator's function or at least in significantly reducing such a role.

Success in Iran: Does Good Luck Repeat Itself?

Another reason why the Putin government has been taking a position closer to Pyongyang lies in economic considerations.

With regard to North Korea's nuclear issue, there are some differences in the position taken by the U.S. and Japan and the position taken by China, Russia and South Korea. This gap surfaced during the fourth round of the six-party talks in 2005. The U.S. and Japan took the position that they could not allow the DPRK to build a light-water reactor because it might lead to production of nuclear-weapon-related materials. China, Russia and South Korea, however, did not necessarily share the same view on this matter. The three countries think that it may be all right for them to provide North Korea with light-water reactors some time in the future. China, for instance, which wants to increase its business activities in North Korea, needs a stable supply of electricity in the DPRK. It is no secret that Russia is looking for business opportunities in nuclear energy fields with the DPRK. Russia has been successful in selling its own light-water type of electric power station to Iran. It is reasonable to assume that Putin's government wants to conduct a similar type of business deal with North Korea.

Russian business relations with Iran in building a light-water reactor in the southern Iranian city of Bushehr are controversial and in fact hotly debated. Iran justifies its position, saying that being a signatory nation of the Nuclear Non-Proliferation Treaty (NPT) it is under the strict controls of the International Atomic Energy Agency (IAEA) over dual-purpose nuclear equipment; Iran does not have any other intention but to use the nuclear power station for peaceful aims. However, the U.S., Britain, France, Germany and other countries fear that Iran is using civil nuclear projects as a cover for a larger nuclear weapons program. This fear is based on the fact that oil-rich Iran has no need for nuclear power, the fact that Iran might be tempted to convert uranium ore into gas that is the feedstock for making enriched uranium, and the fact that enriched uranium can be the raw material for atom bombs.

Due to these conflicting views held by Iran and Western countries regarding Tehran's nuclear issue, Russia under Putin faces a dilemma. The construction of Iran's first nuclear power reactor in the southern city of Bushehr is now almost completed and the reactor is expected to start operations by the summer of 2006. If Russia yields to the accusation made by the United States and its European allies, the EU-3 (United Kingdom, France and Germany), regarding the Iranian nuclear issue, it would lose not only a huge business contract for building the \$800 million 1,000-megawatt light-water reactor power plant but also its position as Iran's main supplier of nuclear technology and fuel. On the other hand, Moscow's disregard of the

transatlantic countries' suspicion might indicate that Russia is helping Iran go nuclear. A compromising formula for Putin's Russia may be for Russia to supply uranium fuel to Iran only on the condition that Iran agrees to ship all spent nuclear fuel rods back to Russia.

The United States and the EU-3 suspect that Iran has been violating the IAEA's regulations for over 18 years by clandestinely developing nuclear programs without reporting them to the IAEA. In fact, highly enriched uranium, which can be used to produce a nuclear weapon, was found in a uranium enrichment plant in Natanz in central Iran. In September 2005, the EU-3 or "European troika" proposed that Iran's nuclear issue should be referred to the UN Security Council for possible economic sanctions or penalties over Iran's nuclear activities. Of the 35 members of the Board of Governors of the IAEA, 22 countries, including the U.S., Japan, Australia and Canada, supported the EU-3's proposal of referring the issue of Iran's nuclear program to the UN Security Council.

As previously mentioned, Russia, which has lucrative contracts for building nuclear power reactors and other valuable commercial links with Iran, including conventional weaponry sales programs, wants to maintain good business relations with Iran. Although Russia has veto power as a permanent member of the Security Council, Moscow cannot force its own position on this issue amid the opposing views and is thus reluctant to refer Iran to the UN Security Council. In the end, together with China, Brazil and some developing states, Russia abstained from the resolution to

bring Iran before the UN Security Council. Russia's abstention was a deed to show some consideration to the United States but was still in effect a vote of opposition, blocking the referral of the issue of Iran's uranium enrichment program to the Security Council.³⁹

Differences between Russia's policy and attitude and those of the US and Japan

For the aforementioned two reasons, that is, the declining trend of Russia's voice and loss of the effectiveness of "*pokazukha*" tactics, Moscow's attitude and policies toward Pyongyang have become greatly marginalized. This is not, however, to be interpreted to mean that Moscow now shares the view held by the U.S. and Japan over North Korea's nuclear issue. Statements by and behavior of the Russian delegation to the fourth round of six-party talks in 2005 provide a good illustration of this. At least in the following three points, the Russian policy toward the DPRK still differs from that of the US and Japan.

First, Russia is taking a critical position toward the United States and Japan with regards to their policy toward North Korea. In the six-party talks, of course, the major confrontation is between the DPRK and the U.S., Japan, ROK, China and Russia. The U.S., Japan, ROK, China and Russia are all strongly opposed to the idea of the DPRK going nuclear.

³⁹ Ray Takeh and Nikolas K. Gvosdev, "Why Rice's Moscow Visit Failed," *The Moscow Times*, 2005.10.20.

Bearing in our mind this basic structure of confrontation, however, this group of five states can be divided into the following two sub-groups: Russia, China, ----- and very recently South Korea ----- on the one hand, and the United States and Japan, on the other. Thus, it became clear that in the fourth round of the six-party talks that the following power configuration has been formed: the U.S.-Japan vs China-Russia-South Korea. Russia had criticized the U.S. for confronting Pyongyang with nothing but an ultimatum, thus preventing the six-party talks from reaching a meaningful agreement. The following quotation, for instance, from the “*Voice of Russia*”’s broadcast on July 22, 2005 provides a good illustration to show how much Russia criticizes the position of the U.S. and Japan in the six-party talks.

“The constructive tone of *Russia, China and North Korea*, together with efforts by *South Korea*, have contributed to the establishment of a basis for a further step forward. It is also worth paying attention to the question as to how to guarantee energy for North Korea without the development of nuclear power in the DPRK for peaceful use. To this idea, however, *the United States and Japan* have not been cooperative

Violation by *the United States* of the 1994 Agreed Framework worsened the situations concerning North Korea’s nuclear issue. *The U. S.’s* request as if it were confronting North Korea with an ultimatum is interpreted as a negative response by (other) participating countries” (italics provided by Hiroshi Kimura).

Another difference between Russia and the U.S. lies in the fact that Moscow tends to demonstrate some sympathy toward Pyongyang’s position. During the

fourth round of the six-party talks in 2005 in Beijing, the host country China made a draft of a joint statement requesting that DPRK return to the NPT and to IAEA safeguards. In exchange for these two conditions, all other five participating nations would recognize “the DPRK’s right to peaceful use of nuclear energy and to agree to discuss, at an appropriate time, the subject of the provision of light-water reactors (LWR’s).”

Regarding this proposal by China as a “very well-balanced” one, Russia’s chief representative Alexander Alekseyev immediately expressed Russia’s full support for the draft document. He even went out of his way to threaten other participants by warning that if this proposal is not adopted, the talks will again be put in recess. The United States and Japan were insisting that North Korea should *first* abandon all nuclear weapons and existing nuclear programs. Despite such counterarguments made by the U.S. and Japan, Alekseyev kept arguing that the Chinese draft document was able to “satisfy all of the participating states.”

The third characteristic of the Russian delegation is its optimistic view over the process of the fourth round of the six-party talks. From about August 4, 2005, Alekseyev had repeatedly stated that “all of the six participating countries have already agreed to over 95 percent of the final joint statement, leaving only five percent unsettled.”⁴⁰

The question of whether or not Pyongyang should be permitted to conduct

⁴⁰ *RIA Novosti*, 2005. 8. 4; *ITAR-TASS*, 2005 8. 7.

peaceful nuclear research constitutes the crucial core question that categorically divides the two groups in the six-party talks, North Korea on the one hand and other remaining five states on the other. In the past, the DPRK has attempted to transfer the operations of nuclear facilities originally permitted for peaceful use to military purposes. The right for peaceful use of nuclear energy should not to be granted again to a country with such a record. This is the most important point, over which the five countries should not yield to any concession vis-à-vis North Korea. Despite the fact that such a difference exists over this fundamental point, the head of the Russian delegation considered that all of the six participating member-nations had almost reached an agreement in the discussion over North Korea's nuclear issue. Failure to bridge this basic difference resulted in a one-month "recess" of the talks.

The fourth feature of Russia's behavior in the fourth round of the six-party talks was its indifference and even coolness toward the issue of abduction of Japanese by North Korea. In the opening remark for the talks, Kenichiro Sasae, head of the Japanese delegation and Director-General for Asian and Oceanian affairs, Ministry of Foreign Affairs of Japan, mentioned the abduction issue. The head of the Russian delegation Alekseyev was quoted as saying "This part of the speech was unable to obtain any support from other participating countries."⁴¹ *Voice of Russia* also made the following announcement: "The (abduction) issue which the Japanese delegation wants to put in the agenda does not have anything to do with the issue of

⁴¹ *Hokkaido Shimbun*, 2005. 7.28.

denuclearization of the Korean Peninsula. Such an attempt does not seem to promote concerted operation among the participants of the six-party talks.”

The Russian attitude, as exemplified by the words cited above, indicates that Moscow does not correctly understand, or at least underestimates, the role that Japan plays in the six-party talks. After all, which countries can offer effective or appealing incentives to make DPRK give up its nuclearization plan? In the final analysis, those countries will be the United States and Japan. Only the United State can ensure the security of the Kim Jong-il regime, and only Japan can provide huge economic aid to North Korea for the economic recovery of the country. In order to normalize their respective state relations with DPRK, the United States and Japan do not consider settlement of the nuclear issue alone to be sufficient. Stephen Hedley, the US President’s national security assistant, declared that settlement of the North Korean nuclear problem *alone* will not be enough to normalize relations between Washington and Pyongyang. The United States is also worried by the DPRK’s missile program and the large quantity of conventional arms concentrated in North Korea”⁴²(italics added by H.K.) The United States and Japan have been proposing a sort of comprehensive plan, in which all of the parties will settle, together with nuclear security issue, other military-related questions and the issues of abduction, home-coming of Japanese women, and other humanitarian issues.

⁴² *Nezavisimaia gazeta*, 2005. 10. 25.

Summary

During the fourth and fifth rounds of the six-party talks held in Beijing in 2005, the Russian delegation headed by Alexander Alekseyev did not make its presence felt. The reasons for this are not hard to imagine. First of all, the Russian Federation has not been providing the DPRK with economic aid that is large enough for the Russian Federation to have influence on the behavior of the DPRK. Nor has Russia had sufficient trade relations to have an impact on North Korea's foreign policy. Moreover, the so-called tactics of "*pokazukha*" pretending that Russia has some influence on DPRK, no longer works. Thirdly, it has become crystal clear that Russia under Putin cannot effectively play a role as an intermediary. Fourthly, the Russians realize the limits of their own voices and thus tend to refrain from intervening in the business of other states.

As a consequence, Russia has ceased to unilaterally take sides with North Korea. Yet, it still cannot be said that Russia under Putin has completely departed from its old thinking and traditional behavior. Conceptual revolution, or the bold transformation in thinking on the Russian side, aiming at the common objective of denuclearization of the Korea Peninsula, is to be greatly desired. Otherwise, it will probably be impossible to prevent North Korea from becoming a militarily nuclear power, a situation that might set off a chain reaction in Northeast Asia. The possibility of South Korea, or a unified Korea, and even Japan going nuclear cannot be

ruled out.⁴³ “Repentance comes too late.” Russia itself would not be exempt from troublesome consequences of such developments. Russia must make bold decision and take actions to prevent such a worst-case scenario. ■

⁴³ Charles Krauthammer, a conservative commentator, for instance, writes: “We do have one trump: a nuclear Japan ... We should go to the Chinese and tell them plainly that if they do not join us in stopping its march to go nuclear, we will endorse any Japanese attempt to create a nuclear deterrent of its own. Even better, we would sympathetically regard any request by Japan to acquire American nuclear missiles as an immediate and interim deterrent.” *Washington Post*, 2005.1.3.

Trade between Russia and Two Koreas

(unit: million US \$)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
North	2 390	2 223	365	342	331	140	84	65	84	65	51	46	69	81	15	213
South				192	1 575	2 192	3 308	3 779	3 272	2 115	2 227	2 846	2 867	3 284	4 181	6 010

source: Korea International Trade Association, www.kita.net

