
24. Russian policy and interests in the Korean Peninsula

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I. Introduction

There have been three stages of Russian policy towards the Korean Peninsula in the decade 1989–98: (a) under Soviet President Mikhail Gorbachev in 1989–91; (b) at the beginning of the reforms in Russia in 1991–95; and (c) during the period of ‘balanced’ foreign policy of President Boris Yeltsin and Foreign Minister Yevgeny Primakov in 1996–98. Russian policy on the Korean Peninsula is now at a turning-point again.

II. The evolution of policy

Under Gorbachev the Soviet Union began to change its policy towards the Asia–Pacific countries. It was very important for it to develop its economic relations with the East Asian countries and to find new economic partners. Gorbachev sought to shake off the legacy of the cold war, stabilize political relations with neighbouring countries and be one of the guarantors of regional security.

The USSR tried to initiate dialogue with the two parts of Korea and to support the reconciliation process on the Korean Peninsula during the Gorbachev period. For the first time it had the opportunity to cooperate with North and South Korea simultaneously. There were some positive results. Although North Korea (the Democratic People’s Republic of Korea, DPRK) reacted coolly to the successful negotiations between the USSR and South Korea (the Republic of Korea), it had to take the new political realities into account. It agreed to join the United Nations together with the Republic of Korea in 1991. However, the improvement in Russian–South Korean relations coincided with a gradual change for the worse in Russian–North Korean relations.

There were objective reasons why Yeltsin’s policy towards the Korean Peninsula during the first half of the 1990s concentrated on the development of relations with South Korea. Gorbachev’s policy had made it possible to continue fruitful negotiations with South Korea. The new democratic government proclaimed the main principles of Russian foreign policy as being the de-ideologization of foreign policy and large-scale security and economic cooperation with foreign countries. There were, however, at least two weaknesses in Russian foreign policy at that time. First, it was primarily oriented towards the USA and the European Community; and, second, Russia was

unable to work out a new policy towards its former allies. Some Russian scholars criticized the 'naive romantic' pro-Western Russian foreign policy of the first half of the 1990s.

De-ideologization meant that Russia was no longer prepared to support its former socialist allies by all possible means. Apart from this, however, there were important objective reasons for the deterioration of bilateral relations between Russia and North Korea. Russia lacked the economic and financial resources to support North Korea. Kim Il Sung's regime criticized Russia's democratic reforms and disagreed with the new market mechanism of bilateral economic cooperation. It was clear for Russia that North Korea was sympathetic to the radical anti-democratic opposition and that it would welcome a restoration of the communist totalitarian system in Russia. At the same time public opinion opposed any continuation of economic assistance to former Soviet allies because Russia was in deep crisis and having to borrow abroad on a large scale. Under these circumstances it was impossible for Russia to mobilize scarce domestic resources in order to assist Kim Il Sung's regime. Market reforms had begun vigorously in Russia and its new businessmen had the opportunity to select their own business partners, and a few of them were ready to make money in North Korea. The local governments of the Russian far east regions were involved in barter trade and in limited cooperation with North Korea: they were the main Russian economic partners of North Korea at that time. As a result trade between North Korea and Russia fell constantly during the first half of the 1990s—from \$600 million in 1992 to \$115 million in 1994 and \$90 million in 1997.¹ Russia's exports to North Korea usually amounted to roughly four times more than its imports from North Korea at that time. Because the problem of North Korean debt to Russia had not been resolved successfully, Russian investment in North Korea shrank and there were no new Russian loans to North Korea.²

For four decades the USSR and North Korea had had close military relations. The USSR supplied North Korea with arms and military equipment and regularly trained its military personnel. Their scientific and technical cooperation gave a powerful impulse to research and development (R&D) and the development of facilities in the military and nuclear industries in North Korea. This cooperation has been frozen since the beginning of the 1990s as the two countries have diverged ideologically, politically and economically.

Meanwhile, economic reforms in Russia boosted trade and economic relations with South Korea. The value of trade between them increased from \$889 million in 1990 to \$2.2 billion in 1994 and \$3.3 billion in 1997.³ Political

¹ *Tamozhennaya Statistika Vneshney Torgovli Rossiyskoy Federatsii* [Customs statistics of the foreign trade of the Russian Federation] (Goskomstat: Moscow, 1998), pp. 505, 511.

² Levchenko, G. K., 'Voprosy o vneshneekonomicheskoy deyatelnosti Rossii na Koreyskom poluostrove' [Issues of the foreign economic policy of Russia on the Korean Peninsula], Paper presented at the 7th IFANS-IMEMO [Institute of Foreign Affairs and National Security, Seoul, and Institute of World Economy and International Relations, Moscow] Conference on the Current Situation in North East Asia and Korea-Russian Cooperation, Seoul, 28–29 Oct. 1997, p. 3–4.

³ See note 1.



Figure 24.1. Map of the Korean Peninsula

relations between Russia and South Korea were fairly stable. Yeltsin paid an official visit to Seoul in November 1992 and signed the Treaty on Bilateral Relations between Russia and South Korea, which laid down the main principles of Russian–South Korean relations, including the support of peace

and security on the Korean Peninsula. During his visit Yeltsin proposed the establishment of a nuclear-weapon-free zone on the peninsula.⁴ President Kim En Sam visited Moscow in June 1994. Exchanges at the ministerial level and between members of the two parliaments, military delegations, and public and science organizations, and cooperation in education, culture and sport expanded. Relations with North Korea were frozen. Here the most significant event was Russia's decision on 10 September 1996 not to prolong the 1961 Treaty of Friendship and Cooperation. The text of a new treaty became the subject of prolonged bilateral negotiations.⁵ As a result Russian policy on Korea was unbalanced in favouring South Korea and Russia had limited opportunity to negotiate with North Korea or to play a positive role on the Korean Peninsula.

A further sign of the new Russian policy was the establishment of military ties with South Korea, which included not only exchange visits for military personnel but also the export of Russian arms and military equipment to South Korea. During 1996–97, Russia transferred to South Korea arms and military equipment, including tanks and combat vehicles, worth approximately \$200 million in part repayment of its debt to South Korea (totalling \$1.4 billion).⁶ Russia hoped to continue these arms transfers, for instance, with fighter aircraft, helicopters, submarines and anti-aircraft missiles, and it seemed that South Korea was ready to receive at least some more arms and technology. However, pressure from the USA, combined with the consequences of the financial and economic crisis in South Korea in 1997–98, limited its further development.⁷

In 1996 the third stage of Russian policy towards Korea began. Since then Russia has tried to balance its foreign policy in order to improve relations not only with the West but also with Asia–Pacific, and especially with the neighbouring North-East Asian countries. This trend was reinforced when Primakov was appointed minister of foreign affairs in January 1996. Pragmatism and the establishment of friendly relations with the neighbouring countries along the border were now the main features of Russian foreign policy. Russia reached some very important agreements on military and border issues with China,⁸ improved relations with Japan,⁹ and tried to resume political dialogue and economic cooperation with its old partners, including North Korea.

There were some signs that North Korea was ready to respond positively to the change of Russian policy. As a result, the bilateral intergovernment commission on economic issues resumed its annual sessions, in April 1996 and

⁴ *Rossiyskaya Gazeta*, 20 Nov. 1992, pp. 1, 3.

⁵ *Diplomaticheskii Vestnik*, no. 4 (1998), p. 15.

⁶ Savalev, R. V., 'Rossiysko-Koreyskoye voyennoye sotrudnichestvo: nastoyacheye i budushcheye' [Russian–Korean military cooperation: present and future], *Problemy Koreyskogo Poluostrova i Interesy Rossii* [The problems of the Korean Peninsula and the interests of Russia, Proceedings of the 2nd Academic Conference, Moscow, 21–22 Jan. 1998], Moscow, 1998, p. 46.

⁷ Savalev (note 6).

⁸ See chapter 18 in this volume.

⁹ See chapters 20 and 21 in this volume.

October 1997. Three agreements on cooperation in agriculture were signed.¹⁰ In 1996 Yeltsin congratulated the North Korean leader on his birthday. Russian Vice-Prime Minister Vitaly Ignatenko and Speaker of the State Duma Gennady Seleznev paid official visits to North Korea. The two countries' foreign ministries resumed regular political consultations. Russia began to deliver food aid to North Korea in 1997. The North Korean Vice-Prime Minister, Foreign Minister Kim Yong-nam, noted that his country and Russia had an opportunity to upgrade their relations and expressed satisfaction with the increasingly positive development of those relations. Russia confirmed to North Korea that the stabilization of relations was the long-term aim of its policy. 'We [Russia] are interested in having active ties with our neighbour [North Korea]'.¹¹

Any sudden collapse of the North Korean regime would cause chaos and a series of conflicts on the Korean Peninsula. Russia is afraid of becoming involved and would therefore support a transition in North Korea towards a predictable regime and a more open society, and any form of cooperation between the South and the North. It would also support the reunification of Korea in the future, although it is sure that North and South Korea will continue to exist separately in the long run.

Although Russia gradually corrected and balanced its foreign policy in 1996–98, it seems that neither of the two Koreas nor Russia is satisfied with the results of the development of their relations in the 1990s. Russia's influence on the Korean Peninsula is still insignificant and it is isolated from the negotiations on Korean problems and from consultations on the main security issues. In fact only the United States and China are the international guarantors of the status quo on the Korean Peninsula and it is not clear to Russia in what way and under what conditions it can support security there. Russia is furthermore disappointed at South Korea's will and ability to maintain large-scale economic relations with Russia.

In turn, South Korea expected that realization of its 'Northern policy' would create new opportunities for the establishment of better relations between the former political rivals in North-East Asia. It believed that under these conditions it would be possible for Russia to stimulate the transition of North Korea towards a more open and predictable society. However, the reduction of political, military and economic ties between Russia and North Korea in the 1990s increased the isolation of North Korea from Russia. South Korea hoped also to find in Russia a huge market for its exports and new sources of fuel and raw materials. Korean businessmen, however, were dissatisfied with the economic situation in Russia and its political instability, which is why bilateral trade and investment exchanges are limited in scale as yet.

¹⁰ *Diplomaticheskii Vestnik*, no. 11 (1997), p. 28. The commission consists of senior officials and discusses among other things the debt problem, the presence of North Korean workers in Siberia and the Russian far east, and Russia's excessively favourable balance of trade with North Korea.

¹¹ Russian Deputy Foreign Minister G. Karasin. 'Russia prepares for foreign minister's visit to N. Korea', *Korea Herald*, 1 Nov. 1997, p. 4.

An unprecedented 'spy scandal' in July 1998 further damaged Russian–South Korean relations.¹² According to officials from the Korean Ministry of Foreign Affairs, this was 'nothing more than an episode',¹³ and it seemed that the Russian side agreed with that point of view and that such trouble usually dies down after a few weeks. Nevertheless the episode seems to have been a reaction on the part of both sides to previous problems in their relations. Although Russia and South Korea decided 'to turn over a new leaf' and work together on improving bilateral relations,¹⁴ Russia has to find new ways to develop political and economic relations with South Korea.

North Korea was also disappointed with the new Russian policy. Kim Jong Il's regime resumed its political activity, trying to restore economic and military cooperation with Russia. North Korea wished to see Russia as a possible partner which could help it to avoid dependence on the USA and to balance its foreign political and economic relations. The totalitarian regime hopes that the growing influence of the Russian Communist Party and other left-wing and nationalist forces in Russia could in future change Russia's policy in North Korea's favour. Indeed, the Russian left-wing and nationalist opposition does advocate strong support for Kim's regime by radical improvement of political relations, economic assistance and military cooperation. It will of course be impossible for Russia to maintain its economic assistance to North Korea at the level of the 1980s in the near and medium term because of its own economic crisis.

Any future improvement of Russian–North Korean relations on an ideological and anti-US basis would be very dangerous for the security situation on the Korean Peninsula and in North-East Asia. A radical transformation of Russian policy in North Korea's favour in the near term is unlikely because there are no objective reasons for such a change. Nevertheless President Yeltsin and the government will be under constant and strong political pressure from the nationalists and the left-wing opposition, which will continue to insist on an improvement of relations with North Korea. The future trend of democratization of Russian society and the stabilization of the Russian economy will therefore greatly influence the development of the political and security situation on the Korean Peninsula.

North Korea, South Korea and Russia are now at a turning-point in the development of their relations. The situation on the Korean Peninsula will depend on the general political and economic evolution of these states. If they develop in the same direction, at least economically, it will give a positive impulse to mutual understanding between the North-East Asian countries and stability on the peninsula. The realization of market reforms in Russia, the transformation of North Korea's administrative economy in the direction of a market economy

¹² Cho Sung-woo, a counsellor at the South Korean Embassy in Moscow, was charged with espionage in July 1998. South Korea in turn declared Oleg Abramkin, a counsellor at the Russian Embassy in Seoul, *persona non grata*, accusing him of unauthorized activities. 'Korea–Russia diplomatic row seen to end with counsellor's expulsion', *Newsreview*, 11 July 1998, p. 8.

¹³ See note 12.

¹⁴ 'Yuzhnaya Koreya i Rossiya: insident ischerpan i zabyt' [South Korea and Russia: incident settled and forgotten], *Izvestiya*, 22 Sep. 1998, p. 1.

and liberalization of the South Korean economy could provide the basis for long-term efficient cooperation between the two Koreas and Russia and create a new political, economic and psychological climate for regional cooperation and stability. On the other hand political and economic stagnation or regression in these countries would have dangerous results and would undermine political and security stability in North-East Asia.

There is some evidence that North Korea is in the preliminary stage of market reform. The law is being changed in order to soften administrative control over state enterprises, and a group of officials, economists and statisticians is to study market mechanisms abroad with financial assistance from the World Bank and the United Nations.¹⁵ If this trend is strengthened, North Korea's domestic and foreign policies will change gradually. However, foreign policy has not yet been modernized. While Russia and South Korea will maintain friendly relations with foreign countries, it seems that North Korea is trying to improve its international position by old political measures. Russia therefore has to take North Korean policy into account while looking for new opportunities to improve its policy towards the Korean Peninsula.

III. The North Korean missile test

When on 31 August 1998 North Korea test-fired a ballistic missile with a range of 5000 km over Japan, a good deal of its aims were achieved. At least for a time, the launch mobilized supporters of North Korea among the left-wing political forces in Russia. It took some time for the Russian Foreign Ministry and Ministry of Defence to work out a joint position on the episode. The launch was unexpected for Moscow, although according to the Russian Foreign Intelligence Service North Korea had been developing a capability for nuclear, chemical and biological weapons for some years.¹⁶

In Japan and South Korea public opinion was divided. In Japan the opposition agreed with the government in criticizing the test but, while the New Komei Party and the Liberal Democratic Party felt that the normalization of relations should be put on hold, the Social Democratic Party argued that talks on this should be resumed. In South Korea, according to an opinion poll, 57 per cent of respondents saw the test as a positive development and only 24 per cent perceived it negatively.¹⁷ South Korean President Kim Dae Jung indicted that the missile launch would not affect his 'sunshine policy' towards North Korea, meaning that political and economic cooperation were separate.¹⁸

North Korea had succeeded in dividing the countries involved in Korean affairs. While Japan adopted a number of responses, including putting off talks

¹⁵ Skosyrev, V., 'Poslednyaya nadezhda Pkhenyana' [Pyongyang's last hope], *Izvestiya*, 12 Mar. 1999, p. 4.

¹⁶ 'Severnaya Koreya otnyne grozit miru iz kozmosa' [North Korea threatens the world from space now], *Russkiy Telegraf*, 5 Sep. 1998, p. 1.

¹⁷ 'Some locals proud of NK missile over Japan', *Korea Herald*, 14 Sep. 1998, p. 3.

¹⁸ 'Chronicle of major events in South and North Korea', *Korea and World Affairs*, vol. 22, no. 4 (1998), p. 632.

on normalizing relations with North Korea, halting food aid for the time being and freezing a decision on the final cost-sharing agreement for the light-water reactors to be built by the Korean Peninsula Energy Development Corporation (KEDO),¹⁹ the USA agreed to send emergency food aid to North Korea.²⁰ Later North Korea successfully pressured the USA to engage in bilateral talks on security issues in New York. The USA is ready to supply North Korea with 500 000 tonnes of food in order to gain the right to inspect the nuclear facilities of the country: North Korea insists on aid worth \$300 million or 1 million tonnes.²¹

One consequence of the episode is that Japan intends to consider two defensive options to ward off what it sees as a growing threat from North Korea—the US Theater Missile Defense (TMD) system and an intelligence satellite to upgrade its own intelligence capabilities and reduce reliance on US cooperation. Any unilateral move by Japan to improve its defence system could shift the regional military balance and raise tension in North-East Asia.²²

Under these circumstances, Japan and South Korea agreed to work with the USA to counter North Korea.²³ Meanwhile it will be impossible to maintain security on the Korean Peninsula without the participation of other North-East Asian countries in regional cooperation.

IV. Conclusions for Russian policy

The end of the cold war in North-East Asia has not meant the normalization of relations between the two Koreas. Military conflict is still possible on the Korean Peninsula. Russia needs to correct its policy towards Korea in order to prevent a deterioration of the political and security situation near its own far east. Russia is not ready to address North Korea from a position of strength and believes that the development of economic cooperation with North Korea is necessary in order to maintain peaceful coexistence on the Korean Peninsula. In some ways, therefore, this policy coincides with South Korea's 'sunshine policy'. Russia, however, has few opportunities to develop bilateral relations with the Korean states in the near future because of its own profound financial crisis and the non-market economic system of North Korea.

The role of economic factors in international relations, especially in the North-East Asian region, will grow. It will be very important for Russia to take part in regional integration and to support North Korean economic cooperation with neighbouring countries, including South Korea. Regional cooperation

¹⁹ The international consortium set up in Mar. 1995. See, e.g., Gill, B., 'The divided nations of China and Korea: discord and dialogue', *SIPRI Yearbook 1996: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1996), pp. 136–38.

²⁰ Foreign experts note that very little of it will go to the needy: it will go to loyal party members and the army. 'Korea: aid agency pulls out of North', *International Herald Tribune*, 30 Sep. 1998, p. 5.

²¹ Skosyrev, V., 'Khochesh proveryat, plati' [If you want to inspect, you must pay], *Izvestiya*, 11 Mar. 1999, p. 4.

²² Kirk, D., 'Japan weighs stiffer posture', *International Herald Tribune*, 11 Sep. 1998, p. 5.

²³ 'Chronicle of major events in South and North Korea' (note 18), p. 637.

could improve the energy, transport, food and environmental situation in North-East Asia and strengthen mutual trust and political stability on the Korean Peninsula.

On the other hand it is impossible for Russia to ignore the danger of North Korea's nuclear and missile blackmail any longer. Russia must therefore coordinate its policy on North Korea with other regional powers in order to firmly oppose any attempts by North Korea at blackmail.

In an interview with *Asahi Shimbun* on 23 January 1998, President Kim Dae Jung expressed the idea that a collective security regime something like the Organization for Security and Co-operation in Europe (OSCE) and involving China, Japan, the two Koreas, Mongolia, Russia and the USA was needed.²⁴ This proposal coincides with key features of Russia's policy on the Korean Peninsula. Russia will try to support the transition of the North Korean regime towards a more open society as well as inter-Korean dialogue and reunification. At the same time it will continue its attempt to initiate a political dialogue on Korean issues with China, Japan, the two Koreas and the USA (the 'two plus four' format) in order to seek close political, economic and security cooperation between the neighbouring countries and the USA.

²⁴ Kang In-duk, '1998 perspective of the situation around the Korean Peninsula and the roles of the surrounding countries', *East Asian Review*, vol. 1, no. 10 (1998), p. 21.