North and South Korea: A Frozen Conflict on the Verge of Unfreezing?

Stefano Felician

Abstract

The Korean Peninsula, despite its size, is one of the most critical areas of the world. A land that bears a bitter legacy of the Cold War, and that is still heavily militarized, Korea shows a striking contrast from North to South. These two opposite political systems cohabit under a fragile peace that could be broken at any moment. This has led to a massive military development and the deployment of a wide array of troops on both sides. The future of North Korea is crucial for the entire region and could affect the EU's economy as well. Many issues remain to be solved in order to achieve a durable peace in the region or, at the very least, to avoid the resumption of war. The European Union could play a role in this unfolding crisis in a manner that could also help its ailing economy.

Keywords: Korean peninsula / North Korea / Nuclear weapons / Economic conditions / Government / Bilateral relations / South Korea / European Union
North and South Korea: A Frozen Conflict on the Verge of Unfreezing?

by Stefano Felician∗

1. Introduction

The Korean Peninsula is still divided by wounds of the Cold War and is one of the most heavily militarized areas of the world. Despite its size, this area represents a significant threat to regional and global peace and stability.1 The frozen conflict in Korea, ongoing since the 1950s, reached the brink of open confrontation in 2010, after a number of military accidents.

The Democratic Republic of North Korea (DPRK or North Korea) exploded a number of nuclear devices in 2006 and 2009, alongside conducting ballistic missile tests in the recent years, chilling relations with its neighbour, the Republic of Korea (ROK or South Korea). Tensions on the Peninsula peaked in 20102. On 26 March, the Cheonan, a 1200-ton corvette of the ROK Navy, was sunk3 in the waters near Baegnyeong, a South Korean island next to the DPRK. Initially, Seoul thought that the blast occurred due to a naval mine, but the ensuing investigation suggested instead that the accident was caused by the torpedoing of a DPRK submarine. The explosion caused the death of 46 sailors out of a crew of 104. An investigation carried out by an international delegation of experts4 issued a summary report on 20 May 2010 that stated that “a strong underwater explosion generated by the detonation of a homing torpedo below and to the left of the gas turbine room caused Cheonan to split apart and sink”.5 The result of the investigation, and the consequent charges made, were resolutely denied

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1 For a general overview of the Korean peninsula’s history see Maurizio Riotto, Storia della Corea dalle origini ai giorni nostri, Milano, Bompiani, 2005.
2 A recent take on the situation can be found in Limes, Corea, la guerra sospesa, Roma, L’Espresso, 2011 (I quaderni speciali di Limes ; a. 3, n. 1).
5 “Investigation Result on the Sinking of ROKS ‘Cheonan’”, in BBC News, 20 May 2010, http://news.bbc.co.uk/nol/shared/bsp/hi/pdfs/20_05_10jigireport.pdf. The summary report ends with a very clear statement: “based on all such relevant facts and classified analysis, we have reached the clear conclusion that ROKS ‘Cheonan’ was sunk as the result of an external underwater explosion caused by a torpedo made in North Korea. The evidence points overwhelmingly to the conclusion that the torpedo was fired by a North Korean submarine. There is no other plausible explanation”. The full report has been released on September 2010 by the Ministry of National Defense of the Republic of Korea: see Joint Investigation Report On the Attack Against the ROKS Ship Cheonan, http://www.nautilus.org/publications/essays/napsnet/reports/Cheonan.pdf.
by North Korea,\textsuperscript{6} that claimed instead that the incident was the product of a US-ROK conspiracy. Even more seriously, the bombardment of Yeonpyeong in November 2010 shook the fragile Korean equilibrium.\textsuperscript{7} On 23 November, a cascade of DPRK artillery shells hit this island,\textsuperscript{8} killing several people, including ROK marines.\textsuperscript{9} This episode, the worst military incident since 1953, created a severe crisis on the Korean Peninsula and beyond. After this event, the US and the ROK started a new round of drills that were harshly criticized by the DPRK. In addition, the robust presence of the US Navy around China and Japan is a matter of concern for Beijing. The Yeonpyeong incident and its aftermath exacerbated Chinese concerns and broader tensions in the region.

These incidents and the ensuing events are grounded in the deep structural differences between North and South Korea’s political, economic and military systems. The DPRK and ROK, after sixty years of separation, are divided by profound differences, whose long shadows ominously reflect on an unstable regional context.\textsuperscript{10} The aim of this paper is to analyze these differences, and the trigger factors of the current destabilization, in order to reflect on the future of the Korean Peninsula and outline possible solutions to the region’s manifold problems.

2. Legacies of war: the frozen conflict and ongoing clashes

Korea is a small finger of land close to large and powerful neighbours, China and Japan. During the twentieth century, it experienced a harsh Japanese occupation that ended in 1945. Despite the end of the Second World War, peace, however, remained elusive on the Peninsula. As in other parts of the world, Cold War divisions permeated the political geography of the Peninsula and the goal of a unified country became utopian. In the north, a communist regime was established, while in the south a US-backed anti-communist state emerged. This geopolitical confrontation lasts to this day. The victory of the Chinese revolution in 1949 and Stalin’s political support boosted the DPRK’s dream of reunification. Due to the weakness of the southern army, after the withdrawal of American troops in 1949, the North invaded the South on 25 June 1950. The invasion triggered a fierce military confrontation that engulfed the US and China as well. The war ended in 1953, restoring the borders around the 38th parallel and leaving both countries devastated.\textsuperscript{11} The Korean war was the first significant conflict of the

\begin{itemize}
  \item[10] A recent take on the situation can be found in LiMes, Corea, la guerra sospesa, cit.
Cold War and formally never ended. In 1953 the parts signed an armistice agreement, and, since then, the borders around the 38th parallel have been frequently shaken by military clashes.

**Figure 1.** Demarcation line fixed at the end of the 1950-53 Korean War

![Demarcation line fixed at the end of the 1950-53 Korean War](source)

The maritime border is still contested between the two parties. It was established by the UN along the armistice agreement line of 1953, but, while the land boundaries were clearly set, sea borders remain disputed. The Northern Limit Line (NLL) is the disputed maritime border that divides the territorial waters of the DPRK and the ROK. Below the NLL there are several small islands (Baengyong, Daecheong, Socheong and Yeonpyeong), which geographically are part of the DPRK’s territory but practically fall under the ROK’s sovereignty. The DPRK has recognized the ROK’s sovereignty over these islands, but it has not recognized the NLL imposed by the UN. To date, the North has asserted a different sea demarcation line. More precisely, “as the 1953 Korean Armistice Agreement does not include in its provision a clear definition of the sea

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13 Ibidem.

14 See the Ongjin County official website: http://www.ongjin.go.kr/foreign/eng/island_introduction/jawal.asp. The Korean war armistice agreement, Art. II, Par. 13 (C), affirmed that “all the islands lying to the north and west of the provincial boundary line between Hwanghae-do and Kyonggi-do shall be under the military control of the Supreme Commander of the Korean People’s Army and the Commander of the Chinese People’s volunteers, except the island groups of Paengyong-do, Taechong-do, Sochong-do, Yonpyong-do, and U-do, which shall remain under the military control of the Commander-in-Chief, United Nations Command. All the islands on the west coast of Korea lying south of the above-mentioned boundary line shall remain under the military control of the Commander-in-Chief, United Nations Command”: See the text of the *Korean War Armistice Agreement*, 27 July 1953 http://news.findlaw.com/hdocs/docs/korea/kwarmagr072753.html.

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demarcation line, North Korea attempted to break this *status quo* line by sending patrol boats to intentionally trespass this line".¹⁵

**Figure 2.** Northern Limit Line (NLL) and DPRK Claimed Sea Borderline

Source: Ryoo, *The Korea Armistice and the Islands* ¹⁶

In recent years, tensions emanating from the contested border have grown. The *East Asian strategic review 2011* titles its opening chapter “Rising tensions in the Korean Peninsula”,¹⁷ calling for closer scrutiny of the structural features giving rise to this fragile situation.

### 3. Structural divergences: political, economic and military

Notwithstanding a shared history, language and culture, today North and South Korea are two separate countries. More than sixty years of opposed political systems have transformed peoples’ outlooks and living standards, pitching the poor and agricultural North in stark contrast to the industrialized and capitalist South. Although the 1950-53 war devastated both sides, ensuing developments saw the two countries moving in diametrically opposite directions. The South today is a dynamic democracy, with a vibrant economy and a population of nearly fifty million.¹⁸ As the Central Intelligence Agency (CIA) underlines, “since the 1960s South Korea has achieved an incredible record of growth and global integration to become a high-tech industrialized economy. Four decades ago, GDP per capita was comparable with levels in the poorer countries

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¹⁶ Moo Bong Ryoo, *The Korea Armistice and the Islands*, cit.


of Africa and Asia. In 2004, South Korea joined the trillion dollar club of world economies, and currently is among the world’s 20 largest economies. The financial crisis in 2009 slowed GDP growth from 2.3% in 2008 to 0.2% in 2009. But the country rapidly recovered, and in 2010 growth picked up to 6.1%. In November 2010, Seoul hosted a meeting of the G20, and in the same year South Korea climbed to become the world’s thirteenth economy.

In the north, the DPRK is one of the most secretive states of the world and one of the few communist states left. After Russia’s withdrawal, Kim Il Sung rose to power, shaping political affairs in the country for almost half a century. Personality cult has dominated North Korean politics: “Sun of the nation”, “Lodestar of the reunification of the fatherland”, “Genius ideological theoretician” “Genius art leader”, “Ever-victorious, iron-willed brilliant commander”, “Great revolutionary and politician” and “Great human being” are amongst the official attributes of North Korea’s founder, mentioned in the preface of the DPRK Constitution. Despite his death in 1994, Kim Il Sung remains, according to the constitution, the DPRK’s “Eternal President”. Over the years, the country has developed into a communist state ruled by a family elite revolving around Kim Il Sun. As stated in the DPRK’s Constitution, Chapter 2, articles 19 and 20: “the DPRK relies on socialist production and on the foundation of an independent national economy” and “in the DPRK, the means of production are owned only by the State and social cooperative organizations”. Its governance is shaped by the doctrines of Juche and Songun, focusing, respectively, on the ideas of revolutionary communism and a military/ized society. Despite official data, the economic situation in North Korea is dire. The DPRK is “one of the world’s most centrally directed and least open economies [and it] faces chronic economic problems”. Chronic food shortages have plagued the country since the 1990s, and famine was unofficially reported in 2010.

The Korean Peninsula is one of the most heavily militarized areas of the world. Two vast and heavily equipped armies face each other, separated by the Military

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19 Ibidem.
20 Ibidem.
24 Ibidem.
25 The Juche idea means that popular masses are the “masters” of the revolution: see DPRK Korea politics, http://www.korea-dpr.com/politics.htm. Art. 3 of the Constitution reads “the DPRK is guided in its activities by the Juche idea, a world outlook centered on people, a revolutionary ideology for achieving the independence of the masses of people”. See DPRK Socialist Constitution, cit.
26 Songun can be translated as “Army first” and underlines the DPRK’s focus on the armed forces as an essential tool both for internal and external stability. The Songun doctrine was introduced by Kim Jong II, son of Kim Il Sung and current head of the DPRK. See “Songun Chongch’i [Army First]”, in Global Security, http://www.globalsecurity.org/military/world/dprk.songun-chongchi.htm.
28 “Unofficial estimates suggested that as many as two million may have died of famine in the late 1990s”: see Jan Palmowski, A Dictionary of Contemporary World History, cit., p. 352.
Demarcation Line (MDL), also known as the Armistice line, set in 1953. The MDL runs across 238 km, dividing the two countries.\(^{29}\) In the village of Panmunjom, bridging between the two, the armistice agreement was signed in 1953. Today it is one of the few zones where Northern and Southern troops directly face each other.\(^{30}\)

**Figure 3. Korean Military Demarcation Line (MDL)**

North Korea boasts a vast defence system: “the unified Korean People’s Army (KPA) ranks as the fourth largest in the world, behind forces of China, the United States and India”.\(^{32}\) The capabilities of the DPRK’s forces are impressive: nearly 1,200,000 troops on duty, divided between the army (approximately one million troops), the navy (60,000 troops), the air force (110,000 troops) and a further 189,000 paramilitaries. Reserves amount to 600,000 troops, and there are an additional six million paramilitary reservists.\(^{33}\) The army represents the “iron fist” of the DPRK military, and includes 88,000 “special purpose forces”, more than 3,500 Medium Battle Tanks, and more than 21,000 artillery units. The other services are also highly equipped (i.e. 70 submarines and 383 vessels for the navy, 620 combat aircraft for the air force).

According to 2006 data, the ROK spends 2.7% of GDP on military expenditure.\(^{34}\) The organization of the armed forces in South Korea is, however, very different from that of its northern neighbour. The overall structure of the ROK’s forces is similar to that of Western countries. Despite a population which is double that of the DPRK, South Korea “only” has 655,000 soldiers on duty, i.e., approximately half the troops of the KPA. As in the north, the largest military service of the ROK is the army, which counts 522,000 soldiers, 2,414 Medium Battle Tanks and over 11,000 artillery. Both the air force and navy (including marines) include nearly 70,000 troops each.\(^{35}\) The ROK also has a strong reserve force, amounting to three million. Unlike the DPRK, the ROK also

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\(^{29}\) CIA, “North Korea”, cit.


\(^{33}\) Data from IISS, The Military Balance 2011, cit., p. 249-251.

\(^{34}\) CIA, “South Korea”, cit.

\(^{35}\) All data on the ROK armed forces are quoted from IISS, The Military Balance 2011, cit., p. 251-254.
relies on a strong US presence, the US Forces in Korea and US troops stationed in Japan,\textsuperscript{36} and a wide range of state-of-the-art equipment, like K1 tanks, Cobra helicopters, F15 and F16 fighters.

**Table 1. ROK Defense Budget 2007-2011 (South Korean Won billion)**

<table>
<thead>
<tr>
<th>Classification</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>975,013</td>
<td>1,026,452</td>
<td>1,063,059</td>
<td>1,129,528</td>
<td>1,240,738</td>
</tr>
<tr>
<td>Government budget</td>
<td>156,518</td>
<td>179,554</td>
<td>203,550</td>
<td>201,283</td>
<td>209,930</td>
</tr>
<tr>
<td>Defense budget (billion $)</td>
<td>24,497</td>
<td>26,649</td>
<td>28,980</td>
<td>29,563</td>
<td>31,403</td>
</tr>
<tr>
<td>Increase (%)</td>
<td>8.8</td>
<td>8.8</td>
<td>8.7</td>
<td>2.0</td>
<td>6.2</td>
</tr>
<tr>
<td>vs GDP (%)</td>
<td>2.51</td>
<td>2.60</td>
<td>2.73</td>
<td>2.62</td>
<td>2.53</td>
</tr>
<tr>
<td>vs Government budget (%)</td>
<td>15.65</td>
<td>14.84</td>
<td>14.24</td>
<td>14.69</td>
<td>14.96</td>
</tr>
</tbody>
</table>

Source: Ministry of National Defense of the Republic of Korea\textsuperscript{37}

**4. Trigger factors of the current destabilization**

Beyond these deep structural differences in the political, economic and military systems of the ROK and the DPRK, today, there are a number of trigger factors pertaining to the military, economic and political realms that are destabilizing the Korean Peninsula.

At the military level, the nuclear issue casts a long shadow on the entire East Asian region.\textsuperscript{38} North Korea started developing its nuclear programme in the 1950s, and on 9 October 2006\textsuperscript{39} and 25 May 2009 the DPRK tested two nuclear bombs. Due to the secrecy of the DPRK’s nuclear programme, it is hard to find reliable data on the country’s nuclear arsenal, but the nuclear tests carried out point to a small but effective nuclear capability. According to a SIPRI 2010 report: “North Korea is widely believed to have produced and separated enough plutonium to build a small number of nuclear warheads”.\textsuperscript{40} The tests have destabilized the region, heightened fears in Japan and the ROK, i.e., the most likely targets of a DPRK attack, as well as in the US, and irritated China and Russia. North Korea has also increased its missile forces, bolstering the status of the KPA’s air force. Today the DPRK has acquired different types of missiles,


with the Taepodong 1 and Taepodong 2 systems developed in the 1990s, marking the full strategic capability of the DPRK.\footnote{For an introduction to the DPRK missile forces see Stefano Felician, \textit{Le armi di distruzione di massa}, Roma, Centro militare di studi strategici, 2010, http://www.difesa.it/SMD/CASD/Istituti_militari/CeMISS/Pubblicazioni/News206/2010-11/Pagine/Le_armi_di_distruzione_di_massa_12078.aspx.}

### Table 2. DPRK Ballistic Missile Range Objectives

<table>
<thead>
<tr>
<th>Target</th>
<th>Range Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>The entire ROK</td>
<td>500 km</td>
</tr>
<tr>
<td>US bases in Japan and major Japanese cities</td>
<td>1,000-1,500 km</td>
</tr>
<tr>
<td>US bases in East Asia</td>
<td>1,500-2,500 km</td>
</tr>
<tr>
<td>US bases in Alaska and Pacific Ocean</td>
<td>4,000-6,000 km</td>
</tr>
<tr>
<td>Continental US</td>
<td>6,000+ km</td>
</tr>
</tbody>
</table>

Source: Bermudez, \textit{A History of Ballistic Missile Development in the DPRK} \footnote{Joseph S. Bermudez Jr., \textit{A History of Ballistic Missile Development in the DPRK}, Monterey, Center for Nonproliferation Studies, 1999 (CNS Occasional Papers ; 2), http://cns.miis.edu/opapers/op2, p. 16.}

At the economic level, the DPRK, as a planned economy does not attract foreign capital. China is the only economic backer of the country, and some joint industrial complexes have been built with Chinese support near the DPRK borders. However, the illegal black market of Chinese goods continues to flourish. The DPRK suffers from food, energy and technology shortages, and only KPA and Party officers enjoy high living standards. Poverty, especially in rural areas, is pushing many North Koreans to migrate both internally and externally. The ensuing movement of persons, added to a modicum of new communication technologies, is gradually fostering the conditions for internal social unrest and ensuing instability. Under these conditions, reunification could limit and even endanger the ROK’s growth. Probably the only solution could be a “Chinese” or a “Vietnamese” evolution of the DPRK’s economic system, i.e., keeping Pyongyang’s ruling \textit{élite} dismisses this approach out of hand.

Finally, the political transition of the DPRK could be the true turning point for the Korean Peninsula. The ailing Kim Jong Il is working on the succession of his second son, Kim Jong Un, a little known 28-or 29 years-old man.\footnote{“Profile: Kim Jong-un”, in \textit{BBC News}, 10 October 2010, http://www.bbc.co.uk/news/world-asia-pacific-11388628.} The dynastical succession in Pyongyang raises many questions on the future of the regime, and its possible collapse, an event that worries the DPRK’s neighbours and the US. The future of the regime and its leadership hinge on the decision and eventual pressures not only of Kim Jong II, but also of the KPA, the leading force in the country, and Beijing, Pyongyang’s only ally. The unpredictable evolution of the succession question threatens the economic growth of all Asian markets and the geopolitical balance of East Asia. Scobell has identified some possible scenarios for the transition, ranging from a complete stalemate to a “Romanian” future.\footnote{Andrew Scobell, \textit{Projecting Pyongyang: the Future of North Korea’s Kim Jong Il Regime}, Carlisle, Strategic Studies Institute, 2008, http://www.strategicstudiesinstitute.army.mil/pubs/display.cfm?pubID=844, p. 14-25.}
Figure 4. Possible scenarios for the transition of the DPRK regime

<table>
<thead>
<tr>
<th>Scenario/Trajectory</th>
<th>Example</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Suspended Animation</td>
<td>Albania 1970s-late 1980s</td>
<td>Status Quo - Regime in a holding pattern - No reform</td>
</tr>
<tr>
<td>2. Suspended Animation/</td>
<td>Cuba 1950s-&gt;</td>
<td>Status Quo Plus - Some notable reforms but regime remains essentially in a</td>
</tr>
<tr>
<td>Soft Landing Hybrid</td>
<td></td>
<td>holding pattern</td>
</tr>
<tr>
<td>3. Soft Landing</td>
<td>China Late 1970s-&gt;</td>
<td>Gradual Reform - Regime transformation - economic reforms - political</td>
</tr>
<tr>
<td></td>
<td></td>
<td>liberalization</td>
</tr>
<tr>
<td>Landing Hybrid</td>
<td></td>
<td>getting out of control and leading to regime collapse</td>
</tr>
<tr>
<td>5. Crash Landing</td>
<td>Romania Late 1990s</td>
<td>Collapse - Overthrow/Revolution - No economic or political opening</td>
</tr>
</tbody>
</table>

Source: Scobell, *Projecting Pyongyang* 45

5. Implications for the EU

Korea’s future depends not only on the two countries of the Peninsula, the ROK and the DPRK, but also on their two principal backers, respectively the US and China. The geographical distance of the Korean Peninsula from the European Union seems to limit the impact of European political initiatives on the unfreezing conflict. Notwithstanding, the ROK and the EU have recently bolstered their economic ties, with a free trade agreement signed between two in October 2010. The ROK “is the EU’s eighth largest trade partner and the EU has become South Korea’s second largest export destination”, quotes an EU Commission report. 46 In 2009, EU exports to South Korea amounted to €21.5 billion, while EU imports rose to €32 billion. 47 In view of this deepening economic relationship, a crisis in the Korean region, while not threatening European security, would no doubt impact negatively on the EU’s ailing economy. In view of this, the EU could engage the US and China in dialogue about the future of

Korea, especially regarding the evolution of the DPRK’s economy. A slow but constant opening of the DPRK’s economy could help avoid acute political and social instability in the country and the entire region and reduce the risk of a conventional war. In today’s context of a rapidly unfolding conflict context, a “Chinese” or “Vietnamese” solution to the DPRK’s transition could represent the second best solution for the EU to actively press for.

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