Testimony of Sung-Yoon Lee
Kim Koo-Korea Foundation Professor in Korean Studies and Assistant Professor
The Fletcher School of Law and Diplomacy, Tufts University

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"Pressuring North Korea: Evaluating Options"
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Thank you, Mr. Chairman, and distinguished members of the Subcommittee:

I am honored to have this opportunity to present my views on how best to stem North Korea’s growing threat from its illicit ballistic missile and nuclear programs.

I. Rethink North Korea Policy

i. North Korea’s “Exceptionable Exceptionalism”

First, the world must dispossess itself of the notion that North Korea may be charmed out of its ballistic missile and nuclear path through conventional diplomacy of quid pro quo boosted by moral suasion. Of the world’s nine nuclear states, North Korea arguably is more resistant to denuclearization than the U.K. or France—states that face neither questions of legitimacy from an alternate British or French state nor a direct threat from its neighbor—and just as resistant to denuclearization as India, Pakistan, and Israel. Over the past quarter century, the Kim regime’s cultish “mockability”¹ and the bedeviled nation’s acute poverty have fed the fancy that for the right price Pyongyang may be persuaded to dismantle its WMD programs.

However, the reality has been and, shall remain, that as long as Pyongyang is not presented with the risk of regime instability, it will not only grasp onto its WMDs but continue to bolster them at a crushing cost to its own people. The internal dynamic of the Korean peninsula, in which two states vie for pan-Korean legitimacy, dictates that the despotic, illegitimate, and eminently risible regime do all it can to extort the democratic, legitimate, attractive other. For the Kim regime, nuclear-armed missiles are not a “bargaining chip” or “deterrent.” They are the one panacea that may one day overturn all gloomy indices of state inferiority vis-à-vis the Republic of Korea. In other words, they are both the very means to the regime’s long-term survival and its end game of prevailing over the South.

Short of sustained pressure by the U.S. and its allies that presents Pyongyang with pressing existential questions that compel it to rethink its state priorities, the North Korea threat will only continue to grow bigger. This is a risk that the U.S. must bear. It is clear now that the era of passivity, procrastination, and half-measures has come to its close, and the United States and its

¹ It may not be a proper word. The author is unable to find it in any dictionary. At the same time, the intended connotation, if not meaning, here is apparent.
allies have entered a period of consequences. How the Trump administration meets North Korea’s growing lethal threat will have grave implications on regional peace, global proliferation security, human security, and the credibility of the U.S. as a great power.

**ii. Dispel Despair**

Second, the world must dispossess itself, when it comes to North Korea, of the temptation to be resigned to the notion that “there are no good options” or that “sanctions don’t work.” Rare is the garland of attractive options when it comes to nuclear politics, which, short of waging war, is international politics at the highest level. And sanctions take time and uniform enforcement to bear fruit. North Korea’s systemic vulnerabilities actively invite exploitation by the U.S. and its allies. What has been lacking is the political will and sufficient government support in both human financial resources to enable the exploitation of such systemic weaknesses.

The North Korean regime’s continuing dependence on illicit international financial transactions in U.S. dollars as an instrument of regime preservation begs exploitation by the United States. Recent annual reports by the UN Panel of Experts on North Korea all note that in spite of North Korea’s multifaceted tactics of circumventing UN Security Council-mandated sanctions and inadequate enforcement or non-compliance by member states, Pyongyang’s choice of currency for international transactions still remains the U.S. dollar. Moreover, for sanctions to take their intended full effect, they must be applied and uniformly enforced by various parties over several years. Sanctions must be enforced free of political expedients—the impulse to relax them or provide Pyongyang with negating subsidies in the face of its next escalation. This principle applies to all parties, including the U.S., South Korea, and Japan alike. Furthermore, the Kim regime’s illegitimacy and seven decades-long record of crimes against humanity leave it open to erosion-from-within. That the totalitarian regime thus far has been successful in repressing its own people and blocking the flow of information in and out of its domain does not necessarily mean that this perverse equation cannot one day be overturned. The U.S. and its regional allies have much to gain in vastly increasing funding for information and broadcasting dissemination efforts into the closed, information-deprived country.

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iii. Co-opt China

Third, China’s strategic interests in the Korean peninsula will shift toward pressuring the Kim Jong Un regime to the point of destabilizing it only when China itself is confronted with a serious and imminent security, economic, or humanitarian threat. Engineering a security or humanitarian crisis for China is hardly a feasible option, whereas raising the financial cost of coddling Pyongyang for China is firmly within the U.S. diplomatic arsenal and legal authority. China today enjoys greater political and economic influence over the Korean peninsula than at any time since its defeat in the First Sino-Japanese War of 1894-1895, which largely removed China from Korean affairs until the founding of the People’s Republic in 1949 and forestalled official relations with South Korea until the normalization of relations in 1992. A nuclear Pyongyang that steadfastly showers Beijing with the gift of the “North Korea card” to be played against Washington in China’s long-term strategic competition against the U.S. is arguably of greater utility to China than a North Korea denuclearized. Moreover, South Korea’s total volume of trade with China significantly exceeds that with the U.S. and Japan put together, with Seoul enjoying each year tens of billions of dollars in trade surplus over Beijing. Thus, both Koreas remain in varying degrees beholden to China, which means China will see no compelling reason to put real pressure on Pyongyang unless the status quo becomes a high risk for itself. American exhortations of China’s need to be a “responsible stakeholder” (2006) and frequent pleas for help since notwithstanding, China will only change when the carrying cost of coddling the Kim regime grows from costly to costlier—or critical.

Under the current dynamics in the region, China will remain more an obstacle than key to North Korea’s denuclearization. The road to North Korea’s denuclearization indeed lies through China, but only through a China incentivized by economic disincentives to change course and, out of pragmatic considerations, apply, even if begrudgingly, increasing pressure on Pyongyang’s international finances.

II. Three Common Myths

i. Pyongyang Listens to Beijing

Since the advent of the Xi Jinping era in late 2012, the Kim Jong Un regime has conducted three nuclear tests and three long-range missile tests. Each incident has meant some loss of face for

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3 Korea Customs Service statistics for 2016 indicate that South Korea reaped approximately $37 billion trade surplus vis-à-vis China, while Seoul’s surplus in total trade with the U.S. and Japan were approximately $2 billion. Korea Customs Service,” Import/Export by Country,” 2016 and 2017. http://english.customs.go.kr/kcshome/trade/TradeCountryList.do?layoutMenuNo=21031

4 The three nuclear tests were carried out on the following dates: February 12, 2013, during the Chinese New Year Holiday; January 6, 2016, two days before Kim Jong Un’s birthday; and September 9, 2016, On National Founding Day. The three long-range missile tests were conducted on: April 13, 2012, two days shy of Kim Il Sung’s centennial celebrations; December 12, 2012, just one week before South Korea’s presidential election; and February 7, 2016, just one month after the regime’s fourth nuclear test.
China. Xi and Kim have yet to meet in person, and, in recent weeks, China has taken a sterner approach to North Korea, such as the ban on coal import from North Korea for the remainder of 2017. Such signs of rift in the bilateral relationship suggest to some that Beijing is quite displeased with Pyongyang and may be amenable to punishing it in ways worthy of the name. Some commentators have even remarked that Sino-North Korean relations are now at an all-time low. But, in fact, the less-than-cozy relationship over the past several years is more a typical transitory phase rather than an aberration. It is certainly not a nadir in the bilateral relationship. For example, relations in the mid-1960s were marked by a border skirmish, recalling of respective ambassadors, colorful name-calling at each other, and Pyongyang’s tilt to Moscow. But, after about four years, the relationship was renewed with generous aid from Beijing. Historically, when Sino-North Korean relations are visibly discourteous or even acrimonious, Beijing, after a decent interval, is more prone to reward Pyongyang with new and greater economic/military concessions rather than punish it.

Hence, short of North Korean behavior or developments inside the North flaring into an imminent security threat to China itself, Beijing is hardly likely to penalize Pyongyang in any real sense even as it signs on to UN Security Council resolutions calling for more punitive economic measures. While it may seem counterintuitive, the record over the past 60 years suggests that the more North Korea irritates China, the more aid and political support Beijing gives Pyongyang out of strategic interests in the region. This argument, even if partially valid, should give pause to the U.S. and its allies as they once again look to China to exercise its vast economic and political influence on Pyongyang in the wake of its ongoing provocations.

In August 1956, Kim Il Sung, the founder and grandfather of the current North Korean leader, began a campaign of bloody purges against pro-Chinese and pro-Soviet factions in the party. The response by Kim’s patron states was a dispatch of a high-level joint punitive expedition to Pyongyang in September. Anastas Mikoyan, a high-ranking member of the Politburo, while attending a Chinese Communist Party congress in Beijing in September, coordinated with General Peng Dehuai, the Chinese commander in the Korean War, and together with their deputies flew into Pyongyang to admonish the North Korean leader. The joint foreign delegation demanded that Kim restore expelled opposition leaders to their former positions. The North Korean leader, taken aback and humiliated, consented to cease all purges. However, within a year of the Sino-Soviet intervention, Kim resumed his attack on his opponents that resulted in thousands of dismissals from the Korean Workers’ Party and tens of thousands imprisoned and executed. In effect, Kim Il Sung had set the tone for his regime’s future relations with Beijing and Moscow. Mao Zedong even apologized to Kim when the two met in Moscow in November 1957 for the first time since the dispatch of the high-level envoys to Pyongyang. Thereafter, not only would there be no heavy-handed approach from either Beijing or Moscow again, but with each apparent insult or provocative behavior by the North Korean leadership, for example, the seizure of the U.S.S Pueblo in January 1968 and the shootdown of the U.S. reconnaissance plane in April 1969, both patron states renewed and increased aid to Pyongyang.

China’s leverage over North Korea in the late-1950s, in particular, with hundreds of thousands of Chinese troops still stationed in the North, was arguably greater than China’s leverage over Pyongyang at any point in the post-Cold War period. Yet, China exercised self-restraint in the face of Pyongyang’s defiance and in fact provided North Korea with the following concessions in 1958 alone: a long-term credit of $25 million, construction of a hydroelectric power station on the Yalu River, and an agreement on scientific and technical cooperation. China also agreed to aid North Korea develop its shipbuilding, cement, fishing, and silk industries, while accepting North Korean students to receive technical training in China. For Kim Il Sung, the lessons must have been clear: It pays to stand up to the bigger powers as long as Kim remains within bounds, that is, as long as he is able to read the strategic environment and does not deviate too far from the socialist line of anti-imperialist revolutionary struggle—which, in modern parlance, would translate as “strategic provocations against the U.S.”

Over the past decade, the record shows that China has increased trade with North Korea with each nuclear test by Pyongyang, even as it endorsed tougher UN Security Resolutions. This trend, short of a clear and present economic cost for Beijing, is expected to continue.

ii. Sanctions Don’t Work

My esteemed colleagues, Joshua Stanton, Bruce Klingner, and Anthony Ruggiero, have done much to dispel the myth that U.S. sanctions against North Korea have reached their full capacity; that is, with respect to North Korea, U.S. sanctions have been exhausted. In fact, in both degree and kind, U.S. sanctions against North Korea have been relatively weak until just one year ago. The self-restraint exercised by the U.S. in implementing sanctions against Pyongyang has been reminiscent of the self-restraint shown in the wake of each lethal attack by North Korea against South Koreans and Americans in South Korea since the 1960s. Even in egregious cases of attack by North Korea that may be regarded as acts of war, there has there never been a military response by the U.S. No doubt, the risk of escalation and possible war in the Korean peninsula has impelled both the U.S. and South Korea to act with caution. Academically speaking, this may be viewed as the correct response—a prudent non-response that may have thwarted rapid escalation and perhaps even war. At the same time, it is undeniable that such reticence to respond with credible resolve or military force has conditioned Pyongyang to assume that it can get away with murder.

In recent years, overall U.S. policy toward North Korea has been tepid at best. Even nations that pose no security threat to the U.S., such as Belarus, Ukraine, Zimbabwe, and Burma have been more heavily sanctioned by the U.S. than North Korea, which, by all accounts, is among the world’s leaders in arms proliferation and human rights violations. The only possible conclusion to be drawn from this kind of extraordinary self-restraint is that previous administrations have been self-deterred by concerns that in the event the U.S. aggressively blocks Pyongyang’s...

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streams of revenue and designates Chinese entities, North Korea may lash out (and even start a war) and China may start a trade war with the U.S.

However, the evidence is to the contrary. In the aftermath of the Treasury Department’s designation of Banco Delta Asia a Primary Money Laundering Concern in September 2005, North Korea found itself isolated from the international financial order, even shunned by Chinese banks. The blow to Pyongyang was not that North Korean deposits of approximately $25 million in the bank were frozen, but that Treasury’s blacklisting had deterred North Korea’s partners from continuing to conduct business with Pyongyang as usual. While a plausible argument could be made that the Treasury’s designation pushed Pyongyang to accelerate its first nuclear test, which took place on October 9, 2006, on the eve of Party Founding Day, it is certain that North Korea at some point thereafter would have crossed the nuclear Rubicon at a time of its choosing, spurred by both political and technological imperatives. Subsequent nuclear and missile tests have also been timed to maximize their impact. They have taken place on North Korean, American, and Chinese national holidays and on weekends—presumably to capture the global headlines and pressure Pyongyang’s adversaries to come up with a response, which have been more often than not a return, following an interval marked by little more than rhetorical condemnations, to talks with even greater concessions in tow.

Furthermore, in May 2013, two months after Treasury designated North Korea’s Foreign Trade Bank in the wake of Pyongyang’s nuclear test in February, describing it as a “key financial node in North Korea’s WMD apparatus” that “facilitate[s] transactions on behalf of actors linked to its proliferation networks,” four of China’s biggest banks—Industrial and Commercial Bank of China, Agricultural Bank of China, China Construction Bank, and Bank of China—all ceased money transfer with the North’s Foreign Trade Bank. Soon, the Foreign Trade Bank was blocked from the global financial system. However, because Pyongyang uses food insecurity as a weapon with which to make the people dependent on the regime for goods and extract aid from abroad, Pyongyang insisted that the NGOs operating inside North Korea continue to use only the Foreign Trade bank. As a result, aid workers lost their access to international banking services and ended up carrying bulk cash in bags from Beijing to Pyongyang. Some European aid workers decried the loss of access to the Foreign Trade Bank and, instead of using their considerable moral and material leverage to demand Pyongyang to abide by at least some semblance of international norms of transparency, chose to blame the U.S. rather than North Korea for the inconvenience.

Sustained financial sanctions against North Korean entities and their Chinese partners may raise tension with both nations in the short terms. At the same time, North Korea has shown itself not to be suicidal or “crazy,” and has abided by a strategy of calculated provocations—lethal, at times, but always controlled and small-scale—at a time of its own choosing. In other words, Pyongyang’s nuclear and missile tests are likely to proceed as planned almost irrespective of U.S. sanctions or negotiations. To posit that further sanctions may forestall denuclearization or lead to war is to deny the past several decades of history: Conventional diplomacy will only allow North Korea to buy time and the resources with which to advance its WMDs programs. On the other

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hand, inflicting financial costs on North Korean and Chinese entities will have few, if any, deleterious effects on U.S. interests.

Moreover, the effectiveness of sanctions should not be evaluated solely on the criterion of transforming the target country’s leadership but by the degree of gain in the sanctioning country’s negotiating position relative to the sanctioned nation. By implementing these sanctions, is the U.S. likely to be in a stronger position to achieve a better eventual settlement with North Korea? In weighing U.S. interests vis-à-vis North Korea’s, deterrence as well as denuclearization becomes a critical consideration. Thus, the utility of financial sanctions as a credible deterrent to Pyongyang’s further nuclear and missile development and proliferation, at least in the short term, is a necessary condition to achieving the ultimate goal of denuclearization. In sum, these financial regulatory measures are the best way to present the Kim regime with a non-lethal-but-existential threat. On principle, too, they are the right thing to do. Such credible threats also have the best chance of achieving secondary or even tertiary objectives goals in any sanctions regime: protecting the integrity of the international system and symbolically enhancing the prestige of the sanctioning nation by making a moral statement. These measures also have the advantage of having the best chance of modifying the Kim regime’s brutal treatment of its own people, even if change proves incremental and sporadic.

**iii. Human Rights are Secondary Considerations**

Among the grave findings by the landmark report by the UN Commission of Inquiry on Human Rights in North Korea, published in February 2014, is that the North Korean regime is guilty of virtually every single act of crimes against humanity as defined by the International Criminal Court, as well as the following, which is a novelty in international criminal law: The “inhumane act of knowing causing prolonged starvation.”

North Korea’s elites enjoy a life of extravagance while the vast majority of the people languish in miserable conditions under a brutal police state. This reality is the direct product of the Kim dynasty’s determined policies over the past several decades, not the result of U.S. sanctions or unfavorable weather conditions, as some wish to believe. The Kim dynasty has assiduously misallocated its national resources and earnings from illicit financial transactions to its nuclear weapons and long-range ballistic missile programs, while allowing a very high percentage of its population to be hungry (above 80%), a substantial percentage of its people to be undernourished (42%), and untold many to waste away and starve to death. In various UN reports, each year North Korea is rated among the world’s three or four “top” nations by the matrix of undernourishment among the population, alternating between third and fourth place together with Zambia and the Central African Republic. Tellingly, North Korea stands alone among UN’s list of nations most afflicted with chronic food insecurity: It is the only nation that is industrialized, urbanized, and literate. All others are impoverished, pre-industrial

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http://www.fao.org/3/a-i4646e.pdf
agrarian economies often beset by internal turmoil, in which illiteracy rates among the adult—especially the female—population range from the 20 to 70 percent.

North Korean people today need to be informed that their loved ones died during the famine in the mid- to late-1990s not because the regime was poor and did not have the funds with which to import food from abroad, but because of its perverse priorities. As tens of thousands of thousands died, the Kim Jong Un regime spent billions of dollars on defense and arms purchases, building the world’s most extravagant mausoleum for Kim’s deceased leader, preventing people from crossing into China in search of food, and proscribing food delivery to the Northeast region. Washington and, in particular, Seoul, should highlight the acute North Korean humanitarian crisis by drawing world public attention to the issue and increasing support of radio broadcasts and other information transmission efforts into North Korea. The Republic of Korea, as the sole legitimate representative government in the Korean peninsula, should take the leading role in this global human rights campaign. South Korea, the U.S., and Japan are also mandated by their own North Korean human rights acts to improve human rights in North Korea. They could and should cooperate closely together and sponsor—if necessary, through third civilian parties—reports, publications, international conventions, transmissions and dissemination of information related to North Korea’s multifarious nefarious human-rights abuses throughout their respective countries and the world. The more people in democratic societies think about the North Korean regime as a threat to humanity and less as an idiosyncratic abstraction, the more they will be resolved not to allow their leaders to resort to politically expedient measures with each future provocation by Pyongyang or defer Korean reunification.

Nearly 50% of North Koreans who have defected to the South since the famine years say that they had come into contact with outside information primarily through South Korean TV shows on DVD and radio broadcasts, which served as an incentive to escape their nation. According to one survey, among North Korean defectors who have resettled in the South since 2009, 75 percent say they have been exposed to foreign media, with 25 percent reporting they had experienced heavy exposure.10 Citizens in free societies would do well to remember that sending information into North Korea is not merely a defense of the principle of the freedom of information; rather, it is an act that saves real lives. In this effort, the U.S. can provide South Korea, Japan, and other free nations with moral, financial, technical, and logistical support.

An increase in budget for Korean language programs on Voice of America (VOA), Radio Free Asia (RFA), and broadcasters from other nations would enable greater broadcasting time, stronger signals, proliferation of self-tuning short-wave radios, greater variety of programs, expansion of the listening audience, and the much-needed education of the North Korean people, who are clearly the most cut-off people in the world. Section 301 of the North Korea Sanctions and Policy Enhancement Act of 2016 calls on the President to submit to Congress a “detailed plan for making unrestricted, unmonitored, and inexpensive electronic mass communications available to the people of North Korea.” Both the legal mandate and moral imperative are present

for Congress to seize the initiative and overhaul U.S. information programs targeting North Korea.

The Broadcasting Board of Governors budget request for fiscal year 2017 shows that congressional funding for Korean services in recent years has been less than those for many other countries—both big and small. For example, in the case of VOA, funds requested for Korean services in 2017 are $2.9 million, whereas those requested for Burmese, Tibetan, Indonesian, and Mandarin Chinese services are, respectively, $3.1 million, $3.3 million, $6.1 million, and $12 million. Funds requested for RFA Korean services for 2017 are $2.4 million, while those for Tibetan and Mandarin Chinese services are, respectively, $4.1 million and $4.8 million. Congress could authorize a substantial increase in funding for Korean services in the coming years pursuant to the North Korea Human Rights Act of 2004. The U.S. also could designate North Korean persons outside North Korea and their foreign enablers for serious human rights violations and censorship pursuant to Section 304(b)(2) of the North Korea Sanctions and Policy Act. For example, with respect to the recent assassination of Kim Jong Nam, the designation of the former North Korean Ambassador to Malaysia, Kang Chul, and his staff, is warranted for their role in facilitating “serious human rights abuses by the Government of North Korea.”

Moreover, Congress should publicly and repeatedly call on Pyongyang to tear down the walls of the nation’s horrific political prisoner concentration camps. To date, no U.S. or South Korean president has ever made such a basic demand, out of fear of derailing the moribund—if not already-ossified nuclear talks with the Kim regime. Congress could encourage President Trump to call on Pyongyang to release all political prisoners. A firm, public stand by President Trump may not deter all third-country entities from engaging in shady deals with Pyongyang or move the Kim regime to close down its vast network of gulags. But it will raise cost of collusion and continued crimes against humanity.

III. Conclusion

To forge the future with proactive coercive diplomacy—one that employs targeted financial sanctions and multi-faceted information dissemination into the North—in tandem with conventional diplomacy and military deterrence offers hope. To remain reactive or return to the failed North Korea policies of the past will only give the Kim regime more time to perfect its nuclear arsenal while millions of ordinary North Koreans remain abused by the state. Coddling Pyongyang will ensure complete failure and beckon calamity.

The lessons of the past should not be supplanted by unfounded visions of the future. If the United States were truly intent on leaning on China to rein in Pyongyang’s nuclear and missile programs, it should act beyond mere moral suasion. Instead, give the Chinese a credible stake in the matter—an economic stake in the protection of the integrity of the international financial system that may be adversely affected by continuing to support the Kim regime. But until then, the

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Chinese will stay the course they’ve been on the past sixty years. The Chinese leadership will put up with a recalcitrant Pyongyang, make platitudes about upholding peace and stability in the region, and counsel Washington on the need for patience and dialogue as North Korea continues to march to its own drumbeat of internal repression, periodic provocations, proliferation, weapons tests, and nuclear blackmail.

Whether the political situation in South Korea today turns into an opportunity or liability largely depends on actions by the U.S. Regime collapse in a democracy won’t bring down the entire political order, but it may lead to the revival of failed policies. On the other hand, regime collapse in a dictatorship may well mean the destruction of the existing system and the launch of a new legal order, which, in the North Korean context, may mean liberation for millions.

This should be the tacit goal of the U.S. Unless Kim Jong Un faces the specter of regime collapse, he will neither disarm nor free his downtrodden people. The change in government in Seoul this spring neither precludes nor triggers one in the North. Still, it may yet accelerate the latter by showing the long-suffering people in the North the immutable truth—that the voice of the people sometimes does morph into Vox Dei; and that the voice of the people, inaudible and inarticulate as it may be, can in both democracies and tyrannies alike, effect, change, and even end regimes.

The United States is uniquely well-positioned to accelerate that eventuality.