Is China Colonizing North Korea?
Unraveling Geopolitical Economy in the Production of Territory

Dissertation

Presented in Partial Fulfillment of the Requirements for the Degree Doctor of Philosophy
in the Graduate School of The Ohio State University

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2013

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Abstract

This dissertation examines the complex articulations between geopolitical and geoeconomic imperatives across national borders in the production of state territory. More specifically, it investigates the development of territorial linkages between North Korea and northeast China, scrutinizing the political-economic conditions that underlie these bilateral relations. My central thesis is that the recent changes in political-economic relations between these two countries have resulted not from a unilateral economic movement on the part of China – a ‘colonization’ – but instead through the mutual articulation of two processes: on one hand, North Korea’s deployment of territorial strategies to leverage its regional capacities and, on the other, China’s geo-economic approach to enhancing security in the border region. I contend that the discourse of China’s colonization of North Korea that has been constructed and disseminated by South Koreans reveals that both liberals and conservatives in South Korea desire North Korea as a sort of colony, albeit in different forms.

This argument unfolds in three parts. First, in Chapter 2, I begin with a theoretical elaboration of geopolitical economy in the production of territory. Here I examine two different dialectical interactions which are deeply entangled with the production of state territory—the dialectics between geopolitical and geoeconomic logics of power and between territorial practices and representations of territory. Second, in Part I. Production of Territory ‘within’ North Korea, I explore how the territorial logic of
the North Korean political economy works. Chapter 3 analyzes postcolonial conditions in North Korea that dictate its territorial representations and practices. In Chapter 4, in a close engagement with Foucault’s theory of governmentality and Gottmann’s idea of territory, I argue that it is not that North Korea has no choice but to open its territory due to economic suffering; it is instead that North Korea’s own imperative, “security first, economy next,” determines how it produces territory. Third, in Part II. Production of Territory ‘outside’ North Korea, I scrutinize the forces from outside increasingly implicated in the production of territory of North Korea. Chapter 5 discusses China’s vision, interests, and strategies for North Korea. I claim that China’s strategy for North Korea, an active deployment of geoeconomic means to enhance geopolitical security in the border region, newly reproduces North Korea’s territory. In Chapter 6, I trace out a genealogy of the discourse of ‘China’s colonization of North Korea’ in South Korea. I argue that political conflicts inside South Korea in the conception of North Korea – between an object of geopolitical absorption and a geoeconomic object – have entailed the competitive appropriation of this discourse, and have affected the way North Korean territory is produced.
Acknowledgements

This dissertation owes a great deal to a number of people and institutions. First, I would like to thank advisor, Joel Wainwright, for his ongoing encouragement and support of my research throughout my graduate education. Without his intellectual inspiration and moral support, it would have been impossible to complete this work. I am also grateful to my committee members – Mathew Coleman, Bruce Cumings, Ed Malecki, and Becky Mansfield – for their professional advice and valuable insights into my research and writing. I am so lucky to have them on my committee. I am also in debt to Bae-Gyoon Park and Jim Glassman who have always supported and encouraged me. Many special thanks to Will Jones who read through my dissertation and provided invaluable comments and suggestions.

The fieldwork for this research was made possible by the financial support of research grants from Association for Asian Studies, Mershon Center for International Security Studies, and Office of International Affairs of the Ohio State University. I would like to thank the Department of Geography and the Graduate School of the Ohio State University for fellowships that allowed me to focus on writing the dissertation.

Many thanks go to my friends, colleagues, and other people who in one way or another have contributed to this project in Columbus, LA, Seoul, Beijing, Changchun, Dandong, Yanji, and other parts of the world. I would like to thank Nurcan Atalan-Helicke, Katherine Bennett, Dae-Woon Cha, Dongin Choi, Feng Chui, Jamie Doucette,
Nicolle Etchart, Sangyoung Han, Hyeseon Jeong, Jaewoo Jun, Hyeyoung Kim, Hyun Lee, Inhwan Kim, Kyung-Duk Lee, Sang-Hyuk Lee, Yun-Chie Lee, Jong-Kook Park, Ying-a Piao, Lili Wang, Theresa Wong, Xi Laoshi, Xie Laoshi, Pyung-Sop Yang, Jebong Yoo, Reverend Yoon, Seung-Hyun Yoon, Xiao Yu, Hui-Zhi Zhang. I am also grateful to my colleagues at the Seminar for Theory of Political Geography for productive discussions and helpful comments on Chapter 2.

Last, but certainly not least, I am grateful to my family. My father and mother in Daejeon and my father-in-law, mother-in-law, and Suk-Young in Seoul always encourage and support me through my life from Seoul to the U.S. and especially in China. I would also like to thank my brother’s family. And this dissertation is dedicated to my wife and best friend, Ahyoung. Without her love, care, encouragement, and understanding, I could have never finished this work.
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Major Field: Geography
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<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
</tr>
<tr>
<td>CCP</td>
<td>Chinese Communist Party</td>
</tr>
<tr>
<td>CNKI</td>
<td>China National Knowledge Infrastructure</td>
</tr>
<tr>
<td>DMZ</td>
<td>Demilitarized Zone</td>
</tr>
<tr>
<td>DPRK</td>
<td>Democratic People’s Republic of Korea</td>
</tr>
<tr>
<td>EPZ</td>
<td>Export Processing Zone</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>FTA</td>
<td>Free Trade Agreement</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GNI</td>
<td>Gross National Income</td>
</tr>
<tr>
<td>GTI</td>
<td>Greater Tumen Initiative</td>
</tr>
<tr>
<td>KIC</td>
<td>Kaesong Industrial Complex</td>
</tr>
<tr>
<td>KORUS FTA</td>
<td>United States-Korea Free Trade Agreement</td>
</tr>
<tr>
<td>NAFTA</td>
<td>North American Free Trade Agreement</td>
</tr>
<tr>
<td>NPT</td>
<td>Nuclear Nonproliferation Treaty</td>
</tr>
<tr>
<td>PBWM</td>
<td>Prosperous Borders, Wealthy Minorities</td>
</tr>
<tr>
<td>PRA</td>
<td>People’s Liberation Army</td>
</tr>
<tr>
<td>PRC</td>
<td>People’s Republic of China</td>
</tr>
<tr>
<td>RNE</td>
<td>Revitalize the Northeast</td>
</tr>
<tr>
<td>ROK</td>
<td>Republic of Korea</td>
</tr>
<tr>
<td>SAR</td>
<td>Special Administrative Region</td>
</tr>
<tr>
<td>SEZ</td>
<td>Special Economic Zone</td>
</tr>
<tr>
<td>SOE</td>
<td>State-Owned Enterprise</td>
</tr>
<tr>
<td>TPP</td>
<td>Trans-Pacific Partnership</td>
</tr>
<tr>
<td>TRADP</td>
<td>Tumen River Area Development Programme</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>WDP</td>
<td>Western Development Program</td>
</tr>
</tbody>
</table>
Chapter 1:

Introduction

Prologue

The geopolitical logic of power has strongly influenced northeast Asia. The region is still haunted by the lingering legacies of the Cold War and colonialism, so territorial tensions continue to disrupt “the world’s most dynamic growth region” (Burton, 2012: no page). This is, no doubt, one of the fundamental reasons for the delay or failure to construct a regional economic bloc here similar to the North American Free Trade Agreement (NAFTA), the Association of Southeast Asian Nations (ASEAN) or the European Union (EU). It may also account for the prevalence of the “territorial trap” (Agnew, 1994) – a fixed vision of state territoriality – in the intellectual engagements of northeast Asian political-economic geography, which hampers the construction of new geographical imaginations.

The Korean peninsula stands as the geopolitical crux of this region. Its bisection in 1945 constitutes a fundamental political condition for the ascendancy of geopolitical imperatives (Lee et al., under review). While discussions about the Korean peninsula still mostly center on geopolitics, its geoeconomic landscape increasingly complicates geopolitical relations. For instance, the Kaesong Industrial Complex, which is run by South Korean managers and employs more than 45,000 North Korean workers, operated
normally in the middle of the serious military conflicts in the Yellow Sea in 2011, testament to a strong penetration of geoeconomic logic into one of the most volatile geopolitical hot spots in the world.

New economic spaces have been carved out in the border regions of the Democratic People’s Republic of Korea (hereafter North Korea or DPRK) since the early 2000s: first, two special economic zones (hereafter SEZs) in cooperation with the Republic of Korea (hereafter ROK or South Korea); and then two more economic zones with People’s Republic of China (hereafter PRC or China) in the northern border region. Some hailed these geoeconomic moves as an important step for North Korea to move out of territorial isolation and be integrated into the global economy. Yet soon, increasing suspicions and warnings erupt and dash geoeconomic hopes for a new regional economic order in Northeast Asia. For example, inter-Korean economic projects near the Demilitarized Zone (DMZ) have become a primary object of political conflicts in South Korea. At the same time, discourse which I will call “China’s colonization of North Korea” has surfaced among South Koreans who warn against China’s increasing influence over the North. Since 2005, a series of new expressions have emerged in South Korea, describing North Korea as “the fourth province of Northeast China,” or “China’s satellite state,” and lamenting “China’s colonization of North Korea.” The implication is that North Korea is becoming China’s colony. Even the former president, Kim Dae Jung, who symbolizes the reconciliation between South and North Korea, warned of increasing economic influence of China over North Korea. I ask: is North Korea really becoming China’s colony?
Figure 1.1: A Map of Northeast Asia
North Korea and China are long-time allies, often described as “blood brothers” or “comrades” (International Crisis Group, 2006; S. Lee, 2009). Their shared interests and identities, however, have diverged since the early 1980s when China carried out economic reform and opening under Deng Xiaoping (Nanto et al., 2010: 5). This trend culminated with China’s normalization of diplomatic relations with South Korea in 1992 (for key dates in modern history of Northeast Asia, see Appendix). More recently, however, North Korea’s economic instability has heightened Chinese concerns about North Korean regime’s sudden collapse, a development that could threaten China’s stable economic growth. Thus some analysts, including Moore (2008), argue that North Korea has become a “liability” to China rather than a “buffer” against U.S. power. In this view, the sudden collapse of North Korea regime could bring serious instability on the Korean Peninsula, so the Chinese government has no choice but to provide costly economic aid to North Korea: “North Korea is a black hole for China” (Moore, 2008: 5).¹ Yet this view, I claim, is too simplistic. Their relations are more complex than this.

During the early 2000s, North Korea carried out economic reforms after the normalization of the relationship between the two neighboring countries. In May 2000, Kim Jong Il visited China and the two countries established a new cooperative relationship which was different from their traditional friendship (N-J. Lee, 2005). One month after this visit, a summit meeting between the two Koreas was held in Pyongyang, and in 2002 the resolute enforcement of the 7.1 Economic Management Improvement Measures and the subsequent SEZs were introduced in North Korea.

¹ Moore also describes the bilateral relations: “There can be little doubt that as the elder northeast Asian socialist brother has made good for himself, the younger has become somewhat of a black sheep” (2008: 12). This was a hegemonic interpretation of the Chinese economic approach to North Korea, but recent circumstances require a different explanation.
Since this time, South Korea and China’s economic practices have had substantial effects on the North Korean economy and have complicated North Korea’s political economy.

In particular, China has intensified its economic cooperation with North Korea since 2000. While China has occupied the biggest portion of North Korea’s foreign trade since 1991, the trend changed after 2000 from a gentle increase to a rapid surge (Nam, 2006: 16-7). Their bilateral economic cooperation has evolved in terms of scale, content, and method—from economic aid and technological interchange to co-development projects in the border region (Hong, 2010; H-Z. Zhang, 2006). The crucial moment came in June 2011 when both countries announced the joint development of two economic zones in North Korea: the Rason Economic and Trade Zone and the Hwanggumyong-Wihwa Islands Economic Zone.

This has led to growing concerns about China’s greater leverage over North Korea. China is now presented as a rival to South Korea for economic influence over North Korea (Armstrong, 2008: 132). From being seen as helplessly keeping North Korea afloat, China is now perceived as a formidable threat to take over North Korea, rightfully South Korea’s territory. This new position is often construed as colonial or imperial in South Korea and is reflected in the discourse that I will refer to as “North Korea as China’s colony”.

This dissertation aims to unravel the complex, intertwined political-economic conditions of Northeast Asia that underlie this discourse. I focus specifically on China’s growing anxiety over geopolitical insecurity in the border region, South Korean

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2 Nevertheless, some in the West still strongly hold to the existing line of thought, arguing that “The North prefers China’s unconditional assistance to the ‘tough love’ offered by its southern rival” (Beck, 2011: 39).
conservatives’ (and the West’s) strong desire for regime change and territorial occupation of North Korea, and South Korean liberals’ geoeconomic imperatives towards North Korea. These conflicting geopolitical-economic practices and imaginations towards North Korea as well as North Korea’s own territorial logic further complicate the political-economic landscapes around the Korean peninsula. Most discussions on the relations of North Korea with China and South Korea fail to grasp these complexities. For instance, Dick Nanto, an expert on North Korea, argues that “One of the lessons Pyongyang has learned from the Kaesong industrial complex is that it is a ‘money machine’ that must remain in operation regardless of political and security disputes with South Korea. Now China is on tap to create a second money machine in the North” (2011: 82). However, the implications of the joint development of the SEZs are deeper than just as a “cash machine” to sustain the Kim regime. To fathom this dynamic change, we need a new framework.

I argue that it is through the prism of territory that we can best understand the political-economic dynamics on and around the Korean peninsula. As noted above, the Korean peninsula is one of the most revealing places on earth regarding territorial questions. This is not only because the territorial division of the peninsula serves as a permanent underlying condition for postcolonial political space in both Koreas. Moreover, the territorial linkage between North Korea and Northeast China is claimed as a firm ground for their strong alliance. As Chinese president Hu Jintao recently said, “China and North Korea are friendly neighbors whose mountains and rivers are interconnected” (Xinhua News, 2012: no page). What is essential – and the object of this analysis – is how these long-standing geopolitical
landscapes have become entangled by changing geoeconomic processes. The complex intersection of geopolitical and geoeconomic imperatives across national borders radically affects and reshapes the territorial order of the peninsula, and more specifically produces and reproduces the territory of North Korea.

But to enhance our understanding of Northeast Asian political economy is not the sole purpose of this dissertation. I also attempt to unravel the geopolitical economy in the production of territory. The ways that state territory is produced and reproduced has not received its due attention. I seek to trace out how combinations and competitions of political-economic forces across borders affect the production of territory—a crucial theoretical issue that remains unexplored.

**China takes over North Korea?**

Practically no reliable empirical data on the North Korean economy is available because the North Korean state does not publicize its statistics to the outside world. Most data has been generated by estimation and indirect methods (see e.g., Ham, 2003; Michell, 2011; Yoon and Lee, 2013). For instance, North Korea has not released trade data, so the method called ‘mirror statistics’ is usually employed (Noland, 2002: 167). This uses data from North Korea’s trade partners. For instance, trade data between the North and China in Table 1.3 below derives from China’s Statistical Yearbooks or the General Administration of Customs (海关总署, GAC) in China. However, a few countries such as Iran do not provide trade data with North Korea (Haggard and Noland, 2012a). In addition, trade data between North Korea and China does not include barter transactions and aid, and therefore, data from the GAC are understated. In this sense,
the data presented here are only a partial reflection of reality. Nonetheless, they reveal the general trends of North Korea’s foreign economic relations. I scrutinize the dynamics of both North Korea’s geoeconomic strategy and China’s North Korea policy in Chapter Four and Five, respectively (see also Yoon and Lee (2013)).

During the Cold War era, North Korea and China developed a bilateral economic relationship as fraternal socialist allies. Both maintained the socialist trade-and-aid system, specifically in the form of barter (InterAction Council, 1993; Fairclough, 2003). However, the collapse of the Cold War and China’s turn toward capitalism led by Deng Xiaoping bore directly on Sino-DPRK economic ties. During the 1990s, trade relations became diversified: from government-led trade to various forms such as border trade, intermediary trade, and conventional trade (Cho, 1998). Notwithstanding the political vicissitudes in this period – e.g., normalization of diplomatic relation between China and South Korea and China’s proclamation of equidistant diplomacy towards Seoul and Pyongyang – China rose to be North Korea’s largest trade partner. In 1990, the trade volume between North Korea and China was only US$0.48 billion, while the North’s trade with the Soviet Union amounted to US$2.57 billion, more than five times greater than China (Information Center on North Korea, 2009). Yet as the Soviet Union demanded that the North pay at global market prices and in hard currency in 1990 (Mack, 1991: 94) and more crucially after it collapsed in 1991, its share of North Korea’s foreign trade plummeted from 53% to 14% (Ahn et al., 2004: 176). While China only occupied 11.6 % of North Korea’s foreign trade in 1990, since then it has become its largest trade partner, accounting for more than a quarter of North Korea’s foreign trade during this
However, China claimed the first spot in the middle of North Korea’s sharp drop in foreign trade of -38% between 1990 and 1991 (see Table 1.1). This implies that China’s prominence was not accompanied by a substantial increase of China’s trade with North Korea. Rather, Table 1.3 shows that Sino-North Korean trade fluctuated and drastically dwindled in the late 1990s.

Table 1.1: North Korea’s Foreign Trade, 1990-2011 (US$ millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Export</th>
<th>Growth Rate (%)</th>
<th>Import</th>
<th>Growth Rate (%)</th>
<th>Total</th>
<th>Growth Rate (%)</th>
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<tbody>
<tr>
<td>1990</td>
<td>1733</td>
<td>-</td>
<td>2437</td>
<td>-</td>
<td>4170</td>
<td>-</td>
</tr>
<tr>
<td>1991</td>
<td>945</td>
<td>-45.5</td>
<td>1639</td>
<td>-32.7</td>
<td>2584</td>
<td>-38</td>
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<tr>
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<td>933</td>
<td>-1.3</td>
<td>1622</td>
<td>-1.0</td>
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<td>1993</td>
<td>990</td>
<td>6.1</td>
<td>1656</td>
<td>2.1</td>
<td>2646</td>
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<td>32.6</td>
<td>6316</td>
<td>51.3</td>
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</tbody>
</table>

Sources: Ahn et al., 2004: 170; KOTRA\(^4\), 2009; 2012

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3 However, after China demanded hard currency payment in 1992, the trade volume decreased rapidly and Japan became the biggest trade partner to North Korea in 1995 (Cho, 1998: 153-4). China regained its momentum in 1996 and again became the dominant trade partner.

4 The KOTRA (Korea Trade-Investment Promotion Agency), South Korea’s government agency, publishes the annual reports on North Korea’s foreign trade.
This was related to the fact that North Korea’s foreign trade had diminished due to economic crises throughout the 1990s (see Table 1.1 and 1.2).

### Table 1.2: The Share of Export in GNI\(^5\) in North Korea, 1990-2010 (US$ millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>GNI</th>
<th>Growth rate (%)</th>
<th>Export</th>
<th>Export Dependence (The portion of export in GNI) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>16705.5</td>
<td>-5.7</td>
<td>1733</td>
<td>10.4</td>
</tr>
<tr>
<td>1991</td>
<td>15554.0</td>
<td>-6.9</td>
<td>945</td>
<td>6.1</td>
</tr>
<tr>
<td>1992</td>
<td>13841.9</td>
<td>-11.0</td>
<td>933</td>
<td>6.7</td>
</tr>
<tr>
<td>1993</td>
<td>11678.2</td>
<td>-15.6</td>
<td>990</td>
<td>8.5</td>
</tr>
<tr>
<td>1994</td>
<td>9334.0</td>
<td>-20.1</td>
<td>858</td>
<td>9.2</td>
</tr>
<tr>
<td>1995</td>
<td>5214.6</td>
<td>-44.1</td>
<td>736</td>
<td>14.1</td>
</tr>
<tr>
<td>1996</td>
<td>10527.9</td>
<td>101.9</td>
<td>727</td>
<td>6.9</td>
</tr>
<tr>
<td>1997</td>
<td>10308.8</td>
<td>-2.1</td>
<td>905</td>
<td>8.8</td>
</tr>
<tr>
<td>1998</td>
<td>10259.5</td>
<td>-0.5</td>
<td>559</td>
<td>5.5</td>
</tr>
<tr>
<td>1999</td>
<td>10264.7</td>
<td>0.1</td>
<td>515</td>
<td>5.0</td>
</tr>
<tr>
<td>2000</td>
<td>10592.6</td>
<td>3.2</td>
<td>556</td>
<td>5.3</td>
</tr>
<tr>
<td>2001</td>
<td>11007.0</td>
<td>3.9</td>
<td>650</td>
<td>5.9</td>
</tr>
<tr>
<td>2002</td>
<td>10887.0</td>
<td>-1.1</td>
<td>735</td>
<td>6.8</td>
</tr>
<tr>
<td>2003</td>
<td>11028.0</td>
<td>1.3</td>
<td>777</td>
<td>7.1</td>
</tr>
<tr>
<td>2004</td>
<td>11145.0</td>
<td>1.1</td>
<td>1020</td>
<td>9.2</td>
</tr>
<tr>
<td>2005</td>
<td>13001.3</td>
<td>16.7</td>
<td>998</td>
<td>7.7</td>
</tr>
<tr>
<td>2006</td>
<td>13741.4</td>
<td>5.7</td>
<td>947</td>
<td>6.9</td>
</tr>
<tr>
<td>2007</td>
<td>14348.8</td>
<td>4.4</td>
<td>918</td>
<td>6.4</td>
</tr>
<tr>
<td>2008</td>
<td>13327.3</td>
<td>-7.1</td>
<td>1130</td>
<td>8.5</td>
</tr>
<tr>
<td>2009</td>
<td>12043.5</td>
<td>-9.6</td>
<td>1063</td>
<td>8.8</td>
</tr>
<tr>
<td>2010</td>
<td>12264.0</td>
<td>1.8</td>
<td>1513</td>
<td>12.3</td>
</tr>
</tbody>
</table>

*Sources: UN Data (http://data.un.org)\(^6\); KOTRA, 2009; 2012*

\(^5\) Other than the United Nations (UN) data, data from the Bank of Korea on the North Korean economy is widely used. Yet the Bank is often criticized for basic errors and political manipulation to support the effectiveness of economic sanctions on the North (J-C. Lee, 2012). Even North Korea blames the Bank of Korea for spreading false rumors about the North Korean economy (KCNA, 2011). For these reasons, here I use the UN data.

\(^6\) This data is from World Statistics Pocketbook of the United Nations Statistics Division.
As a result, China’s share jumped from approximately a tenth to a quarter of North Korea’s foreign trade during the 1990s, but its trade volume with the North remained stagnant or declined. This implies a rocky political relationship between these two long-time allies, a point emphasized by Snyder (2009a: 114): “The overall trend of Sino-North Korean trade appears to serve as a barometer for the relative health of political relations between the two countries.” Between 1992 and 1999, there were no exchange visits of high-ranking officials, and this materialized as a decrease in the volume of bilateral trade (Jian, 2003: 9).

Figure 1.2: The Growth Rate of North Korea’s Foreign Trade (%)\(^7\)

This trend has shifted since 2000. After the regime had weathered its worst economic crises, North Korea reached out to its neighbors – China, Russia and South Korea – and foreign trade escalated. According to Table 1.1 and 1.2, the rise of the

\(^{7}\) This graph is based on data of Table 1.1.
Gross National Income during the 2000s generally corresponds to the growth of foreign trade and export dependence. The general trend shows rising foreign trade and increasing contribution of exports to the GNI.

Table 1.3: North Korea’s Trade with China, 1990-2011 (US$ millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>EXPORT</th>
<th>IMPORT</th>
<th>CHINA’S SHARE OF TOTAL TRADE (A) (%)</th>
<th>INTER-KOREAN TRADE</th>
<th>CHINA’S SHARE OF TOTAL TRADE (B) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CHINA</td>
<td>TOTAL</td>
<td>CHINA</td>
<td>TOTAL</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>124.6</td>
<td>1733</td>
<td>358.2</td>
<td>2437</td>
<td>11.6</td>
</tr>
<tr>
<td>1991</td>
<td>85.7</td>
<td>945</td>
<td>524.8</td>
<td>1639</td>
<td>23.6</td>
</tr>
<tr>
<td>1992</td>
<td>155.5</td>
<td>933</td>
<td>541.1</td>
<td>1622</td>
<td>27.3</td>
</tr>
<tr>
<td>1993</td>
<td>297.3</td>
<td>990</td>
<td>602.4</td>
<td>1656</td>
<td>34.0</td>
</tr>
<tr>
<td>1994</td>
<td>199.2</td>
<td>858</td>
<td>424.5</td>
<td>1242</td>
<td>29.7</td>
</tr>
<tr>
<td>1995</td>
<td>63.6</td>
<td>736</td>
<td>486.0</td>
<td>1316</td>
<td>26.8</td>
</tr>
<tr>
<td>1996</td>
<td>68.6</td>
<td>727</td>
<td>497.0</td>
<td>1250</td>
<td>28.6</td>
</tr>
<tr>
<td>1997</td>
<td>121.6</td>
<td>905</td>
<td>534.7</td>
<td>1272</td>
<td>30.1</td>
</tr>
<tr>
<td>1998</td>
<td>57.3</td>
<td>559</td>
<td>355.7</td>
<td>883</td>
<td>28.6</td>
</tr>
<tr>
<td>1999</td>
<td>41.7</td>
<td>515</td>
<td>328.7</td>
<td>965</td>
<td>25.0</td>
</tr>
<tr>
<td>2000</td>
<td>37.2</td>
<td>556</td>
<td>450.8</td>
<td>1413</td>
<td>24.8</td>
</tr>
<tr>
<td>2001</td>
<td>166.8</td>
<td>650</td>
<td>570.7</td>
<td>1620</td>
<td>32.5</td>
</tr>
<tr>
<td>2002</td>
<td>270.7</td>
<td>735</td>
<td>467.3</td>
<td>1525</td>
<td>32.7</td>
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<tr>
<td>2003</td>
<td>395.3</td>
<td>777</td>
<td>627.6</td>
<td>1614</td>
<td>42.8</td>
</tr>
<tr>
<td>2004</td>
<td>585.7</td>
<td>1020</td>
<td>799.5</td>
<td>1837</td>
<td>48.5</td>
</tr>
<tr>
<td>2005</td>
<td>499.2</td>
<td>998</td>
<td>1081.2</td>
<td>2003</td>
<td>52.7</td>
</tr>
<tr>
<td>2006</td>
<td>467.7</td>
<td>947</td>
<td>1231.9</td>
<td>2049</td>
<td>56.7</td>
</tr>
<tr>
<td>2007</td>
<td>581.5</td>
<td>918</td>
<td>1392.5</td>
<td>2022</td>
<td>67.1</td>
</tr>
<tr>
<td>2008</td>
<td>754.0</td>
<td>1130</td>
<td>2033.2</td>
<td>2686</td>
<td>73.0</td>
</tr>
<tr>
<td>2009</td>
<td>793.0</td>
<td>1063</td>
<td>1887.7</td>
<td>2351</td>
<td>78.5</td>
</tr>
<tr>
<td>2010</td>
<td>1187.9</td>
<td>1513</td>
<td>2277.8</td>
<td>2660</td>
<td>83.1</td>
</tr>
<tr>
<td>2011</td>
<td>2464.1</td>
<td>2788</td>
<td>3165.2</td>
<td>3528</td>
<td>89.1</td>
</tr>
</tbody>
</table>

China’s share of total trade (A) excludes inter-Korean trade from total trade; China’s share of total trade (B) includes inter-Korean trade into total trade.


8 Refer to the website of the Ministry of Unification: http://www.unikorea.go.kr/CmsWeb/viewPage.req?idx=PG0000000239. Date in this table originally
In particular, according to Figure 1.2, we see a huge upsurge of foreign trade after 2009 (the annual growth rate between 2009 and 2011 is about 36%), which seems related to North Korea’s second nuclear test in May 2009 (as I will discuss further below).

Even more striking is an uninterrupted expansion of China’s portion of North Korea’s foreign trade. After the exchange visits of leaders – Kim Jong Il’s visits to Beijing in June 2000 and January 2001, and Chinese President Jiang Zemin’s visit to Pyongyang in September 2001 – both countries expanded economic cooperation. In 2001, North Korea’s exports to China jumped from US$37.2 million to US$166 million, a 400 percent increase, and China’s exports amounted to US$570 million, a double-digit increase. Since this breakthrough, the pattern that high-level political interactions have been followed by deepening economic interactions has been consistent (although cooperation has often been disrupted by political tensions, especially around North Korea’s nuclear experiments).

Table 1.3 shows that China’s share of North Korea’s foreign trade marks a sharp upsurge from 24.8% in 2000 to 89.1% in 2011. Even when we include inter-Korean trade as foreign trade, China’s portion in 2011 is 70% of North Korea’s trade volume. According to Figure 1.3, the portion of inter-Korean trade in North Korea’s total foreign trade steadily increased from 1999 after South Korea elected a liberal government. In 2007, it reached its peak (61.2%) in 2007 and then began to show a falling curve with the return of conservative government in early 2008.

comes from China Statistical Yearbooks according to Snyder (2009a: Table 2.1) and Y. Kim (2011: Table 9.1).
Figure 1.3: China and South Korea’s Shares in North Korea’s Foreign Trade (%)\(^9\)

By 2011, the South’s share had plunged to 27%. This situation is no doubt related to strengthened economic sanctions from three UN Security Council Resolutions between 2006 and 2009 (see more in Chapter Five). In particular, South Korea’s enforcement of the “May 24 measures” in 2009, halting all inter-Korean trade except for the Kaesong Industrial Complex, drastically curtailed trade between North and South Korea. As a result, the increase in Sino-North Korean trade was even more dramatic in the latter 2000s (especially in 2010 and 2011). This proves two points: first, international economic sanctions are effectively working to curtail North Korea’s trade with other foreign countries (except for China), declining from US$817 million in 2006 to US$363 million in 2011; and second, this loss has been completely offset by China. In a word, economic sanctions push North Korea towards China. Considering that trade data

\(^9\) This graph is based on data of Table 1.3.
between North Korea and China are probably understated, North Korea’s dependence on China is greater than these data suggest, especially in terms of strategic resources such as gas, oil, and grains.

Since 2004, Chinese investment in North Korea has been actively promoted under the strong support of both governments, facilitated by another round of exchange visits: Kim Jong Il’s visits to Beijing in April 2004 and January 2006 and China’s then-new President Hu Jintao’s visit to Pyongyang in October 2005. Specifically, both sides strengthened institutional mechanisms to support Chinese firms to invest in North Korea (This will be elaborated in Chapter Five). As a result, Chinese investment in North Korea increased dramatically, from US$1.5 million in 2002 to US$42 million in 2008. After a temporary decline in 2005, it has gradually increased and now marks more than 90 percent of foreign investment in North Korea (Hyundai Research Institute, 2009: 3). Moreover, the improvement of trans-border infrastructure and joint development of two economic zones are expected to accelerate China’s investment in the North.

This elevation of the economic relationship between North Korea and China – especially the domination of the North Korean market by cheap Chinese goods and outflow of North Korean natural resources into China – makes the South Korean public suspicious that China is ‘pre-occupying’ the North Korean economy, if not ‘colonizing’ it outright. Is North Korea becoming China’s colony?

**Research Questions and Argument**

China’s increasing influence on North Korea has solicited various responses from

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10 See the Economist (2013) for the discussion of informal cross-border trade between China and North Korea.
the West that contrast with the increasing concerns of South Korea. One group of scholars is scornful of North Korean claims of *juche* [self-reliance] as its ruling ideology since, as Fitzpatrick explains, “In practice, the North has surrendered its vaunted *juche* philosophy of ‘independence’ since it depends crucially on Chinese aid and political support” (2011: 3). On the other hand, interpretations about China’s intentions are vying with one another. A few experts on China agree with South Koreans’ argument of China’s colonization of North Korea. For instance, David Shambaugh, a well-known China scholar, claims that “China tends to view the Korean peninsula as its natural sphere of influence—much as the United States views Latin America and Russia views Central Asia” (2003: 50). Another group of scholars blame China for failing to control the North and rather supporting its development of nuclear weapons with economic aid: “the U.S. must help Chinese leaders realize that Beijing’s seemingly unqualified support for the North will merely empower Pyongyang’s bad behavior and end up creating unacceptably high costs for China” (Song, 2011: 1153). To follow this line of thought, North Korea is often described as a “very unique place … the one country that is able to routinely embarrass China and not suffer any rebuke” (Dyer, 2010: no page).

Missing here is a critical analysis of the terms of debate. These views are generally fueled by orientalist visions of China and North Korea—the former as an aggressive or irresponsible power, the latter as a belligerent but helpless entity (Said, 1994[1978]). North Korea is typically constructed within a particular normative framework in the Western episteme as a dangerous and economically-inviable country.

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11 In a similar vein, Guardian Columnist Simon Tisdall argues that “After a certain point is reached, the North does not behave rationally and does not listen to its Chinese ally” (2010: no page). Yet he never defines this ‘certain point’.
And China, if not an assertive power, is imposed as a problem-solver for the North (Cha, 2007: 108). This pair suggests the presence of a coherent theme in the reading of their bilateral relationship; both countries have maintained unbalanced (if not irrational) relations: China as a provider of economic and military protection and North Korea as a “recalcitrant recipient” (Haggard and Noland, 2007: 15). These fixed frames prevent grasping the underlying dynamics in the relationship between two long-time allies.¹²

My dissertation examines the complex articulations between geopolitical and geoeconomic imperatives across national borders in the production of state territory. More specifically, it investigates the development of territorial linkages between North Korea and northeast China, scrutinizing the political-economic conditions that underlie these bilateral relations. My central thesis is that the recent changes in political-economic relations between these two countries have resulted not from a unilateral economic movement on the part of China – a ‘colonization’ – but instead through the mutual articulation of two processes: on one hand, North Korea’s deployment of territorial strategies to leverage its regional capacities and, on the other, China’s geoeconomic approach to enhancing security in its northeast border region. I contend that the discourse of China’s colonization of North Korea that has been constructed and disseminated by South Koreans reveals that both liberals and conservatives in South Korea desire North Korea as a sort of colony, albeit in different forms. This argument is examined through three intertwined questions:

¹² For example, many descriptions of the history of the relations between China and North Korea only address China’s support of North Korea in the Korean War (C-J. Lee, 1996; S. Kim, 2007; Snyder, 2009a; Pollack, 2011). Yet during China’s second Civil War, the North Korean leadership provided military and economic support to the CCP, and even allowed Chinese Communists to use their northern borderline area along the Yalu and Tumen River as the CCP’s safe route of retreat and rear base (J-S. Lee, 2000).
(1) How have postcolonial conditions in North Korea affected its territorial practices and representations and how have geopolitical and geoeconomic logics framed its territorial strategies?

(2) How does China view and engage North Korea? How are its geopolitical and geoeconomic interests materialized into its territorial policies towards the North?

(3) How have political contestations between competing visions and interests in geopolitical and geoeconomic terms in South Korea affected and transformed the mode of production of state territory in North Korea?

As these questions imply, I explore the political-economic forces that produce and reproduce territory of North Korea from the North’s own geographical imaginary and from across the borders of China and South Korea and beyond. In North Korea, the state has functioned as “both the omniscient illustrator and omniscient narrator of territory” (Ó Tuathail, 1996: 12), though we should recognize that North Korean refugees have often disrupted state-led territorialization (particularly since the 1990s). However, since the early 2000s, new agents have become more deeply engaged in North Korea’s territorialization. Two neighboring countries, South Korea and China, actively join in the constitution of North Korean territory and complicate its political economy. However, these external forces are never balanced, but have different and competing visions, interests, and practices for North Korea. To grasp the complex dynamics embedded in these contestations and conflicts is crucial to understand and trace out the nature and extent of transformation of the North Korean political economy.

In sum, I argue that a new territorial landscape around the Korean Peninsula results from uneven and contested processes driven by the complicated political-economic dynamics among North Korea, South Korea, and China (and mediated by global processes and other actors, of course).
Research Methods and Outline of Dissertation

My research relies on a mixed methodology of archival and documentary analysis and semi-structured interviews with key informants in North Korea, South Korea, the U.S., and especially China. For this, I conducted more than a year of fieldwork in Northeast Asia. I took advantage of the vast resources at Jilin University in China (one of the leading institutions for the study of North Korea). As an advanced research scholar, I interacted with scholars and government officials who engage in regional development projects and North Korean policies as well as journalists and businessmen who are well informed about North Korea. Archival and documentary research of governmental documents, research reports, and press releases in these four countries allowed me to examine the changes in the official policies of North Korea and China and trace the evolution, competitions, and transformations of the discourses about Sino-North Korean economic relations in South Korea. The semi-structured interviews were used to probe the processes which operate in particular contexts but cannot be completely explained through archival research. However, during my research fieldwork in North Korea, access to governmental materials and interviewees was limited. Though I argue that the state tightly controls and engages in territorialization in North Korea, my research here cannot embrace a variety of other views, for example, of local governments and people. (I plan to further this aspect of research in my post-doctoral research.)

This dissertation consists mainly of three parts. First, in Chapter 2, I begin with a theoretical elaboration of geopolitical economy in the production of territory. Here I examine two different dialectical interactions which are deeply entangled with the production of state territory. Drawing on critical reflections on David Harvey, Giovanni
Arrighi, and Henri Lefebvre, I argue that it is crucial to trace out the dynamic articulations between geopolitical and geoeconomic logics of power across national borders that are expressed by dialectical interplay between territorial practices and representations of territory. Second, in Part I. Production of Territory ‘within’ North Korea, I explore how the territorial logic of the North Korean political economy works. Chapter 3 analyzes postcolonial conditions in North Korea that dictate its territorial representations and practices. In Chapter 4, in a close engagement with Foucault’s idea of governmentality and Gottmann’s idea of territory, I reject the prevalent view that North Korea has no choice but to open its territory due to economic suffering. Instead I argue that North Korea’s own imperative, “security first, economy next,” determines how it produces territory. Third, in Part II. Production of Territory ‘outside’ North Korea, I scrutinize the forces from outside increasingly implicated in the production of territory of the North. Chapter 5 discusses China’s vision, interests, and strategies for North Korea. Through the examination of three intertwined territorial features, I claim that China’s strategy for North Korea, an active deployment of geoeconomic means to enhance geopolitical security in the border region, newly reproduces North Korea’s territory. In Chapter 6, I trace out a genealogy of the discourse of ‘China’s colonization of North Korea’ in South Korea. I argue that political conflicts inside South Korea in the conception of North Korea – between an object of geopolitical absorption and a geoeconomic object – have entailed the competitive appropriation of this discourse, and have affected the way North Korean territory is produced.
**Epilogue**

Prevalent descriptions of North Korean politics generally focus on the repressiveness of state power. Western labels such as “the world’s most repressive totalitarian state” (Kirkpatrick, 2012), “the Kim dynasty” (Martin, 2004), “the last Stalinist state on earth” (The New York Times, 2012) or “one of the world’s worst tyrannies” (The Washington Times, 2012) are recycled across the daily newspapers and academic journals and reinforce the negative image of North Korea. This framing obscures and prevents a clear understanding of the North.

To write anything about North Korea, an author always runs the risk of being forced into either a pro-North Korea or anti-North Korea position. In this sense, Beck correctly states that “In many ways, North Korea is the ultimate Rorschach test … telling as much or more about the person giving the answers than about North Korea” (2012: 71). Of course, the determination of this position depends not only on the texts themselves but also on the readers who interpret. Authors who are forcefully determined or position themselves as anti-North Korean tend to be considered more objective, whereas those who are forcefully determined as pro-North Korean usually face criticism for being subjective or ideological. In other words, the more critical the texts are towards North Korea, the better the texts are acknowledged in academic society. This is no surprise considering the power relations in the real world. Neither is the result: distorted and one-sided scholarship. Most reviews in major journals and newspapers that highly compliment books on North Korea that are full of speculations, distortions, and ungrounded criticisms. Hazel Smith provides a valuable critique of this: “insufficient and inadequate research, combined with a rather obvious political bias toward regime
change, has resulted in a host of factual errors … This methodology relies heavily on
tautology (the DPRK government is wicked therefore it does wicked things therefore it is
wicked), stretches concepts so as to mislead [and] cherry-picks isolated facts” (2008: 202, my emphasis). While her criticism targets only one book regarding North Korean economy, I think it is not far-fetched to extend her insightful comments to many publications on North Korea, especially in the West.

Every act of writing is political, but this is particularly true of North Korea. Yet as Said keenly observes, “no one has the epistemological privilege of somehow judging, evaluating, and interpreting the world free from the encumbering interests and engagements of the ongoing relationship themselves” (1993: 55). My dissertation aims to reveal some of these engagements.

13 The book that she reviews is *Famine in North Korea: Markets, Aid, and Reform* by Stephan Haggard and Marcus Noland. Contrary to her harsh criticism of this book, another North Korean expert, Andrei Lankov highly praises it: “This book is a ‘must-read’ for all students of North Korea and contemporary East Asia and is likely to remain a standard on this issue until North Korean archive materials are opened to researchers, which of course is unlikely to occur in the next decade or two” (2008: 193). This duality is symptomatic of the literature.
Chapter 2:
Geopolitical Economy in the Production of Territory

I. Introduction

States make their own territories, not under circumstances they have chosen, but under the given and inherited circumstances with which they are confronted.

Brenner and Elden (2009a: 367)

Despite critical engagement from an increasing number of political geographers and sociologists, territory is still generally understood as a fixed, rigid, and static object, especially when it is linked with sovereign power (e.g., Kaplan’s (2012) revived version of geographical determinism). The concepts of territorial sovereignty and sovereign territory, which are now widely circulated in academia and media, reflect this understanding. However, the presupposition of a strong link between sovereignty and territory must be challenged. Many political geographers have engaged in the deconstruction of the notion of territory as a naturally given and essentialized entity (Passi, 2003; Elden, 2005; 2009; Newman, 2006; 2010; Antonsich, 2009; 2010; Jones and Jessop, 2010; Painter, 2010; Colas and Pozo, 2011). John Agnew’s critique of the “territorial trap” (1994) provides a landmark discussion. With this notion, he criticizes
three geographical assumptions that pervade mainstream social sciences: “the state territory reified as a fixed unit of sovereign space”; “the domestic/foreign polarities”; and “the territorial state as a container of society” (Agnew, 1994: 59). In the past, territory had become “something of an impasse in international political economy. The main perspectives are imprisoned, in our view, by a conception of space and ‘geography’ that emphasizes fixity over fluidity, stasis over change” (Agnew and Corbridge, 1995: 3).

Yet the unbundling of territorial sovereignty and a growing porosity of national borders along with emerging discussions of rescaling and debordering/rebordering have led to a more dynamic perception of territory (Anderson, 1996; Brenner, 1997; 1999; 2004; Elden, 2005; 2006; Sharma and Gupta, 2006; Sletto, 2002; Jessop, 2008).14

In this chapter, I examine two interacting processes – the dialectics between geopolitical and geoeconomic logics of power and between territorial practices and representations of territory – which are deeply entangled with the production of state territory. First, I argue that it is necessary to unravel the various articulations between geopolitical and geoeconomic logics of power across national borders to understand how geopolitical economy produces territory. For this, I draw upon David Harvey and

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14 Some even claim that “transnational or global space is coming to supplant national spaces” (Robinson, 2004: 92, compare Hardt and Negri (2000)). This so-called “transnational state thesis” is undergirded by a “flattened ontology” where there is no place for the territorial logic of power (Morton, 2007: 148). However, we need to distinguish Morton’s “flattened ontology” from the concept of “flat ontology” (Marston et al., 2005; Woodward et al., 2012). Morton describes that the former “removes state forms as a significant spatial scale in the articulation of capitalism, levels out the spatial and territorial logics of capital accumulation, and elides the class struggles extant in specific locations” (2007: 148). However, a group of critical geographers who advocate a “flat ontology” criticize what Morton accounts for as “flattened ontology” for “flowsterism”, “horizontal ontology of flows” or “fetishization of spatial openness” (Marston et al., 2005: 423) which is another transcendent spatiality where “people, phenomena and processes somehow fly above the stickiness of space in an atmosphere of frictionless fluidity” (Jones III et al., 2007: 265). Instead they develop a differentiated theoretical plane called a “flat (or site) ontology” regarding the site as an “event-space”, which is not predetermined either by hierarchies or boundlessness but organizationally and politically autonomous (Woodward et al., 2012).
Giovanni Arrighi’s discussions of geopolitical economy. I criticize their analyses of the dialectic between capitalism and territorialism in state territorial formations and claim that these relations should be reformulated into distinct forms of coupling between geopolitical and geoeconomic imperatives. Territory, I claim, derives from the spatial effectiveness of these couplings. Some political geographers describe political-economic relations that constitute state territory and/or affect the border as historically contingent, incoherent, or contradictory (Coleman, 2007: 609; Passi, 2009: 216). However, we cannot leave them unexamined in this manner. I do not attempt to find any universal rule or formula in the production and reproduction of state territory. Rather my purpose is to further unravel the complicated nature of the relations between geoeconomic and geopolitical powers that affect and shape state territory.

Second, to analyze the relationship between geopolitical and geoeconomic forces, it is crucial to grasp how representations (i.e., discourses) affect these political-economic processes. John Agnew argues that “geopolitical discourses or understandings shift or adapt together with the material practices they both inspire and reflect” (2001: 31). Yet it is not just geopolitical power but also geoeconomic power, that works through both material and discursive processes. To capture the dialectics between material practices and discursive representations in the production of state territory, I reframe Henri Lefebvre’s spatial dialectics in the production of space and transform it into territorial dialectic between territorial practices and representation of territory.

What should be noted is that the working of two different dialectics – between geopolitics and geoeconomics and between territorial practices and discourses – in the production of territory is not limited by national borders. For instance, territorial
practices and representations of neighboring states also critically affect the production of territory (e.g., Israel and Palestine or PRC and Taiwan). Thus, the production and reproduction of territory is not simply the outcome of state activity but involves various actors both inside and outside territorial boundaries. Nevertheless, my analysis not only in this chapter but also in the entire dissertation is based on a state-centric perspective. Though I agree with Foucault’s concern that “one cannot confine oneself to analysing the State apparatus alone if one wants to grasp the mechanisms of power in their detail and complexity” (1980: 72) and, more specifically, Rumford’s assertion that “borders are no longer [actually they have been never] solely the preserve of the state, and societal actors can redefine borders or appropriate them for purposes other than those originally intended” (2006: 159), I limit myself to examining state actions in this dissertation. This is simply because nation-state occupies a commanding position not only in geopolitical but also in geoeconomic terms. This does not mean I posit the state here in Weberian terms. My approach is detailed below, but here is a précis: I draw upon Nicos Poulantzas’s idea of the state as a social relation, which he derived from Gramsci (Jessop, 2008; Martin, 2008: 8). Poulantzas contends that “To situate the capitalist State first and foremost with reference to the relations of production is not the same as to construct on that basis the theoretical object of that State … A theory of the capitalist State can be elaborated only if it is brought into relation with the history of political struggles under capitalism” (1978: 25). In his sense, a state’s production of territory arises from the arenas, processes, and outcomes of political struggles.\footnote{Poulantzas’s theorization of the state was not limited to the capitalist state itself: “given that some of my analyses relate not only to the State in general, but also the capitalist State as it is connected with the relations of production and social division of labour, they will also apply \textit{mutatis mutandis} to}
consider the nation-state as a *geopolitical and geoeconomic pivot* in the production of territory. In sum: to unravel the political-economic dynamics in the production of territory, we must analyze the ways that the articulations between geopolitical and geoeconomic imperatives are expressed by territorial practices and discourses of the state.

II. What is Territory?

While territory is regarded as the “keyword of political geography”, it has received insufficient theoretical attention. To start, we should first explore some crucial but overlooked theoretical developments regarding the notion of territory. For this, I trace back to Antonio Gramsci who provides important spatial insights into critical geography. Along with his critique of economism and theory of hegemony, Gramsci developed a keen understanding of territory not as a pre-given but an object and outcome of social relations (Jessop, 2008: 112). This is especially evident in his pre-prison essays such as “Some aspects of the southern question” (Gramsci, 1999[1926]). Gramsci argues there that “we must pay special attention to the Southern question—in which the problem of relations between workers and peasants is posed not simply as a...

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16 In a similar vein, Morton also claims to take “the ‘national’ point of departure as *nodal* rather than *dominant* when analysing processes of state formation within ‘the international’” (2007: 137).

17 As is well know, Karl Marx did not develop a rigorous theory of the state and theory (see Jessop (1990, Part I)). Yet as Wainwright (2008a: 885) notes, Marx presented an understanding of how the expansion of capitalism entails the exercise of territorial power in his discussion of colonization: “if within one society the modern relations of production, i.e. capital, are developed to its totality, and this society then seizes hold of a new territory, as e.g. the colonies” (1973[1857–1858]: 278).
problem of class relations, but also and especially as a *territorial problem*, i.e. as one of the aspects of the national question” (1999[1923]: 235, my emphasis) and “Because in our country [Italy], given the scanty development of industry and the regional character of what industry there is, not only is the petty bourgeoisie very numerous, but it is also the only class that is ‘territorially’ national” (1999[1924]: 353, see also Morton (2007)). In particular, the latter statement demonstrates Gramsci’s insight into the entanglement between class dynamics and the production of territory. Gramsci, in contrasting Machiavelli and Bodin, showed that the essence of political and territorial unity lies in “balancing the conflicting social forces within this already strong and well-implanted State” (1971: 142). Territorial integrity is not given as a base of political power but constructed as an outcome of political struggles.

Under the influence of Gramsci, Poulantzas, who elucidates the constitutive role of the state both in the relations of production and power relations in society, provides a further discussion of territory in his book, *State, Power, Socialism*. He notes that “The underlying Gramscian conception may have the merit that it both extends the space of the State to the ideological institutions and emphases the State’s presence within the relations of production through its role in ideological relations” (1978: 29, my emphasis). For Poulantzas, the state is the material condensation of a relationship of forces (1978: 129). Rejecting the Weberian statist view to center on apparatuses/institutions, he underlines political struggles in the constitution of the state and power relations. This conception of the state informs his idea of political nature of territory:

*The first fruits of territory, considered as a constitutive element of the modern nation, are written into this capitalist spatial matrix.* It must be made clear, however, that this national territory has nothing to do with the
natural features of the land. It is rather of an essentially political character, in that the State tends to monopolize the procedures of the organization of space. The modern State materializes this spatial matrix in its various apparatuses (army, school, centralized bureaucracy, prison system), patterning in turn the subjects over whom it exercises power (Ibid.,: 104, emphasis in original).

Poulantzas thus posits that the emergence of capitalism as a new mode of production forges a new relationship between the state and territory (Ibid.,: 97). This conception of territory resonates with the intellectual trajectory of Marx and Gramsci. Moreover, hinting at Foucault’s influence, he highlights the commanding role of the state in the production of territory (see more in Chapter 4). He elaborates how the state appropriates and organizes territory:

Now, through that very movement by which it both marks out frontiers and unifies national space, the State also turns beyond those frontiers towards an irreversible, clearly demarcated space which yet has no end or final horizon. In other words, it seeks to expand markets, capital and territory … These frontiers therefore become established as frontiers of the national territory only from the moment when capital and commodities are in a position to break through them … Thus, the tendency of the modern State to expand ad infinitum – which is itself one with the process of establishing national unity – cannot but encapsulate a shift in frontiers involving assimilation and homogenization (Poulantzas, 1978: 106).  

Poulantzas explicates the production of territory via two closely intertwined processes: construction of territorial integrity and capitalist territorial expansion. Beyond forging a link among state, capital, and territory, Poulantzas suggests here that territorialization involves both geopolitical and geoeconomic imperatives. Yet this insight, like many in State, Power, Socialism, was left undeveloped (and his untimely passing prevented

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18 Poulantzas (1978: 213) also discussed the uneven territorial development via the state’s production of particular economic spaces within its territory, for instance, the designation of special economic (or development) zones.
Poulantzas from extending this promising line of analysis).

Very few contemporary scholars have engaged with these intellectual traditions on
territory. Indeed, it is difficult to find any direct theoretical linkage with Marx, Gramsci,
discussions of territorial power. Instead the most prevalent definition of territory in
contemporary political geography comes from Robert Sack. Sack conceptualizes
territoriality as “the attempt by an individual or group to affect, influence, or control
people, phenomena, and relationships, by delimiting and asserting control over a
geographic area” (1986: 19). That is, territoriality is a political process or strategy over
and through space (spatialization of power), and territory is an outcome of the working of
territoriality. Despite its popularity and influence, Sack’s conception of territory and
territoriality fails to elaborate on the production of territory in political-economic terms.
He claims that “territoriality is conceptually abstracted from the multiplicity of social-
historical contexts” (Sack, 1986: 28). In this sense, Sack’s conception of territoriality is
transhistorical. Though he recognizes that “the most general territorial changes can be
associated with changes in political economy” (Ibid.: 50), his limited discussion of
territoriality as a geopolitical strategy, for instance to obscure the power relations in
capitalist society (Ibid.: 78-82), does not attend to how geopolitical-economic forces
produce and reshape territory.

Nevertheless, this problematic notion of territory from Sack has remained a
hegemonic frame among many political geographers. Relating the notion of territory to
the practice of calculation rather than boundedness, Stuart Elden (2006; 2010) interprets
territory as a political technology. Criticizing Sack’s concept of territory for its
insensitivities to distinct historical and geographical conditions, Elden contends that
territory should be understood as a set of “techniques for measuring land and controlling
terrain” (2010: 799). He further claims that his reading is a political-economic approach
to the notion of territory (which is unlikely because there is no discussion of capital).
Yet Elden’s view of territory as calculation and control over land and terrain cannot
explain how territory is produced vis-à-vis broader political-economic dynamics.
Territory-as-terrain is not sufficient to grasp a changing geopolitical environment. In
addition, territory-as-land cannot account for how capital bends the borders and reshapes
territory.

Joe Painter (2006; 2010) applies Timothy Mitchell’s approach that the state is the
effect of social practices to the concept of territory. He destabilizes the taken-for-
granted notion of territory as an “irreducible foundation of state power” and notes that the
notions of “territory” and “network” are not incommensurable but closely interlinked.
With the term “territory-effect,” Painter argues that territory is the non-material and
metaphysical effect of networked social-technical practices (2010: 1093-4). As a result,
Painter’s concept of territory-effect neglects the materiality of territory. Material
practices and sites, such as fencing and checkpoints, are crucial in the production of
territory.

Drawing on Henri Lefebvre, Brenner and Elden (2009a) shed new light on the
concept of territory by emphasizing the triad of production of territory, state territorial
strategies, and territorial effect. Their work reads Lefebvre’s theory of state and space
through the prism of territory. Since I will discuss Lefebvre’s theory below, here I only
briefly summarize a few aspects of his understanding of territory. Lefebvre views
territory as a political space produced and exploited by the modern state (*Ibid.*,: 362).

He argues that “the State and territory interact in such a way that they can be said to be mutually constitutive” (Lefebvre, 2009[1978]: 228). Brenner and Elden develop this claim and contend that “in Lefebvre’s terms, it is logically impossible to understand the vicissitudes of territory in the modern world except in relation to the conflictual, uneven evolution of state institutions, practices, and strategies” and therefore “territory must be understood not as a fixed container of political action and international relations, but rather as a dynamic and constitutive dimension and stake of struggle, one that is currently being reconfigured rather than eroded” (2009a: 364; 2009b: 35-6). I agree with this, but further refinement is needed.

All of these approaches to territory share a common conception of territory as a social construct and a “bounded political space” or a “bounded space” under the control of a state (Antonsich, 2009; Elden, 2009). Many scholars now problematize the seemingly absolute and natural boundedness of territory. They emphasize the dynamics of this boundedness seen in de- and re-territorialization, debordering and rebordering. They shift their attention to the different natures of territory (e.g., Elden’s territory as land and terrain; Painter’s territory as an effect; and so on).

My position aligns with Lefebve’s idea of territory as state space. This does not mean the manner of producing state territory is completely elucidated. Territory is not coherently and compactly bounded but exposed to and constrained by geopolitical and geoeconomic forces—both from ‘inside’ and ‘outside’. Accordingly, we must examine

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19 This interpretation corresponds to Jonas’s account that “in the writings of Lefebvre we see how territory is not just a backdrop for the global theatre of accumulation but something real and concrete that is actively produced and reproduced through various strategies of production, capital accumulation, and state interventionism” (2011: 944).
geopolitical economy in the production of territory.

III. A Dialectic of Capitalism and Territorialism?

Giovanni Arrighi and David Harvey’s conception of the territorial and capitalist logics of power offers a useful lens for viewing geopolitical economy, though their analyses single out imperial powers. Arrighi examines the development of the world system and the exercise of global hegemonic powers in terms of “the contradiction between an ‘endless’ accumulation of capital and a comparatively stable organization of political space” (1994: 33), i.e. the opposition between capitalism and territorialism. The analysis of these two opposite logics of power becomes his central project to trace out the recurrent restructuring of the capitalist world-economy (Ibid., 9). While the territorial logic of power concerns the expansion of territory as an end itself, the capitalist logic of power prioritizes economic command over resources, especially over territorial acquisitions. To express this abstraction, Arrighi translates Marx’s (1976 [1867]) general formula for capital, $MCM'$, into the formulas, $TMT'$ and $MTM'$ (Ibid.). The first formula sees money ($M$), or economic resources, as a channel to expand territory ($T\rightarrow T'$). For instance, the acquisition of territory is deemed as an essential activity for expanding political power, and economic wealth is a means (or by-product) not an end. Conversely, $MTM'$ recognizes territory as a means to increase economic command or money ($M\rightarrow M'$). In other words, territorial acquisition is only one option for achieving a more important goal, accumulation of wealth.

While Arrighi clearly considers the state as the main actor of these two opposing logics of power (1994: 34), Harvey’s analysis of the relationship between capitalism and
territorialism modifies Arrighi’s state-centered view. Arrighi also recognizes this
difference: [For Harvey,] “the territorialist logic refers to state policies, while the
capitalist logic refers to the politics of production, exchange, and accumulation. In mine,
in contrast, both logics refer primarily to state policies” (2007: 212). Harvey also
acknowledges this point: “Within this account there lies the problem of how to
understand the state … (I covered it over in the generic term of a territorial logic of
power)” (2007: 67). Harvey defines these opposing logics of power in these terms:

By territorial logic I mean the political, diplomatic, economic and military
strategies deployed by the state apparatus in its own interest. ... The capitalist
logic, on the other hand, focuses on the way in which money power flows
across and through space and over borders in the search for endless
accumulation. This logic is more processual and molecular than territorial.
The two logics are not reducible to each other but they are closely intertwined
(2010: 204-5).20

Harvey recognizes that the working of each logic of power involves different agents.
He argues: “The capitalist operates in continuous space and time, whereas the politician
operates in a territorialized space and, at least in democracies, in a temporality dictated by
an electoral cycle” (Harvey, 2003: 26). Accordingly, while Arrighi sees territorialism
mostly in terms of territorial acquisition and command, Harvey views territorial logic as
the strategy of statecraft (politicians) within territorial boundaries. He recognizes that
territorial power can be exerted over other states, but not usually in the form of territorial
expansion (2010: 205).

20 Harvey first adopted these two logics for the theory of capitalist imperialism in his book, The New
Imperialism (2003). Here he defines the territorial logic of power as “the political, diplomatic, and
military strategies invoked and used by a state (or some collection of states operating as a political
power bloc) as it struggles to assert its interests and achieve its goals in the world at large” (26). One
difference from the definition above in The Enigma of Capital (2010) is that he adds “economic”
strategies by states to the territorial logic of power. It appears that Harvey intends to clarify what is
relevant to statecraft as territorialism.
There are several problematic points in both accounts. Arrighi’s sense of territorialism is anachronistic. The territorial logic of state formation in contemporary times rarely features the *colonial form* of territorial acquisition and control (Elden, 2009: xx).\(^{21}\) Also, the territorial logic of power is now more concerned with the qualities of territory rather than its quantity or extent. For instance, to measure and calculate natural resources within a territory helps to define its qualities.\(^{22}\) Accordingly, in Arrighi’s formula, TMT', the change from T to T' does not necessarily mean the expansion of territory, like Marx’s formula, MCM', which actually requires the production and realization of surplus value. More fundamentally, territory is not value. The formula of capital cannot be simply translated into the formula of territory. Harvey’s concept of ‘spatial fix’ also demonstrates that TMT' can imply the changes in the qualities of territory. One kind of spatial fix is the improvement of urban space and environment primarily through investing in physical infrastructure, which is also called the ‘high-road fix’ by Glassman (2007).\(^{23}\)

For his part, Harvey’s analysis of geopolitical economy seems to be premised upon the assumption that while states’ activities – either political or economic – are

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\(^{21}\) In a similar vein, Robert Brenner criticizes that “‘the accumulation of control over territory as an end in itself’, which Harvey introduces as the expression of the logic of territorial states, lacks a *raison d’être* and there seems little empirical warrant for it” (2006: 81).

\(^{22}\) Braun (2000) develops Foucault’s discussion of ‘territory with its qualities’ in political-ecological terms. Through the case of the late nineteenth-century Canadian state, he examines how nature is constructed as an object for political and economic calculation, and reveals that this process is historically contingent, subject to nature’s intelligibility (Braun, 2000: 12). Basically, I agree with his point. Yet I claim that in the contemporary world, governmentality and territory is less hinged on nature’s intelligibility and more affected by political-economic conditions. For instance, the North Korean state recognizes its natural resources, but cannot exploit them due to its economic conditions. This aspect of territory can also be recognized in Foucault’s account of territory (see Chapter 4).

\(^{23}\) In addition, Arrighi’s analysis overemphasizes state actors. Yet, the territorial logics of power cannot be fully examined only in terms of statecraft. To take but one example, the growing outsourcing of border control and surveillance to private agencies attests to the complexities of territorialism.
mostly territorially circumscribed, capitalists move undeterred by territorial constraints. Jessop criticizes this kind of approach as false oppositions “between the state as a ‘power container’ that operates exclusively within defined territorial frontiers and the economy as a borderless exchange mechanism with no important territorial anchoring” (2008: 189). Harvey is no doubt one of the finest analysts of the uneven geographical development of capitalism. Nevertheless, he sticks to this problematic analytical frame, for example, when he asks: “how can the territorial logics of power, which tend to be awkwardly fixed in space, respond to the open spatial dynamics of endless capital accumulation?” (Harvey, 2003: 33). This point of view locks varied geographies of capitalist modernity into particular spatial imaginaries: territorial fixity and fluidity. The capitalist logic of power is imagined as a borderless and deterritorialized mode, while its various territorial formations are downplayed. However, the capitalist logic of power is always already territorial, as Harvey’s notion of spatial fix clearly attests.

Moreover, Harvey explains the operation of economic power only in terms of capitalist logic. Yet, not all economic processes can be subsumed under the capitalist order. Arrighi also recognizes this problem: “Harvey seems to assume that all market processes (including trade, commerce, labor migration, technology transfer, information flows, and the like) are driven by a capitalist logic. I make no such assumption” (2007: 212). Finally, both Arrighi and Harvey’s analyses spotlight strategies, policies, or material practices. Yet, as Said pointed out, there are also “philosophical and imaginative processes at work in the production as well as the acquisition, subordination, 

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24 I cannot but question why Arrighi himself also terms these non-capitalist market processes as the capitalist logic of power. He defines the latter as “a logic ... in which command over economic capital constitutes the basis of the pursuit of power” (2007: 212).
and settlement of space” (1989: 218). Representations and discourses also play a big role in both territorial and capitalist logics of power.

While Arrighi and Harvey’s studies of the relationship between capitalism and territorialism contribute to a robust theory of geopolitical economy, neither fully explains the political-economic dynamics in the production and reproduction of state space. Before elaborating upon this, I first examine the theory of production of space by Henri Lefebvre.

IV. Henri Lefebvre and Territorial Dialectics

Critical geopolitics has sought to challenge, destabilize, and deconstruct conventional geopolitical assumptions and provide a new understanding of geopolitics in terms of discursive and cultural practices. For example, Passi stresses the importance of a deconstructive reading of territory and borders:

The process of the institutionalization of territories is one of consolidation of the institutional structures of a territory, and at the same a set of practices and discourses in which calculable territory is created ... Their [boundaries’] meanings vary contextually and we should try to ‘read’ these meanings from the complicated practices and discourses taking place in such fields of social action as the economy, politics, culture, governance and socialization, for instance (2009: 226).

Inspired by poststructuralism, feminism, and postcolonialism, these critical understandings serve to contest the hegemonic narratives of conventional geopolitics. One such story, for instance, naturalizes the nation-state’s territorial borders as separating a safe inside from an anarchic outside (Ó Tuathail and Dalby, 1998: 4). Other critical geopolitical scholars turn their attention from the traditional nation-state centered frames
to investigate relations between state institutions and mundane everyday practices of various actors—how these lived experiences or local practices disrupt and complicate dominant geopolitical scripts (e.g., Dalby, 1994; Dodds, 1996; Coleman, 2005; Sharp, 2011).

Despite its emphasis on the intertwined relations between material practices and discursive representations (Agnew and Cobridge, 1995; Agnew, 2001; Elden, 2009), critical geopolitics has been rightly criticized for “focusing on discourses and representations [while] neglect[ing] important political economic forces that shape policy” (Mercille, 2008: 572) and as a result, possibly “becoming a politically detached textualism” (Smith, 2000: 370). Moreover, the geopolitical move away from a state-centered view to a focus on practices and meanings from below also risks distancing itself from primary concerns, such as empire or hegemony (Power and Campbell, 2010). In this sense, Neil Smith claims that “geo-politics – and geo-economics – is also a crucible wherein social relations are continually fought out, forged and reforged, and a critical geopolitics can only succeed to the extent that it simultaneously engages in a discussion and theorization of changing social relations in specific places at specific times” (2000: 370-1). I agree with Smith. This requires new theoretical efforts to link between material and discursive aspects.

To understand the production of territory in terms of interplay between material practices and discourses, I explore Henri Lefebvre’s theory of the production of space focusing on his theoretical frame of a “spatial triad”. Despite its fame, this theory is not sufficiently self-evident (Merrifield, 2006: 109). Even in *The Production of Space* (1991), Lefebvre provided inconsistent definitions of the three moments or dimensions in
the production of space. This has led to incoherent interpretations of his spatial dialectics among scholars (Shields, 1999: 165). Here I will examine Lefebvre’s theory of the relation between state and space and his spatial triad.

Lefebvre’s theory about the production of space laid a new epistemological foundation for space, not conceived as a naturally given thing or a backdrop to human society, but as both a medium and outcome of social relations (a concept implied in Gramsci). In particular, he focused on the relationship between state and space. Taking note of the increasing importance of state in the organization and management of space, Lefebvre contended that “without the concepts of space and of its production, the framework of power (whether as reality or concept) simply cannot achieve concreteness … the state framework, and the state as framework, cannot be conceived of without reference to the instrumental space that they make use of” (1991: 281; italics in original). Through the concept of the “state mode of production”, he explained that the state became active in producing and reproducing the institutional and territorial conditions for capital accumulation and that this new mode of state productivism prevails in both capitalist and socialist states (Brenner and Elden, 2009b: 18). This means that the mobilization of space as a productive force has become popular under this state mode of production (Ibid.,: 34). The state employs various spatial (or territorial) strategies, and attempts to homogenize, hierarchize, and fragment its spaces (Ibid.,: 223; 243-4). This corresponds to the recent discussions of territory as a calculable and measurable object with qualities. The state can impose its own interests and rationality with “space as its privileged instrument” (Lefebvre, 2009[1978]: 226). In this sense, Lefebvre’s discussion about the production of space shows that he rejected the prevailing idea
among Marxists that the state is merely superstructure that reflects the interests of the capitalist class (2005[1981]: 123). Whether capitalist or socialist, he noted an essential relation between state and space: “Sovereignty implies ‘space’, and what is more it implies a space against which violence, whether latent or overt, is directed—a space established and constituted by violence” (Lefebvre, 1991: 280).

Lefebvre’s spatial dialectics consists of three intertwined planes—‘spatial practice’, ‘representations of space’ and ‘representational space’, where space also is translated into ‘perceived space’, ‘conceived space’, and ‘lived space’. These planes are defined in Lefebvre’s terms as:

*Spatial practice*: [social practice] which embraces production and reproduction, and the particular locations and spatial sets characteristic of each social formation.

*Representations of space*: conceptualized space, the space of scientists, planners, urbanists, technocratic subdividers and social engineers.

*Representational spaces*: space as directly lived through its associated images and symbols, and hence the space of ‘inhabitants’ and ‘users’, but also of some artists and perhaps of those, such as a few writers and philosophers (Lefebvre, 1991: 33; 38; 39, italics in original).

Rejecting a Hegelian reconciliation of the dialectic, he considered the relations among these three moments in the production of space as perpetually open and unsettled (see Schmid, 2008: 33). While the notion of spatial practice producing and reproducing space is usually accepted as obvious, the distinction between representations of space and representational spaces is not clear and sometimes causes confusion (see Miller (1997)). Many scholars distinguish them as spaces of logic and knowledge (or *savoir*) and space of meaning or *connaissance*, imagined space (Elden, 2004: 190; Schmid, 2008: 41). Yet
this distinction is also problematic. Lefebvre argues that “representations of space are shot through with a knowledge (savoir) – i.e. a mixture of understanding (connaissance) – which is always relative and in the process of change” (1991: 41).

I think a more essential difference lies in who appropriates and produces space. Regrettably, Lefebvre’s account of the relation between state and space is not closely coupled with his three-plane dialectics in the production of space. We can only glimpse his sketchy idea from some of his writings. Lefebvre claims that “the analysis of any space brings us up against the dialectical relationship between demand and command, along with its attendant questions: ‘Who?’, ‘For whom?’, ‘By whose agency?’” (1991: 116). According to his definitions, representations of space are laden with ideology, power, and knowledge. In general, it is the state’s main task to conceive and construct space through the imposition of particular logics. On the other hand, representational spaces are called lived spaces because they are experienced by ordinary people who inhabit them in everyday life. This does not mean that the state cannot intervene in representational spaces. Lefebvre argues that “representations of space facilitate the manipulation of representational space” (Ibid.: 59) and “[when] those of lived experiences and of ‘living’ are severely compromised[,] representational space disappears into the representation of space—the latter swallows the former” (Ibid.: 398). In other words, for Lefebvre, representational space is lived, but neither represented nor conceived (Ibid.: 362). In this sense, the production of state space or territory, which Lefebvre sees as a process for the state to “introduce its presence, control, and surveillance in the most isolated corners (which thus ceased to be ‘corners’)” (2009[1978]: 227),” can be understood as the suppression or seizure of representational
spaces. This process is facilitated by the interactions between spatial practices and representations of space initiated and commanded by the state: “The State becomes more and more clearly the agent, even the guiding hand, of this production [production of space]” (Ibid.: 228).

Some scholars translate Lefebvre’s spatial dialectics in geopolitical or territorial terms, though in problematic ways. Agnew and Corbridge (1995) enlist Lefebvre’s spatial triad to grasp the relationship between geopolitical order and geopolitical discourse. They interpret spatial practices as the “material and physical flows, interactions, and movements” and representations of space as the “concepts, naming practices, and geographical codes” in relation to spatial practices, and “representational spaces” as “imagined geographies” that affect both representations of space and spatial practices (Agnew and Corbridge, 1995: 7). They put an emphasis on the dialectical entwinement of three dimensions in the constitution of the international political economy. Yet when they reformulate it into the relations between the geopolitical order and discourse, the representational spaces suddenly drop out of sight and discourse is leveled into the dialectic between spatial practices and representations of space:

\[G\]eopolitical discourse involves the deployment of representations of space (Lefebvre 1991) which guide the spatial practices central to a geopolitical order ... the practical geopolitical reasoning of political elites is the link between the dominant representations of space and the geopolitical order of dominant spatial practices (Ibid.: 47-8, italics in original).

They briefly mention that “at times of geopolitical disorder alternative representational spaces vie as candidates to displace currently ‘hegemonic’ representations of space” (Ibid.: 47). However, they do not elaborate upon how this process is materialized in the
international political economy. Even more problematic is their use of Lefebvre’s concept of representational spaces. In their understanding, space of representations is not a lived space inhabited by ordinary people, but seems like another institutionalized space. That is, it is not that representational spaces displace representations of space, but that other representations of space challenge and unsettle the hegemonic representations of space.

Rhys Jones (2007) shares this problematic understanding. Criticizing Lefebvre’s reified view of state territories, Jones reframes Lefebvre’s spatial dialectics into a “territorial triple dialectics” (2007: 33). His definitions of the three moments of this dialectics are as follows: territorial practice as the “physical territorialities produced by the state”; representations of territory as the “more hegemonic conceptions of territory produced by the state apparatus and its regulations”; and representational territories as the “clandestine and underground conceptions of territory produced in reaction to representations of space” (Ibid.). Here we must ask what “more hegemonic” and “clandestine and underground” conceptions of territory mean. As discussed above, the relations between representational spaces and representations of space, according to Lefebvre, is not necessarily oppositional. And Lefebvre did not clarify how representational spaces are relevant to resistance against hegemony.

Brenner and Elden offer a stronger explanation of territorial dialectics. Recognizing that the production of territory is a concomitant process that operates in perceived, conceived, and lived moments, they see territorial dialectics to entail: (1) territorial practices as the “physical, material spaces of state territory” from the fences and barriers to infrastructure; (2) representations of territory as “abstract ways of
representing territory through cartography, and otherwise diagrammatically”; and (3) territories of representation as a symbolic and connotative process “through the everyday practices and lived experiences that take place within and beyond” territory (Brenner and Elden, 2009a: 365; 366). I largely agree with this reformulation. Their key contribution is to reveal that Lefebvre’s conception of state and territory consider this territorial dialectics not as an analytical or methodological framework, but as historical processes subject to various forces like capitalist dynamics and state strategies. And this should bring us back to Poulantzas (Ibid.: 367). Lefebvre alludes that understanding of the production of state territory should be combined with the political economy of territory, but that is as far as he goes. Perhaps for this reason, Schmid distinguishes Lefebvre’s “comprehensive theory of the production of space” from Harvey’s “more narrow project [of the] … political economy of space” (Kipfer et al., 2008: 8). Nevertheless, Lefebvre did not elaborate upon the underlying political-economic logic of the production of space. He emphasized the importance of the production of space both for the survival of capitalism and the maintenance of order and stability through state territorial strategies (Lefebvre, 1976; Brenner and Elden, 2009a). Yet his focus was on how capital and states appropriate and produce space (or territory), not on how the political-economic relations that encompass both capital and state are forged and affect the production of territory. Thus, we need to build a bridge between

25 It is necessary to note that those readings and interpretations of Lefebvre’s spatial dialectics above share one common problem: to systematize and model it into a formal triad. Lefebvre’s unclear and confusing account rather demonstrates his recognition of open possibilities for the production of space (This discussion is indebted to the comments of Mathew Coleman.).

26 In this sense, Kipfer et al. argue that “The emphasis lay for him not on space as an a priori or ontological entity, but on the processes and strategies of producing space, which are by definition historical” (2008: 9). In addition, we can deduce from this point that Lefebvre’s idea of production of space might provide a theoretical basis for the notion of the ‘territorial trap’, though Agnew did not specify it in his account (1994).
the theory of the production of territory and the political economy of territory. I refer to
this as geopolitical economy in the production of territory.

V. Conclusion: Geopolitical Economy in the Production of Territory

What is geopolitical economy? While a political-economic approach generally examines the relationship between political and economic processes, I want to analyze the interplay between geopolitical and geoeconomic logics of power. In other words, I claim that the dialectics between the territorial and capitalist logics of power should be superseded by that between geopolitical and geoeconomic logics. The geopolitical logic of power is more concerned with geopolitical security which is principally related to the management, calculation of territory, and maintenance of territorial integrity. On the other hand, the geoeconomic logic is a wider set of economic practices, strategies, and imaginations – which is not necessarily dictated by the capitalist imperative – working not only within the territory but also across the borders. We must examine how different articulations between the geopolitical and geoeconomic logics of power are forged and how they condition and influence the production of territory. Here I distinguish geopolitics from geoeconomics for analytical convenience, but this does not mean that both logics of power are working separately. Arrighi and Harvey also recognize that the objective of separating territorial and capitalist logics of power is only

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27 A political-economic approach addresses geographical concerns or differences, as the political-economic analysis of capitalism examines its uneven geographies. In this sense, it is argued that the strategies and performances of global politics and economics is “informed or even guided by geographical understandings” (Dodds, 2001: 469; Domosh, 2012: 2). Nonetheless, I use the term geopolitical economy to emphasize the geographical nature of the political-economic processes (see also Sheppard (2011)).

28 As Coleman (2012) shows, this does not mean that we can reduce geopolitics to the control of territorial borders. It goes beyond the problems of state-territoriality.
hermeneutic, and in reality both logics of power are closely intertwined (Arrighi, 1994: 34; Harvey, 2003: 29). On this point, I concur with them. The geopolitical and geo-economic logics of power are also deeply interlaced, and therefore our analytical work is to unknot the complex intricacies between these two logics of power around the question of territory.

Since ancient Greece, resolving the conflict between the geopolitical and geo-economic imperatives has been a central concern in the management of territory. Aristotle saw territory in terms of military and commercial purposes (Chuska, 2000: 81). Nonetheless, the dominant understanding of the function of territory had been fixated on geopolitical security—protection from external threats. Michel Foucault contested this idea and argued that territory in a modern sense has shifted its focus from the safeguarding sovereign power and territory to the security of population—from geopolitical security to concern about the circulation of things or geo-economic imperatives (2007[2004]: 29, see also Chapter 4). This attention to the tensions between geopolitical and geo-economic concerns is mainly attributable to the end of the Cold War and expansion of the global economy in the late 1980s.

Since this time, scholars have paid increasing attention to the ways that economic concerns complicate the production of territory. Edward Luttwak, a conservative scholar of international politics, coined the term ‘geo-economics’ to refer to the “admixture of the logic of conflict with the methods of commerce” (1990: 19) and argued that inter-state conflict would be governed by geo-economic logics, which would supplant declining geopolitical imperatives. Along with his linear and simplistic narrative about the change, Luttwak’s view is problematic in that it falls into a territorial
trap, turning a blind eye to territorial dynamics such as deterritorialization (Smith, 2003: 247). His idea is rejected by both neoliberal globalists who envisage a new global order without territorial borders (Ohmae, 1990; Friedman, 2005) and critical geographers who highlight the dialectic between de- and re-territorialization. While the latter are critical of the former’s teleological optimism, both groups share the notion that geoeconomic concerns precede geopolitical ones. Neil Smith claims that “It is not that geopolitics is irrelevant, but ... the priority of geo-economic over geopolitical concerns has to be recognized” (2003: xiv) (see also Cowen and Smith (2009)). Harvey also notes a distinct difference of capitalist imperialism, arguing “What sets imperialism of the capitalist sort apart from other conceptions of empire is that it is the capitalist logic that typically dominates, though, as we shall see, there are times in which the territorial logic comes to the fore” (2003: 33). Both underline the growing power of transnational capital to penetrate borders across the globe. Events since September 11, 2001 have further exposed the intricacies of the relationship between geopolitical and geo-economic imperatives. Managing the often-conflicting priorities between addressing security and accumulation has become a key issue of statecraft again.

A number of critical geographers engage in deconstructing the complex narratives of the geopolitical economy of territory. Coleman (2005), for instance, argues that the U.S. border is a “security/economy nexus” arising out of incoherent and contingent combinations between geopolitical and geoeconomic practices at both local and nonlocal levels. In this sense, he describes state policymaking in the borders as “a fraught bundle of geopolitical and geoeconomic ‘storylines’ rather than as a coherent sovereign ‘script’” (Ibid., 201). While Coleman centers his analysis on geopolitical and
geoeconomic practices such as border policing, Sparke examines the interplay of geopolitics and geoeconomics in a discursive dimension. His analysis shows how geopolitical and geoeconomic discourses are closely tied to different spatial imaginaries. Examining the case of the U.S. Iraq War, Sparke (2007) claims that while “geopolitical scripting” is closely concerned with manufactured fears and imaginative geographies of danger and enemy, “geoeconomic enframing” always entails false hopes from the neoliberal economic vision; it accentuates “networks not blocs, connections not walls, and trans-border ties instead of national territories” through capitalist expansion (2007: 340). Sparke focuses on how geopolitical fears promote and encourage the imposition of geoeconomic hopes. This coupling is also termed “neoliberal geopolitics” in the sense that “disconnection defines danger” (Roberts et al., 2003: 889).²⁹

Despite many keen observations on the dynamics between geopolitical and geoeconomic logics of power, these discussions share some common limitations. As the working of geopolitical power is tightly linked with territorial practices like bordering, the spatiality of geopolitical logic is envisaged as territorially fixed or delimited.³⁰ On the other hand, geoeconomic power is usually considered in relation to cross-border economic processes. For instance, Sparke simply affirms that “the geopolitical storyline of border securitization certainly clashes with the geoeconomic storyline of cross-

²⁹ Meanwhile, Judith Butler argues that it is the “fear of survivability” that lurks below both geopolitical and geoeconomic imperatives in the production of territory (2009: 44).
³⁰ Wendy Brown provides a similar criticism: “the notion of a tension between security and economy imperatives does not adequately capture the security-economy nexus out of which the new walls emerge. Close consideration of both sets of imperatives undoes the simple formulation in which economic interests drive toward unbordering and security interests toward rebordering” (2010: 95).
border economic facilitation” (2006: 169). Geopolitical concerns tend to be regarded as the maintenance of territorial integrity (or improvement of border security) from external threats, and geoeconomic interests are to open borders to promote capitalist expansion.

However, geopolitical interests can be addressed in various manners. Cases like Israel-Palestine, China-Taiwan or the Korean Peninsula are testament to the complexities of geopolitical concerns. By the same token, geoeconomic calculation is not necessarily the expansion of cross-border activities. It is worth revisiting Luttwak’s original definition of geoeconomics as “the logic of war in the grammar of commerce” (1990: 19). In this sense, geoeconomic imperatives can be expressed in forms different from transnational economic processes. For example, a move towards free trade or protectionism could be considered as kind of geoeconomic calculation. Of course this example bears the underlying assumption that the geoeconomic logic of power is capitalist. On this point, however, it is important to take into account Karatani’s claim:

Capitalism is not unique in centering social relations on exchange—only in the form this takes, which is commodity exchange organized by value form. But note that this does not mean that the other forms of exchange have disappeared—they have not. They are intermixed with market exchange, so to speak (Karatani and Wainwright, 2012: 39).

Thus, we need to consider various forms of geoeconomic activities – both capitalist and extra-capitalist – and their effects upon the production and reproduction of territory.32

31 In another paper, he also claims that “Geoeconomics, in other words, is useful as a term insofar as it allows us to name an array of quotidian assumptions and practices that emerge out of the context of free trade and the resulting force of borderless economic flows” (Sparke, 1998: 70).
32 In this sense, Sheppard (2011: 321) claims that “While capitalism may be hegemonic, it is neither necessarily superior to alternatives nor the only form of economy worthy of serious consideration”.

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For example, the Chinese government’s vigorous engagement with the construction of trans-border infrastructure development projects in neighboring countries is financed through development aid and various development funding programs, not in a capitalist form.

Moreover, most scholarship on geopolitical economy does not sufficiently articulate the dialectical entanglement of representations and political-economic processes. Radical geo-politicians who stress the political-economic approach often neglect the discourse (Mercille, 2008). It is crucial to recognize that geopolitical and geoeconomic imperatives not only materialize into territorial practices but are conceived as discourses, territorial representations, and imaginaries. Finally, we can detect the lingering influence of a territorial trap in the analysis of geopolitical economy. Many studies tend to limit the objects of analyses to domestic agents such as state managers and capitalists and how their interests and imperatives collide or are reconciled—for instance, between national security and economic development. This problem is crucial when looking at how state territory is produced and reproduced.33

Considering these limitations, Deborah Cowen and Neil Smith (2009) offer a stronger definition of geopolitical economy. With the notions of “geopolitical social” and “geoeconomic social”, they refine the dominant view of geopolitics and geoeconomics:

Geopolitics was never only about the state’s external relations, but rather

33 For example, while the investigation of U.S. border and foreign policy encompasses central and local actors from the domestic scene (Smith, 2003; Coleman, 2005; Mercille, 2008), the constitution of the U.S. territory is also affected by the practices and representations from the state and non-state actors of neighboring countries. For instance, the ways that the Mexican state performs geopolitical and geoeconomic calculations towards the U.S. in terms of its migration policy cannot be disregarded.
… involved a more encompassing ‘geopolitical social’ that both crosses and crafts the distinction between inside and outside national state borders (Cowen and Smith, 2009: 23).

Destabilizing the conception of geopolitical logic as a territorially fixed or bounded process, they broaden geopolitics to encompass security, economy, and other related social forms. However what is problematic in their accounts is the claim that geopolitical social forms are now “recast” (in their own terms) by geoeconomics or market logics (Ibid.,: 25). Though they deny a simple linear replacement, they do not make clear how different geopolitics is “recast” by geoeconomics. Rather, their explanation suggests that geopolitics is superseded by geo-economics (e.g., “market calculation supplants the geopolitical logic of state territoriality” (Ibid.,: 43)). And it is not just Cowen and Smith who claim that “geopolitics is dead but dominant”, increasingly displaced by geoeconomics. Similar claims are made by Harvey (2003), Smith (2003), and Morrissey (2011). Yet I disagree.

My argument is that territory, as state space, is relentlessly produced and reproduced through the complex articulations between geopolitical and geoeconomic logics of power. These articulations are often disjointed, interrupted, or dynamically transformed. For this reason, any attempt to construct a general theoretical framework to elucidate geopolitical economy in the production of territory might be seen as fundamentally flawed.34 Nevertheless, we cannot remain satisfied with reducing this relationship to “historically contingent societal processes” (Passi, 2009: 216). Instead,
we should try to trace out how various articulations between geopolitical and
geoeconomic logics play out in the production and reproduction of state territory. That
is my aim.

To this end, we need further clarification of a few points. Geopolitics cannot be
equated with a territorial expression of power nor geoeconomics with the capitalist logic
of power. Geopolitical concerns cannot be reduced to the protection of territorial
borders or the maintenance of territorial integrity (and acquisition of new territory).
Geoeconomics does not necessarily involve transnational capitalist powers who bend
borders or act supra-territorially. Geopolitical imperatives are apropos of power, space,
and security—in other words, geopolitical security. Since security is “a property of
networks” that is not necessarily tied to territory (Croser, 2011: 6), improving geopolitical
security is more than just closing off borders, extending and fortifying fences. Various
territorial and extra-territorial means are employed to address geopolitical concerns.
The U.S. operation of the Guantanamo camp is a good testament of this (Reid-Henry,
2007).

On the other hand, the term ‘geoeconomics’ is generally understood as the flow of
capital across space which implies either territorially fixed or unbounded processes. In
other words, geoeconomic calculation can be expressed not only as the facilitation of
trans-border capital movements but also as the promotion of a state’s internal
protectionism through geoeconomic discourse and practice. While Domosh (2012) re-
conceptualizes geoeconomics as discourses that consist of images, imaginaries, and
meanings, I reiterate the importance of seeing that both geopolitical and geoeconomic
imperatives are expressed by the entwined processes of material practices, discourses,
and geographical (or territorial) imaginaries: in other words, a dialectic between territorial practices and representations of territory. Here lies the crucible of the production of territory. In addition, geopolitical and geoeconomic representations and imaginations toward not only its own territory but also the territory of others are intimately connected with the production of state territory. How state or capital encroaches on representational spaces of ordinary people and how those people resist from below is another important analytical point that should be examined to understand the dynamics of the production of territory. Nevertheless, I retain a state-centric view because states still play the critical role in territorialization (Brenner, 1999). This does not mean that the interactions between geopolitical and geoeconomic logics of power can be read as a “coherent sovereign script” (Coleman, 2005: 201). The states’ strategic employment of specific material practices, cultural representations, and discourses does not always result in an expected outcome. It always entails political struggle, as Gramsci and Poulantzas always emphasized,

While territory is often seen as insignificant in a networked global economy, a territorial perspective is still necessary to understand the dynamics of geopolitical economy. It is crucial to trace out the dynamic articulations between geopolitical and geoeconomic logics of power across the national borders that are expressed by dialectical interplay between territorial practices and representations of territory. My aim is not to

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35 For instance, Elden detects an underlying motif in the “war on terror” that “the United States must protect its own territory and sovereignty at all costs, which necessarily will require it to see territorial sovereignty everywhere else as entirely contingent” (2009: 25). And these cultural practices entail the calculative processes of filtering, ordering, measuring, erasing, and normalizing the quality, value, and properties of its own territory or territory of others in both geopolitical and geoeconomic terms (Elden, 2007: 578).

36 Please refer to the discussion of Poulantzas’s theory of the state earlier. He also recognizes the commading role of the state not only in political and ideological domains but also in the relations of production (Poulantzas, 1978: 25-6).
find a single rule or essential structure to determine the geopolitical economy of territory. Gramsci called such general formulas “the stuff of much politico-economic fiction” (2007 [1930-31]: 174). Instead I seek to unveil how the geopolitical economy in the production of territory unfolds through the case of Northeast Asian political economy.
Part I. Production of Territory ‘within’ North Korea
Chapter 3:
North Korea in the Colonial Present

I. Introduction

North Korea is the unconquered, untamed, alien part of Korea.

Beal (2011: 51)

If you are dealing with insanity, anything is possible. North Korea is an American blank slate, and anything written upon it has currency – so long as the words are negative.

Cumings (2004: 50)

The fundamental basis of the postcolonial conditions for North Korea stems from its territorial division. North Korea has long felt vulnerable and incomplete without territorial restoration through reunification; hence North Korea continues to be haunted by insecurity. That foreign powers divided their territory, preconditions North Korean

37 Postcolonial conditions not only in the North but also along the entire Korean Peninsula predate the partition of the peninsula. Empires from China to Japan and the United States have for a long time made and remade the colonial order in this region. Another crucial point is that a territorial boundary has been never fixed around “the Korean peninsula”. The contemplation of postcolonial conditions should transcend the territorial trap that derives from hegemonic representations of this region. In other words, postcolonial conditions in East Asia cannot be historically or geographically fixed, thus we should be open to lingering effects of these conditions on the political-economic realities of this region (see Lee et al., under review).
political possibilities and locks them into a security-first attitude: “Security concerns have been the central driver of the North Korean ruling regime since the birth of the nation after World War II” (Hecker, 2010: 48). The aspiration for full control of its territory stems from its colonial experience and drives the postcolonial politics of the North. Terms such as “guerilla dynasty” (Buzo, 1999) or “guerilla state” and “regular army state” (Haruki, 2002) reveal that North Korea’s political system is still organized to fight against invading powers. These imperial powers have produced and sustained a territorial division and are still imagined to territorially absorb the North. While territorial control was arguably the most important aspect in anti-colonial political struggles in general (Smith, 2003: 274), it continues as an unending political project to the North. After the North lost its socialist allies and became internationally isolated, a security concern has evolved into a question of survival. In this sense, Samuel Kim defines North Korea’s strategy of coping with several complex crises since the 1990s – security crisis, economic crisis, and legitimation crisis – as “security-cum-survival strategy” (2007: 81). This strategy reflects North Korea’s imperative to protect its own territorial sovereignty at any cost.

North Korea’s postcolonial conditions have been shaped not only by military confrontations with the South and the U.S. but also by economic sanctions for more than half a century (discussed in Chapter 4). Nevertheless, as Derek Gregory elucidates, “The colonial present is not produced through geopolitics and geoeconomics alone … It

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38 In a sense, a territorial division is deemed as an imperfect assertion of sovereignty to the North: “While the ideal of a sovereign state in complete control of its territory is aspired to, a state that fails to control its own territory can find its sovereignty as a whole challenged” (Elden, 2009: 63).

39 It was not just after the 1990s when North Korea’s nuclear issues were brought up that the U.S. has imposed economic sanctions on North Korea: “In the six decades following the start of the Korean War on June 25, 1950, the United States has built a complex system of restrictions on trade, finance, and investment related to North Korea” (Ahn and Kim, 2010: no page).
is also set in motion through mundane cultural forms and cultural practices that mark other people as irredeemably ‘Other’ and that license the unleashing of exemplary violence against them” (2004: 14). In this sense, it is clearly a crucial project to examine how discourses from the West produce North Korea as another “Orient”.

When I first visited North Korea in October 2009, people I met begged me to write about their home country without any distortion. They were deeply and genuinely concerned about the persistent misrepresentation of their country to the world.

Accordingly, before we examine the underlying logic in the production of North Korean territory – “security first, economy next” – it is crucial to grasp how North Korea is manufactured and imposed within a particular normative framework in the Western episteme and how this affects North Korea’s security imperative. Through this analysis, I will demonstrate how a postcolonial lens is useful to illustrate North Korean territorial practices and representations.

II. Western Representations of North Korea

Most Western narratives of North Korea are laden with two motifs: the teleological notion that North Korea will soon collapse and the normative claim that

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40 Qadri Ismail elucidates the importance of postcolonialism: “colonialism, clearly understood as something that exceeds a political or economic relation of dominance, is said not to come to an end with national liberation; it takes new forms thereafter … These ‘new forms,’ of intellectual or epistemic dominance, perhaps even epistemic violence … are what must be resisted, unremittingly, after national liberation” (2005: 28: emphasis in original).

41 When I asked them how they wanted me to write about their country, different people that I met gave me the same answer: “Please just write what you experience”. It is no less surprising to find that North Korea who struggles against the West not only ontologically but also epistemologically would use empiricism as weapon, as Ismail makes clear “postcolonial cannot work within empiricism … [as] the episteme of Eurocentrism” (2005: 31).

42 Petrov criticizes this simplistic teleology saying that “According to expert estimations, the DPRK should have ceased to exist in the mid-1990s, after the Communist Bloc collapsed and Kim Il-Sung
North Korea is itself evil.\textsuperscript{43} The most dramatic combination of these two tenets is the theological conviction that “evil will eventually foil itself”. And because it is evil and dangerous, the threat of regime change is both just and natural: “This much is clear: North Korea will fall. It is simply a question of when and how” (Hong, 2011: no page). The “axis of evil” from the Bush Doctrine is an emblem of this belief. This view is not exclusive to politicians and journalists.\textsuperscript{44} Scholars also jump on this bandwagon (Bruner, 2003; Lankov, 2009a; Fly, 2010; Lind, 2012). For instance, Andrei Lankov asserts “The North Korean nuclear issue cannot be resolved in isolation; it is a part of the broader North Korean issue. And that can only be resolved with a radical transformation of the regime” (2009a: 98). Against the claim of North Korea’s reform, Leonid Petrov provides a teleological narrative: “North Korea as we know it cannot be reformed. The problem is that the state is a hostage of its own history” (2012a: no page).

The justification for regime change also contains a hackneyed imperial fantasy. Similarly, Jennifer Lind fantasizes about Western forces entering North Korea: 

died”. (2012b: no page). Nevertheless, this teleology towards North Korea has not been on the wane. Victor Cha, the former director for Asian Affairs at the of National Security Council, does not hide his conviction: “I believe that the forty-fifth president of the United States will contend with a major crisis of governance in North Korea before he or she leaves office … North Korea is not capable of circumventing this crisis of governance, because in the end, Chinese-style economic modernization is not possible” (2012: 13; 14). This unwavering statement is undergirded by a double teleology: one is negative and eliminates any other teleological reading of the North Korea economy that will lead to economic reform; and the other acknowledges only one ending, disintegration of the North Korean regime.

\textsuperscript{43} One example of the latter narrative can be found in a blog named “One Free Korea”. Denouncing the Associate Press’s engagement with North Korea as “a Faustian bargain with the most evil regime in the world,” it describes the North as “buoyed by a stream of regime-sustaining hard currency, North Korea became (if anything) more belligerent toward its benefactors, more brazen in its proliferation, and more brutal and exploitative toward its own people” (One Free Korea, 2012: no page). Its logic is simple. Since the North is evil itself, any effort to get to know or engage it should be criticized.

\textsuperscript{44} In this sense, Watson criticizes the Western media’s treatment of North Korea: “The days of cold war pantomime journalism and great ideological battles might be over, but North Korea remains an area in which journalists have free license for sensationalism and partiality” (2012: no page).
You predict a ‘guaranteed’ hostile response among North Koreans. But we just don’t know how North Koreans would react. They might be desperately grateful to be rid of the tyrannical regime that has murdered and starved them, so may accept foreign stability operations as the West Germans and Japanese did after World War II” (Fic, 2011, Lind’s interview with Asia Times).

It is not difficult to find in these statements dreams of imperial benevolence that have been playing out from the colonial era to the recent American invasion of Iraq and Afghanistan.45 This illusion leads the US to repeat a vain question: “why don’t they appreciate us, after what we did for them?” (Said, 1993: 22).

This discursive representation of North Korea as an erratic, insane entity also underlies the frequent accusations of geopolitical hypersensitivity. It is worth noting Tim Beal’s exposition about North and South Korea’s brinkmanship:

North Korea’s brinkmanship is … inherently defensive. It is designed to protect the country (or regime) from attack and conquest. That does not mean that it is wise, or will be successful, that is a matter of debate. But it is important to recognise its essential characteristic of defensiveness. South Korea’s brinkmanship, on the other hand, is offensive. It is designed to bring about the collapse of the DPRK and its takeover by the ROK (Beal, 2010: no page, emphasis in original).

While this argument is controversial, it has the merit of forcing us to consider one prevalent perception of North Korea’s belligerence which derives from a hegemonic narrative of the Korean Peninsula – North Korea as an unpredictable warmonger but South Korea as an innocent victim – : “it is much easier and more palatable to a western

45 Slater argues that “The US is represented as a benevolent guardian of the rights of a subordinated people and an imperial ethic of care is projected across frontiers to provide one form of legitimization for interventions” (2007: 1045). In another text, Slater discusses the mode of imperial representation which presupposes “the assumed right to be able to designate the political future for a people whose sovereignty is envisaged as being usurped by an ostensibly tyrannical regime” (2004: 14). Here he relates the geopolitics of representation to U.S.-Cuban relations, but it is also salient in the U.S.’s naming of ‘rogue states’ like North Korea.
audience to pigeonhole the DPRK as a dangerous maverick state ruled by a capricious
dictator and South Korea as its long-suffering, patient neighbor” (Watson, 2012: no
page). 46  A well-known expert on North Korea Gavan McCormack, criticizes the
misrepresentation of North Korea as being irrationally aggressive and argues: “Obsessed
with security and the search for an absolute guarantee of immunity from attack by its
enemies, it has become a kind of ‘porcupine state,’ resisting foreign bodies by stiffening
its quills, rather than an expanding or rampaging one” (2012: no page). 47

This representation of North Korea is also constituted in economic terms.
North Korea is described as recalcitrant for refusing to embrace modern and advanced
“free-market capitalism”; as a result, it is stuck in poverty.  North Korea thus becomes
another Orient, pre- or anti-modern, less-developed or backward.  Economic
representations of North Korea work to reinforce the superiority of the capitalist system
over socialism by contrasting South and North Korea.  Remember the satellite photo of
the Korean Peninsula at night that provided a striking contrast between the bright South
and the dark North. 48 Such modes of representation towards North Korea are operating
according to particular political-economic configurations and project the North into an

46 This branding has political-economic effects such as “South Korea’s burgeoning military
expenditure, US missile defense and Prompt Global Strike (PGS), the US military presence in East
Asia and the West Pacific, and Japanese remilitarization” (Beal, 2011: 26).
47 McCormack (2012) also discusses the problem of hegemonic naming.  The so-called ‘North
Korea nuclear problem’ produces a particular effect; it reduces the North to a dangerous and
aggressive being and shifts responsibility solely on it.  On the other hand, it manufactures the U.S. as
a rational and globally responsible power, concealing its imperial nature.
48 In a news briefing on 23 December 2002, U.S. Defense Secretary Donald Rumsfeld spoke of the
two Koreas: “If you look at a picture from the sky of the Korean peninsula at night, South Korea is
filled with lights, and energy, and vitality and a booming economy.  North Korea is dark.  It is a
tragedy what’s being done in that country” (CNN, 2002).  This reminds us of Heidegger’s
(1977[1938]) discussion of world-as-picture in the modern age.  According to him, the interweaving
of two different events – human becoming subject and world becoming picture – has become an
essential attribute of the modern age.  However, a postcolonial reading of Heidegger makes clear that
only the West is subject.  That is, “I”, the West as subject projects, represents, renders calculable and
masters North Korea as picture or object.
object to be politically corrected and economically fixed: “North Korea is weird because it is not like us. It needs to change: implicitly defined as becoming more like us. And it does bad things, which it must stop doing right now” (Foster-Carter, 2012a: no page).

Another way that the outside world represents North Korea is as an inscrutable and unpredictable entity. Kurt Campbell, assistant secretary of state for East Asian and Pacific affairs, for instances, explains “In fundamental ways, North Korea is still a black box …We have some glimpses and some intelligence and the like, but the truth is, oftentimes in retrospect some of that intelligence has proven to be wrong. It’s a very, very hard target, probably the hardest target we face in the global arena” (Pomfret, 2010: no page, my emphasis). Since Western officials imagine North Korea only in ways they wish and reject alternative ways of understanding it, they cannot help being frustrated by their continuing policy failure.49 This frustration from ignorance generally leads to labeling the North as irrational or insane which are terms most often-used to describe, in particular, North Korean military practices and political culture.50 Yet, as Cumings (2004: 47) has clarified, North Korea’s actions have been rather consistently predictable.51

49 A similar fault occurs when Western officials mechanically apply Western rules and norms to a non-Western context. This is seriously problematic, especially in the case of North Korea where the West has little knowledge. For instance, Lind refers to the conflicts in the North Korean political elite circle during power succession: “One can only imagine the teeth-grinding among the career generals when Kim Jong Il elevated his son to four-star general despite his total lack of military experience” (2011: no page). This imagining betrays a profound ignorance of a North Korean political regime that strongly coalesces around the Kim family.

50 About the misrepresentation of North Korea, David Kang argues “outsiders project their fears and hopes onto North Korea rather than viewing the country on its own terms” (2011: 169). However, more important is that these projections are more than emotional. The representations are always power-laden and deliberately produced.

51 Park also argues that North Korean politics has consistently followed particular strategic principles: “If one knows the intricacies of North Korean politics and belief systems, little is mysterious and unpredictable. There are certain principles and imperatives to which Pyongyang must adhere, and there are established patterns of policy goals and strategies” (H. Park, 2012: no page).
Nevertheless, the demonization of North Korea in the Western world has been so effective that any geopolitical intervention would seem legitimate. North Korea is depicted as a producer of weapons of mass destruction – in particular nuclear weapons – and as illicit trader of them to other rogue countries like Syria and Iran; it is seen as the land of human right abuses with brutal prison camps; and it bears the image of an outlaw state producing and trafficking in illicit drugs, counterfeit currency, cigarettes, and pharmaceuticals (Perl and Nanto, 2007). For instance, Greitens (2012) labels North Korea as a mafia state (or a “Soprano state” after the popular television drama) and argues that new leader Kim Jong Eun succeeds his father in running a global criminal enterprise. In his interview with The Washington Times, David Asher argues “North Korea is the only government in the world today that can be identified as being actively involved in directing crime as a central part of its national economic strategy and foreign policy” (The Washington Times, 2005). However, none of these officials provides any specific evidence to support their exaggerated claims and do not look into North Korea’s history: “This is the Orient, cunning and mysterious, and we can say just about anything we want about it” (Cumings, 2005: 14). More problematic is that these misrepresentations are generally taken as the truth and strengthen the hegemonic frame through which North Korea is recognized and experienced.52

The Western media do not fairly present why North Korea has developed nuclear powers and rarely represent its history of suffering correctly, a history laced with violent confrontations with the United States and other big neighboring countries: “Contemporary treatments of North Korea … tend to ignore history, attributing the

52 Said criticized the Western academia and media for “recycling the same unverifiable fictions and vast generalizations so as to stir up “America” against the foreign devil (1994[1978]: xx).
current situation to maniacal leaders and a brainwashed populace” (Gordy and Lee, 2009: 235). Hazel Smith’s sharp criticism of existing approaches to North Korea is especially noteworthy: “This approach signifies the abandonment of the scientific enterprise, akin to ascribing explanatory power to the Wicked Witch of the East” (2008: 292; emphasis added).

However, interventions from foreign powers are not solely from the U.S.: “The Kim family has never forgotten how in 1956, Moscow and Beijing co-sponsored a conspiracy of disgruntled officials who wanted to replace Kim Il-sung with another leader” (Lankov, 2011b). On 30 August 1956, both the pro-Soviet Union faction and the Yeonan faction in close engagement with the Chinese Communist Party aligned against Kim Il Sung and attempted to oust him from power, an event known as the “August Factional Incident” (Yoo, 2009; see also Person (2006)). In general, it is understood that the events of 1956 were crucial to the development of the concept of juche (주체) as the reigning ideology in North Korea (Gills, 1992). Barry Gills argues that this event has become the defining moment in North Korean socialism with a quotation from the speech of the late Premier of the Administration Council, Yon Hyong Muk, in February 1990. Yon asserts that the August event occurred during “the difficult days when the enemies at home and abroad maliciously challenged the party and the revolution … [but] bringing about a leap in the revolution and construction” (Ibid.,: 113). Here the enemies abroad are not, of course, the North’s arch enemy the U.S. or its avatar South Korea.

53 Liangui Zhang, a professor at the Party School of the Central Committee of the Communist Party of China, claims that it was attributable to this event that there has been no pro-China faction in North Korea (2006: 16).

54 Though the term ‘juche’ is untranslatable and inaccessible to the non-Korean (Cumings, 1993: 214), it is generally translated into ‘independence’, ‘self-reliance’, ‘autonomy’, and ‘subjective entity’ (Koh, 1965: 294). I will explicate this concept below.
The threat from China was more serious during the Cultural Revolution: “China in fact posed a real threat, not just to the political survival of Kim Il Sung, but also to that of the DPRK itself. The PRC deployed troops north of the Tumen and Yalu Rivers” (Schaefer, 2004: 9-10). Even now after rapprochement, North Korea regards China’s ongoing demand for denuclearization as self-contradictory. While China itself developed nuclear weapons in 1964 in response to a nuclear threat, it now ignores the same security imperative for North Korea (Ji, 2011: 7).

The Western notion of the North as a satellite state (of whether China or the Soviet Union) ignores North Korea’s anti-colonial struggles throughout its history. To maintain its self-reliance, North Korea has strived to avoid dependence on any one country but instead plays off the great powers around it: “North Koreans believe in their gut that they must buffer the heavy influence their neighbors already have, or could soon gain, over their small, weak country” (Carlin and Lewis, 2007). For example, in the Rajin port of the Rajin-Sonbong Economic Zone, North Korea uses the second wharf and has leased the third one to Russia for forty-nine years in exchange for Russia’s construction of an international railway between Rajin and Khasan, Russia (H-K. Park, 2011). China has secured only the right to use the first wharf but recently agreed to construct the fourth, fifth and sixth wharves with its own capital (Cho and Cha, 2012). Manipulating competition between China and Russia over the exclusive right to use the Rajin port, the North has avoided leasing at bargain prices and gets their ports developed

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55 This also applied to the Soviet Union, the North’s major patron: “North Korea tried to overcome the disaster of colonization by rejecting all forms of dependency, including dependency on the Soviet Union which inspired it and helped bring it into being” (Armstrong, 2008: 135).
56 When some Chinese experts in North Korea exhorted Pyongyang to follow Chinese reform and opening-up in 1997, North Korea resisted, calling Deng Xiaoping a traitor to socialism. Angrily, China threatened to cut economic aid, but North Korea responded by initiating talks with Taiwan to open direct flights. In the end, China withdrew (International Crisis Group, 2006: 16).
In this sense, the argument that the North “seems destined to remain heavily dependent on China for moral support and material assistance” (Scobell, 2004, my emphasis) ignores how North Korea has manipulated its geopolitical conditions.\(^{57}\)

Despite these successful maneuvers, North Korea still understands that the imperial gaze of the great powers is threatening. The demonization of North Korea continues to facilitate and promote the use of military intervention (Wilson, 2006). As Said explains, “The vision and material reality propped each other up, kept each other going” (1994[1978]: 43), the effective coupling of geopolitical power with discursive representations against the North has aggravated insecurity. In this sense, Jonathan Pollack claims that “The identity and very existence of the North Korean state was threat-based” (2011: 86) and Selig Harrison (2003) terms North Korea’s psychological situation from constant threat of invasion as a “permanent siege mentality” (or “besieged fortress mentality” (Bulychev, 2007)).\(^{58}\) The development of North Korea’s nuclear program is

\(^{57}\) Indeed, regarding China’s growing concern about regional insecurity, Nicole Finnemann claims that “North Korea uses China very effectively, and uses China’s fears very effectively” (S. Lee, 2011d: no page). In addition, regarding North Korea’s family succession, many Western media and academia argue that China “endorses” North Korea’s succession in the hope of or in exchange for economic reform and opening-up (Foster-Carter, 2010; Johnson and Wine, 2010; Revere, 2011). However, this perspective not only disregards the ideology of *juche* but also reveals ignorance of the history of the first succession from Kim Il Sung to Kim Jong Il: “North Korea’s succession schemes are by no means contingent on Chinese and Russian approval. In the 1980s, the DPRK may have been feeling out Beijing and Moscow’s views of Kim Jong-il, but the son’s rise to power occurred even in the face of initial skepticism from China and Russia” (Cathcart and Kraus, 2012: 18).

\(^{58}\) While Harrison argues that Kim Il Sung skillfully exploits this condition to gain legitimacy and strong political ground, Xizhen and Brown claim “North Korea’s moves can best be seen as rational responses to its concerns about its very existence. Its fears of foreign military threat are not merely state propaganda designed to rally the populace. Having seen the display of America’s advanced military prowess in Iraq and Kosovo, its fears are entirely real” (2000: 539-40). We cannot ignore that the ruling regime has effectively utilized external political conditions for internal politics, but this should not justify dismissal of North Korea’s enduring sense of insecurity. This applies not only to North Korea. David Slater argues that “For the societies of Latin America, Africa and Asia, the principles governing the constitution of their mode of political being were deeply structured by external penetration, by the invasiveness of foreign powers” (2004: 24). Still, we cannot find a better site than North Korea to bear out this analysis of postcolonial political ontology.
also explained in this sense:

North Korea has faced the threat of nuclear annihilation for more than half a century. If anything is calculated to drive a people mad, and to generate in it an obsession with unity and survival, and with nuclear weapons as the \textit{sine qua non} of national security, it must be such an experience. Its demand for relief from nuclear intimidation was unquestionably just and yet was ignored by the global community, till, eventually, as we know, it took the matter into its own hands (McCormack, 2007: no page).

In addition, memories of the Japanese imperialism and of the Korean War still imbue people with the imperative of independence and self-reliance. This forms the core of \textit{juche}: “Against the imperialists’ schemes to take away our people’s independence and put a yoke of colonial slavery again … [W]e need to strengthen our military power” (Ahn, 2006: 6).

III. A Postcolonial Reading of \textit{Juche}

The West tends to believe that \textit{juche}, North Korea’s official ideology for social organization and the political system, is an idea that defends dictatorship or serves the Kim dynasty, and is simply one variant of Stalinism (Whelan, 2003; Piven, 2009). In this sense, the North Korean system is usually viewed as a kind of Confucianism, nationalism, or Stalinism (Cumings, 2004; French, 2007; Lankov, 2009b). As a result, labels such as “a Stalinist, authoritarian state” (Bush, 2005a: 120) or “Confucian dynasty” (Noland, 2005: 8) have circulated widely. In other words, the prevailing perception of

\footnotesize{\begin{itemize}
  \item \textit{59} “After every other characteristic attached to this regime – communist, nationalist, rogue state, evil enemy – it is first of all, and above all, an anti-Japanese entity run by the most hoary-minded nationalists in the world” (Cumings, 2011: 57).
  \item \textit{60} For instance, to regard North Korean socialism as Stalinism has been pervasive in the Western academia (Kang, 2003; French, 2007). However, McCormack (1981: 59) criticizes this view in that, though there have been purges in North Korea (relatively much smaller than Stalinist regime), the North Korean regime has been based on the extensive allegiance of its people.
\end{itemize}}
*juche* is an ideological device to legitimize, support, and undergird the regime. There is an element of truth here, yet I contend that *juche* does not only aim for an ideological defense of a Stalinist state. Considering its origin and development that I will examine below, we will see that *juche* is an outcome of the struggle to maintain the socialist revolution against imperial powers under the specific conditions of North Korea. That is, *juche* is an ideological effort to find a way to continue the revolution from North Korea’s own experiences and situations. To label it as a hybrid of Confucianism and Stalinism is typical of the logic of Orientalism (Said, 1994[1978]): the former shows the dominant tendency to simply relate any Asian phenomenon to Confucianism,\(^{61}\) and the latter assumes that such a small Asian power cannot produce its own ruling ideology.

To grasp the concept of *juche* requires us to overcome these orientalist narratives and to be more sensitive to the North’s own conditions. The history of the North that I have discussed above reveals that *juche* has deep roots not only in North Korea’s political practices but also in its responses to geopolitical conditions in which several great powers have endlessly interfered. I argue that *juche* as the reigning ideology of the North Korean regime has been constituted by both colonial and postcolonial conditions. This means we need a postcolonial reading of *juche*.

**The origin of juche**

Many experts on North Korea find the origin of *juche* in a speech of Kim Il Sung in 1955, “To establish ‘juche’ in the ideological work through abolishing dogmatism and

\(^{61}\) For instance, we can think of one hegemonic interpretation of East Asian economic development as the result of the working of the Confucian ethics and values such as diligence and self-discipline (Kwon, 2007).
formalism” (Koh, 1965; Jian, 2003; Cumings, 2005b; S. C. Kim, 2006). However, North Korea’s official rhetoric tells a different story. According to Kim Jong Il (1982), 

\textit{juche} was created by Kim Il Sung at the Meeting of Leading Personnel of the Young Communist League and the Anti-Imperialist Youth League held at Kalun, China in June 1930. In this sense, it is widely understood in the North that \textit{juche} was naturally formulated during the anti-Japanese struggles (S. C. Kim, 2006: 107). More specifically, this is related to Kim Il Sung’s own experience of a tragedy in the early 1930s; a great number of Korean Communists who were suspected of being Japanese collaborators were slaughtered by Chinese Communists. This event called ‘\textit{Minsengdan}’ was fabricated by Japanese imperialists who estranged the Koreans from the Chinese to weaken the cooperation of two peoples against the Japanese imperium in Northeast China. This occurrence made Kim Il Sung consider the importance of self-reliance to a nation: the Chinese do not care about a \textit{Chosun} (Korea) revolution, and only the citizens of a nation can carry out a revolution. In addition, he observed severe tensions around the leadership of the Korean Communist Party among local groups, and these groups sought only the endorsement of the Soviet Union to establish their leadership instead of fighting against Japanese imperialism. These conflicts caused the debilitation of resistance capacity. These experiences during his anti-Japanese guerilla days awakened him to the significance of \textit{juche}, to fight against not only colonial power but also ‘flunkeyism’ (\textit{Saedaejuui}). As Kim Jong Il (1982) argues that \textit{juche} was created as a practical requirement of the Korean revolution, \textit{juche} was an outcome of and has evolved through anti-colonial and ‘anti-flunkeyism’ struggles throughout North Korean history. Hecker keenly observes that “Pyongyang views its security concerns as existential” (2010: 52).
This imperative deeply permeates the concept of *juche*.

*What is juche?*

McCormack argues that the notion of *juche* “has a cluster of meanings, stretching from independence, self-reliance, autonomy, creativity, to the attitude of man as master of creation and is contrasted with its opposite concept of ‘sadae’ meaning ‘serving the great’ or ‘flunkeyism’” (1981: 54). While the term, *juche*, has been widely circulated in the North Korean political narratives since Kim Il Sung’s speech in 1955, it was not until Kim Jong Il’s publication of the article “On the *juche* idea” in 1982 that this idea has become systemized as the ruling ideology of the North Korean regime (Ahn, 2010). Here he elaborates three central principles of *juche*: the philosophical principles, the socio-historical principles, and the guiding principles.

First, as the philosophical principles, Kim Jong Il clarifies that *juche* is a new, human-centered idea. Through an analysis of the status and the role of “man [sic] in the world”. Kim Jong Il argues that human is the master of everything and determines everything. This idea does not reject human as a physical being, but regards it as the most advanced and unique being in the world. As master of the world, human is a social being with *Chajusong* (independence), creativity, and consciousness. These three characteristics account for why human occupies the position of master of the world.

Second, Kim elucidates the laws of historical development and social revolution as the social-historical principles of *juche*. He explains the four principles of socio-historical development in relation to the three characteristics of human being. Firstly,

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62 Though I recognize that the term ‘man’ is not gender-neutral, I follow the expression in the original version.
“The masses of people are the subject of social history” (Kim Jong Il, 1982: no page). While socio-historical movement has something in common with the movement of nature, it should be considered unique because of the role of human as subject. A unique feature of this idea consists in its argument that in socio-historical development, relations among the masses of people, the party, and the leader are crucial. An organic combination of these three elements can enhance the status of the masses of people in the revolutionary process. Secondly, “Human history is the history of the people’s struggle for Chajusong [Independence]” (Ibid.). For millennia, people have struggled to free themselves from social restrictions (from class and national condition) and natural constraints (through modification of nature). Thirdly, “Socio-historical development is a creative movement of the popular masses” (Ibid.). Society and nature becomes an object for creative activities, and the communist movement by the working class is the most advanced form of creative development. Finally, “The people’s consciousness of independence plays a decisive role in revolutionary struggle” (Ibid.). Kim argues that ideological consciousness determines and controls human behavior. Therefore ideology becomes a critical factor in regulating the role of people in revolution and construction. He emphasizes class consciousness as the basis of ideological consciousness. For this, Kim Jong Il (1982) contends that even after the material conditions have matured, revolution does not occur spontaneously. In other words, while material conditions are significant in revolutionary movement, how to use the material conditions depends on people’s consciousness. It is not surprising that this argument receives widespread criticism from Western Marxists because it seems to reject materialism as a core tenet of Marxism.
Finally, the guiding principles of *juche* offer specific instructions on how to employ the philosophical and social-historical principles in the revolutionary process. Kim articulates three rules. First of all, “The independent stand must be maintained” (Kim, 1982: no page). He specifies the four tenets of independence: *juche* in ideology, independence in politics, self-sufficiency in economy, and self-reliance in national defense. These four tenets have been consistently stressed in North Korea’s official narrative. Next, “The creative method should be applied” (*Ibid.*). Kim suggests that solutions to problems be guided by the popular masses and that they fit the actual situation. This method rejects both dogmatism and bureaucracy – chronic problems of a state socialist system – and allows room for flexibility. Finally, “The main stress should be placed on ideology” (*Ibid.*), that is, ideological reformation and political education awaken revolutionary eagerness and voluntarism.

While the key principles of *juche* have generally materialized in the North Korean political economy, concrete realities also continuously affect how to apply this idea to specific policies. It is worth noting Bruce Cuming’s comment about the flexibility of *juche*: “Ideologically [juche] isn’t an obstacle to change because it can always be creatively reinterpreted. Change and reform will happen, and *juche* will be adjusted accordingly” (from International Crisis Group (2005: 4) interview with Bruce Cumings). Thus, a reading of *juche* as “isolation from the world economy” or “suspicion of foreign countries (Nanto and Chanlett-Avery, 2009: 21; 33)\(^63\) reveals a shallow understanding of

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\(^63\) Nanto and Chanlett-Avery argue “The economic practice of *juche* has minimized international trade relations, discouraged foreign direct investment” (2009: 21). In a similar vein, another misunderstanding of *juche* is to stick to a single translated meaning such as self-reliance. For instance, Powell interprets *juche* as the following: “Skeptics point out that Kim Jong Il never embraced the Chinese economic reform model, no matter how many train trips he made to allegedly
North Korea’s ruling ideology.

A central tenet of *juche* is that it clarifies what role humans should play and occupy in socio-historical development. That is, it puts new stress on the issue of the human subject in revolution and clarifies that to grasp how we as human subjects stage a revolution requires an elucidation of the specific role and status of that subject. Thus, this idea seeks neither dogmatic principle nor mechanical application, but as Cumings explicates above, it addresses specific issues regarding how to carry out a revolution with great flexibility.

**Juche and Marxism**

There are aspects of Kim’s thought which are contrary to Marx, but not necessarily fundamentally so. One is the suggestion that the ideological revolution must be consciously pushed forward even after the material has gained victory. Kim’s view may well be realistic in Korea, and one can quite logically see the change as a development of Marxism to suit a particular country’s needs, rather than a departure from it.

Mackerras (1985: 171)

Kim Jong Il (1982) clarifies the historical significance of *juche* in comparison with Marxism. He states that Marxism made contributions by displaying the superiority of dialectical materialism and by delivering the scientific world view to the working class. On the other hand, Kim asserts that *juche* raises a new philosophical question about the gape at the wonders of the New China. North Korea’s ruling ideology, invented by Kim Il Sung and called *juche*, means (among other things) self-reliance. To rely on outsiders for anything, trade included, can be seen as a sign of weakness” (2011: no page). However, *juche* or self-reliance does not mean to reject any economic engagement with the outside world. For instance, Song (1999) argues that North Korea’s self-reliant national economy does not mean an exclusion of foreign trade. Rather he emphasizes it provides more favorable conditions and possibilities for the development of external economic engagements.
status and role of human beings in the world, and it resolves this question with a new perception of human being situated within specific social relations (leader-party-masses of people). According to his account, this understanding of human as social being rejects criticisms that label juche as idealism or metaphysics. Rather he argues that, while it was through Marxism that the revolutionary worldview of the working class was first established, juche completes Marxism as a new and true communist, revolutionary ideology. On the practical side, Kim explains that juche not only drives the Korean (Chosun) revolution but also suggests an alternative way to achieve national liberation and socialism.

Nevertheless, the relation between juche and Marxism-Leninism has been in dynamic transformation in the North. One position is to see juche as the creative application of Marxism-Leninism to the particular conditions of North Korea:

Since revolutionary movements take place in different historical backgrounds and on different specific scenes, the communists in each country must apply the general principles of Marxism-Leninism in conformity with the conditions of the times and the specific realities of their country and develop the revolutionary theory in keeping with new requirements of the developing revolution. By founding the juche idea while showing the road to revolution through a creative application of Marxism-Leninism to the realities of our country, the great leader Comrade Kim Il Sung paved the way to develop our revolution independently (Kim Jong Il, 1983).

However, after the collapse of the socialist regimes in the late 1980s, Kim Jong Il began to point out inherent limitations in Marxism-Leninism; he emphasized the uniqueness of juche. This change was no doubt related to securing the legitimacy of the regime and its ruling ideology. In his three speeches in 1990 (Kim Jong Il, 1990a; 1990b; 1990c), Kim explained the historical constraints of Marxism-Leninism. Historical materialism does
not account for the role and function of revolutionary subjects and the party. This is because Marxism-Leninism does not specifically clarify the essential nature of human beings. Further, the law of the unity and conflict of opposites in dialectic materialism cannot explain how to develop socialist society. In other words, Kim Jong Il contends that Marxism (-Leninism) cannot provide concrete ideas about how to continue a revolution in the socialist stage and under historically and geographically different conditions.

Nonetheless, Kim’s perspective on human beings in *juche* is not so distinct from Marx’s idea of human as a social being (Marx, 2000[1844]: 98-100). And Kim’s emphasis on human’s practical activity as a major force in changing the world also corresponds to Marx’s first theses on Feuerbach (1995[1845]). Nevertheless, a major difference can be identified: human in *juche* occupies the status of master over the world (or nature), and can modify the world according to its own needs and requirements. Not only does this view contradict Marx’s own recognition of nature, but it cannot avoid the criticism of anthropocentrism. In the *These on Feuerbach*, Marx (1995[1845]) clarifies the relation between human being and nature as “circumstances are changed by men and that it is essential to educate the educator himself”.

In his speech in 1986, Kim Jong Il argues that *juche* is fundamentally different from anthropocentricism. In the former, human is conceived of as an independent, creative, and conscious social being. The latter rejects human’s social nature emphasizing its instinctive and isolated nature. Furthermore, *juche* makes clear that human is the master of the world, but this is not to argue that it creates the material world and controls all changes in the world. Nevertheless, *juche* is firmly based on the
assumption that human beings occupy a monopolistic position with dominant capacity over nature, without any explanation about how nature inversely affects mankind.  

_Juche in the colonial present_

Some argue that since North Korea was the satellite state of the Soviet Union, it stressed _juche_ only after the collapse of the Soviet Union (Milliken, 2001: 49). However, as I have already pointed out, _juche_ has been the key element in North Korean political economy from at least as early as 1955. Indeed, _juche_ has not been solely applied to politics and economy but has more extensively permeated cultural and educational realms (Park, 2002). The widespread application of _juche_ reveals that North Korea strives to free itself from colonial legacies not only in political-economic dimensions but also in cultural ones. In other words, _juche_, as a symbolic banner of postcolonial struggles, signifies the North’s own efforts to refashion values, norms, and ways of knowing the world. 

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64 Another problematic in _juche_ consists in an implicit identification among individual human being, popular masses, and sovereign state. Consider a long paragraph written by Kim Jong Il:

Defending _Chajusong_ [independence] is an absolute requirement of man [sic] as a social being and his inalienable fundamental right. It is natural that man [sic] who regards _Chajusong_ as his life and soul, combats any encroachment on his _Chajusong_. The popular masses rise in the revolutionary struggle for _Chajusong_ against the oppressors. And for the sake of _Chajusong_ they devote all their creative talents and energies to building socialism and communism … As the leader instructed, political _Chajusong_ is the first criterion and the life and soul of an independent sovereign state. Only when a nation maintains political _Chajusong_, will it be able to ensure independence and freedom and be happy and prosperous (Kim Jong Il, 1982).

Obviously, this naturalization of the relations between individual being, collectivity, and political organization, can lead to an oppression of both individual will and the desire for collective good.  

65 For example, Kim Jong Il gave a speech about _juche_ art (Kim Jong Il, 1975).

66 For instance, Chinese scholar, You Ji argues that “The Koreanised Marxism and the Sinified Marxism can find little common ground” (2001: 390). He sees that North Korea’s political system is less Marxist than Confucianist, and ideological differences have become evident since China’s
The continuous struggles against not only imperial powers like Japan and the U.S. but neighboring great socialist powers, China and the Soviet Union, have strengthened the postcolonial orientation of *juche*.67 This inclination has become stronger after the collapse of the socialist regimes with an increasing emphasis on the imperative to maintain *juche* against both cultural and military penetration of imperial powers.

Some studies shed light on North Korea’s efforts to maintain *juche*. Koh describes that North Korea pursues its own way both domestically and internationally “without either severing ties with the Communist camp or appearing to deviate from the orthodoxy of Marxism-Leninism” (1965: 300). Similarly, McCormack (1981: 57) interprets North Korea’s neutral attitude in the Sino-Soviet dispute as its firm objection to colonialism and neocolonialism since it highly values *juche*. Rather than becoming another satellite state of a large socialist power, North Korea rejected logic like center/periphery in the international socialist movement and actively participated in the Non-Aligned Movement: “*Juche* was offered, often fanatically, as a third way for underdeveloped nations” (French, 2007: 32). The pursuit of political independence seen in its ongoing demands for equality in international socialist circles as well as its outright confrontation with the United States attests that assertion of *juche* plainly implies a strong rejection of any hint of imperial practices in international relations. In other words, its strict, if not blind, adherence to *juche*, an idea of the colonial past, paradoxically demonstrates North Korea in the colonial present (Gregory, 2004).

In this sense, Cumings sees North Korea as “a postcolonial state, still fighting the economic reform (*Ibid.*)

67 On 16 April 1968 Kim Il Sung argued: “We cannot follow one country and make a cultural revolution. So the emphasis on self-reliance is an action of self-defense” (Schaefer, 2004: 14).
Japanese” (2005b: 406). He argues that specific policies that encourage people to “live in the way of anti-Japanese guerillas”, such as the camping trips to trace guerillas’ struggle sites, show that resistance to imperialism is still alive. In a similar vein, Wada Haruki, a distinguished historian, terms North Korea as the ‘guerilla state’ (Haruki, 2002). In addition, the regime called a severe economic and security crisis in the 1990s the “arduous march (gonanui haenggun)”, which named after the late Great Leader Kim Il Sung’s strenuous struggle against Japanese troops between 1938 and 1939. With this slogan, the party-state tried to remind people of the willpower of anti-Japanese guerilla fighters. More profoundly, the North still conceives of itself as waging the same or an endless war against imperial powers. It firmly believes that imperialism is not dead, and therefore imperial invasion can happen at any time. For this reason, it is important to respect the anti-Japanese guerillas as “juche-style beings” (the ideal type for revolution) and follow them as the exemplar of a truly independent being. Just as they defeated the Japanese imperial armies, North Koreans in the present can fight off the U.S. imperialists and follow the way these heroes thought, fought, and lived.68

Even though the Korean War ended more than fifty years ago, North Korea still fights against imperialism. These political-economic conditions have strengthened the imperative of independence and self-reliance, materialized as juche. The focus on juche has intensified particularly during the crisis in the 1990s when the Soviet bloc disintegrated. To attribute those hardships to external conditions created by U.S. imperialism, the North Korean state thickened the anti-imperial orientation of juche and produced a new political system called “Military-First [선군, Songun] politics” (see

68 This process is problematic in that it has been a mystification of a single narrative about history (Kim Il Sung’s history) while silencing other histories.
Chapter 4 for further analysis). Though *juche* was influenced by Marxism and still underlies a socialist revolution, this new politics demonstrates that *juche* has deviated far from Marxism. Rather than sticking to Marxist-Leninist doctrines, the North has undertaken a more formidable task: “The internalisation of a set of values and ways of knowing the world is much more difficult to overturn than the physical rule of colonial regimes, postcolonial theorists would argue” (Sharp, 2009: 5).

**IV. Conclusion**

The Korean nation, though it had been proud of its 5000-year-long history and brilliant culture, had to regard sycophancy to big countries and national ruin as its fate because it had not received correct leadership and had had no strength with which to defend itself. It was the image of our nation a century ago, the image of the miserable colonial country. … The geopolitical position of the country is the same as ever, but the weak country of yesterday which was trodden underfoot as a theatre of wrangling among big powers to expand the sphere of their influence, has now been turned into a proud political and military power and our people are demonstrating their dignity as an independent people whom no one dares to provoke. … The noble spirit of defending the leader unto death, created by the anti-Japanese guerrillas, has been the absolute motto of our army and the source of its mental strength and combat efficiency, as well as a precious tradition for the later generations.

Kim Jong Eun (2012: no page)

The demonization of North Korea has been a full-fledged campaign by the United States at least since the early 1990s. The North shows a clear recognition that “The current era is one in which a life-or-death struggle is waged between socialism and imperialism and between the force of independence and the force of domination” (Rodong Sinmun, 2003). These struggles are also waged in cultural realms. North

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69 Suk Hi Kim sees the Military-First politics as “a North Korean adaptation of *Juche* to the present domestic and world political situation” (2010: 34).
Korea has tried to contest the imperial representations and narratives of Western
demonization, but its counter-narrative has rarely been heard in the Western world, as
Said insightfully observes “imperialism has monopolized the entire system of
representation” (1993:25). North Korea’s struggle for recognition, in the Hegelian sense,
has never reached the stage of mutual recognition (Hegel, 1966). The absence or
selective appropriation of North Korea’s voice obviously evinces the work of an imperial
power. It is not just military threats and economic sanctions that have threatened North
Korea. Imperial desire and representations are tightly interwoven and efficiently
produce and characterize the North as an entity that should be mastered: “Here the
opaque, dangerous and uncontrolled ‘Other’ excites exterminationist impulses” (Cumings,
2005a). North Korea has no choice: “[T]he muscles of the colonized are always tensed”
(Fanon, 1998[1963]: 16). This imperative is best grasped by its territorial dynamics.
Chapter 4: Production of Territory 1.

Security First, Economy Next

I. Introduction

North Korea is widely recognized as the most isolated country in the world. This view is usually based on juche, North Korea’s ruling ideology.\textsuperscript{70} Thus, any territorial strategy that involves ‘opening’ – such as the introduction of special economic zones – is regarded as forced upon it by economic impoverishment, part of the hegemonic frame through which the West views East Asia. This is not surprising if we consider Wang’s criticism of the term of ‘opening’ from the West that also brings about the misrepresentation that China was “a completely closed, self-sufficient society” before opening (2011: 41).

In this chapter, I refute this view. My argument is that North Korea has made a deliberate choice to open its territory in line with its own territorial imperative. This imperative is captured in the expression “security first, economy next.” It determines how the state produces territory via the deployment of various territorial strategies, such

\textsuperscript{70} Many equate North Korea’s juche with territorial isolation (Nanto and Chanlett-Avery, 2009; Kwon, 2011a).
as de-bordering, re-bordering, and zoning. To make this argument about North Korea’s production of territory, I will appeal to Jean Gottmann’s conception of territory. Gottmann’s theory that territory serves first as shelter for security and next as a springboard for opportunity has almost passed into oblivion among political geographers. Not only does Gottmann fail to provide a full understanding of territory but also his ideas are still problematic in several aspects, specified below. However, by a close engagement with postcolonialism and Foucault’s idea of governmentality, we can rejuvenate Gottmann’s idea of territory. To be more precise, I argue that it is necessary to understand three different but inter-related theoretical planes: postcolonial politics, Foucault’s governmentality, and Gottmann’s concept of territory. This allows us to see how North Korea’s territorial strategies are enframed within the logic of “security-first and economic-next” or, in other words, how this logic has shaped territorial politics in a dynamic entwinement between territorial practices and representations.

Bruce Cumings remarks that North Korea’s history is generally ignored by outsiders: “To my knowledge no mainstream reporter in the United States examined … [North Korea’s modern] history during the crisis with North Korea. But Pyongyang would truly be crazy not to take this history with total seriousness” (2004: 5). The same must be said for geography. The prism of territory is fundamental to North Korean political economy. Grasping this is necessary for overcoming an Orientalist approach to North Korea.

II. Jean Gottmann and The Significance of Territory

If a territory is the model compartment of space resulting from partitioning,
diversification, and organization, it may be described as endowed with two main functions: to serve on the one hand as a shelter for security and on the other hand as a springboard for opportunity.

Gottmann (1973: 14)

While there have been heated debates around the concepts, effects, and functions of territory in recent years, Jean Gottmann’s discussion of territory has been relatively neglected among political geographers. Yet I claim that Gottmann’s conception of territory can provide an important conceptual framework for understanding the political economy of territory.

Gottmann’s peculiar approach to territory lies in his definition of territory as a “psychosomatic device”, the product and expression of the psychological features of human groups to strive for security, opportunity, and happiness (1973: x). According to this definition, territory contains two main functions: a shelter for security and a springboard for opportunity. Conflicts between these two functions – greater security and broader opportunity – have emerged throughout history. In ancient Greece, two ideal types of territory – the ‘Platonic model’ and the ‘Alexandrine model’ – competed. While the former model prioritizes security, pursuing self-sufficiency, and restricting the extent of territory, the latter is based on the idea that territory should be organized and expanded to gain more opportunity internationally (Ibid.,: 17-24). He argues that the tension between “Platonic isolationism vs. Alexandrine cosmopolitanism” has historically

71 Please refer to Chapter 2 and see more from MacLeavy and Harrison (2010) and Reid-Henry (2010).
72 Some geographers cite Gottmann’s concept of territory (Johnston, 2001; Agnew, 2005; Sassen, 2006; Elden, 2010) but without substantial discussions on the idea itself. Gottmann is best known for his works in urban geography especially his concept of the megalopolis (1961). Muscara claims that his outstanding achievement in urban geography may have hidden his contributions to political geography (1998: 160).
persisted as “an unresolved dilemma” (Gottmann, 1975: 33). He also broadens this opposition into socio-economic and ideological dimensions: “equality or freedom; an open or a closed territory; isolation and economic statism or active trade and seafaring; institutional controls or laissez-faire” (Gottmann, 1982: 346). However, though he emphasizes the dual search for security and opportunity, Gottmann places a higher priority on security: “People partition the space they use, first to obtain security and then to achieve an opportunity as broad as they feel they can afford without jeopardizing their security” (1980b: 437). This corresponds to his idea of politics—the ultimate goal should be a search for stability (1982: 348).

Yet Gottmann also argued that the significance of territory is evolving. While his book was published in 1973 (before, i.e., the controversy over globalization and deterritorialization), he clearly recognized a significant change in the concept of territoriality due to the expansion of international economic relations: “As the extent of territorial sovereignty shifts, it may be helpful to look at it in terms of the new functions and values acquired by boundaries delimiting territory” (1973: 134). He envisioned that the new fluidity from increasing international trade with advances in military technology would transform territorial sovereignty, leading to an important change in the function of territory: the waning of security and protection (Ibid.;: 130). On the basis of this interpretation, Gottmann claimed that the transition into a new global order would bring about a more open and flexible spatial structure (Ibid.;: 155-7; 1980a: 224).

Gottmann’s theory presents some theoretical problems, which may be why his

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73 Gottmann explains that there is an essential relationship between territory (or territoriality) and security: “The concept [of territory] connotes a certain reasonableness of human communities in their acceptance of geographical limitation for certain purposes, the foremost of which has been security” (1973: 7, italics in original).
ideas have been rarely discussed. As we can recognize from his optimistic prediction of a new universal global order, his analysis of the evolution of territoriality seems teleological and linear. He argues that the conflicts between security and economic opportunity are changing because the importance of economic interest of territory is increasing. This change is also attributable to the development of military technology as well as the expansion of transnational economic linkages that lead to the decline of the shelter function of territory. This leads to his rosy expectation that a new type of government will emerge from economic realms to replace sovereign states (Gottmann, 1973: 52). Robert Sack criticizes such teleological interpretation of territoriality: “These changes and sequences [from the primitive to the civilized], though, must be divorced from the notions that they were somehow inevitable, necessarily for the better, and in one direction only” (1986: 64). Gottmann’s optimistic view is also revealed in an Orientalist-style statement that evinces his faith in modern progress: “The new universality is truly global for the first time, encompassing the whole of mankind even statistically, and ultimately denying the existence of a category of outsiders or ‘barbarians’” (1973: 154). This is also linked to his claim “the more permanent and consistent trend in politics has been towards an increase in the freedom granted to all individuals” (Gottmann, 1984: 119). However as Agamben (1998) and Žižek (2009b) have discussed, a state of exception can easily become permanent in the contemporary era, reducing all human beings to potentially homo sacer.74 This stands in sharp contrast to Gottmann’s expectation.

Nonetheless, we should not disregard Gottmann’s contributions because of these

74 Elsewhere I have argued that a state of exception functions as the underlying nomos for postcolonial Korea (Lee et al., under review).
theoretical problems. A careful reading of his theory enables us to retain certain ideas that are still valid and, indeed, crucial to political geography. One is his fundamental understanding that space is dialectically constituted by political processes, which he shares with Henri Lefebvre (1991). Gottmann regards territory as “political as well as a geographical concept because geographical space is both partitioned and organized through political processes” (1975: 31). Accordingly, territory should not be taken for granted as a fixed attribute of governmental institutions; territory is constantly shifting not only by technological advance but by political processes (1973: 3). Tracing the evolution of the notion of territory in the West, he contends that territory and its relation with sovereignty are not naturally given but socially constructed. That is to say, he does not treat territory as a physically fixed or static object. Rather he points out that it evolves through the opposition between seeking security and expanding for opportunity. Thus, his notion of territory “must be ‘relational’” (Ibid.,: 123). His recognition of the transformative nature of boundaries and his sensitivity to the dynamics between security and economic opportunity are useful for unraveling the complexities between geopolitical and geoeconomic imperatives. In particular, the logic of “security-first, economy-next” in territorial management can illuminate one facet of geopolitical economy and may help to unveil unexamined or misrepresented features of North Korea’s territorial strategies.  

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75 Gottmann (1973: 20) recognizes that Japan has made a dramatic shift in its national territory policy from isolation like a Platonic model into the Alexandrine “an ambitious exploitation of maximum opportunity”. He also argues that the Japanese case demonstrates that security cannot be indefinitely guaranteed by territorial isolation. Though North Korea’s recent territorial strategy for economic interest may not be as ambitious as Japan’s, it is worth scrutinizing how North Korea has dynamically practiced and imagined its territory out of seclusion.
III. Security-First, Economy-Next

North Korea is in an extreme international position: situated on the front lines of the Cold War, at the intersection of the interests of four major powers (China, Russia, Japan, and the United States), North Korea has existed in a more tense situation than most nations. Even today North Korea remains in the same structural positions. Thus it should not be surprising that North Korea’s international behavior has been different from that of “normal” countries far from the front lines of geopolitical struggle (Kang, 1998:236).

Without any reliable ally and surrounded by powerful neighbors, the pursuit of full security has been an unwavering position of the North Korean state since its founding in 1948. The permanent presence of the U.S. army on its southern border manifests that North Korea is under constant military threat. This is a part of what Cumings (2009) refers to as the “archipelago of empire”. It means a world-wide network of American armies that are permanently stationed in numerous foreign territories. He argues “This archipelago is the clearest territorial (and therefore imperial) element in the American position in the world” (Ibid.,: 395). South Korea and Japan are home to the two largest military bases of American soldiers in Asia; both of them are ostensibly to contain North Korea but substantially China also. As Cumings (2005a) elaborates, “The U.S. long ago put North Korea under siege (embargoing its economy since 1950, running huge war games near its borders, surveilling it by any and all means)”. Nicholas Eberstadt describes North Korea’s economic crisis thusly: “Today, North Korea has the awful distinction of being the only literate and urbanized society in human history to suffer

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Cumings argues that this novel phenomenon in the late twentieth century, which is distinctively different from previous colonial empires, reveals that the US “runs a territorial empire—the archipelago of somewhere between 737 and 860 overseas military installations around the world, with American military personnel operating in 153 countries” (2009: 393).
mass famine in peace time” (2011: no page, my emphasis). However, the North has never truly been at peace since its establishment in 1948.

Furthermore, the U.S. maintained nuclear weapons in South Korea until 1991. Even after their withdrawal, North Korea has no assurance that the U.S. will never threaten it with nuclear weapons again. In 2010 when the North shelled South’s island, Yeonpyeong Island, in protest against joint South Korea-U.S. military drills, the U.S. immediately dispatched the nuclear-powered aircraft carrier USS George Washington to the Yellow Sea (Dawnay, 2010). Since the 1994 Framework Agreement, the United States and North Korea have signed some bilateral and multilateral agreements about security and economic aid, but the U.S. has never provided any official assurance not to use nuclear weapons against North Korea (Cumings, 2004: 87; Gordy and Lee, 2009: 231).77

While the U.S. has been a permanent threat, North Korea’s major security concern during the Cold War was more associated with the Sino-Soviet split (S. Kim, 2007: 81). In particular, the Vietnam War demonstrated that neither China nor the Soviet Union would guarantee North Korean security in case of another war in the Korean Peninsula (Kang, 1998: 243).78 Nevertheless, the existence of the socialist allies

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77 Cumings narrates that “Leaders in Seoul repeatedly sought assurances from Washington that the North would not be attacked over Seoul’s veto. It is my understanding that they never received those assurances” (2013: 77-8).

78 Neither China nor the Soviet Union deeply engaged in the Vietnam War. For this reason, North Korea did not have faith in the Sino-North Korean Mutual Aid and Cooperation Friendship Treaty and the Soviet–North Korean Treaty of Friendship, Cooperation and Mutual Assistance, both of which were signed in 1961 to guarantee regime security (Pollack, 2011: 60). According to the Cold War International History Project of the Woodrow Wilson Center, North Korean troops were in conflict with Chinese in the border regions in March 1969, and the two countries were on the verge of war (Schaefer, 2004). Shanghai-based North Korean expert, Dingli Shen (2009b) says “North Korea never relies on alliance and never trusts security assurance. It believes that its destiny is only in its own hands (朝鲜不相信同盟，不相信安全保障，只相信将自己的命运把握在自己的手上)”.
was a vital counterbalance to the U.S.-led alliance in East Asia. In this sense, the normalization of diplomatic relations between China and the United States in the 1970s and between China and South Korea in the early 1990s along with the collapse of the socialist bloc in Eastern Europe and the Soviet Union, isolated North Korea in its foreign relations and dramatically undermined its security.  However, North Korea’s obsession with security springs from a deeper plane. I argue that the territorial division of the Korean Peninsula has functioned as an ontological condition of insecurity for North Korea. Many people tend to interpret North Korean claim for reunification as its endless yearning for absorption of South Korea through another Korean War. But the North resolutely maintains that the fundamental goal of reunification or recovery of territorial integrity is to ensure security from foreign powers (Kim Jong Il, 1995a).

Despite its strong commitment to sovereignty and territorial integrity, North Korea has gradually and carefully promoted some attempts to build up connections with the capitalist world since the early 1970s. Due to a relaxation of Cold War tensions and growing economic demand for capital and advanced technology, North Korea turned its gaze toward the advanced capitalist countries for trade and investment. Between 1970 and 1975, North Korea made investment contracts with Japanese and West European companies equivalent to US$600 million (M-C. Cho, 1998: 1-3). However, like many energy-dependent developing economies, the two oil shocks and global economic downturn unfavorably affected North Korea’s outward expansion and finally brought about a declaration of debt defaults. North Korea has been avoided by Western capital

79 “After the cold war … the ‘north triangle alliance’ (i.e., those between China and the DPRK and between the Soviet Union and the DPRK) disappeared. However, the ‘south triangle alliance’ between the United States, South Korea, and Japan was strengthened. Consequently, North Korea’s security environment became more threatening” (Cai, 2010: 139).
and financial institutions ever since (Ibid.; 8; Dong, 2006). Dong (2006) divides North Korea’s opening into three stages and calls this period “opening to capital”. The second stage is termed as “opening to firms” because of the promulgation of the Joint Venture Law (1984) which targeted Korean Japanese firms (International Crisis Group, 2005: 3). While the joint venture law can be considered as the first legal mechanism to promote foreign investment, it failed because of restricted management rights and a lack of funding from Korean Japanese companies (Y-C. Kim, 2001: 322; Chung, 2004a: 158). The third stage of economic opening in North Korea, dating from the early 1990s, is called “opening of region”. This marks the point when North Korea intensified territorial strategies for economic development. Previously, North Korea’s territorial practices were shaped by its single-minded territorial imagination. Consider these statements (1963 and 1984) by Kim Il Sung and Kim Jong Il:

As invasion schemes of American imperialists to occupy the South have become more and more obvious day by day … we must transform our entire territory into an impregnable fortress (Kim Il Sung, 1963: no page, my italics).82

National territory is a material base on which political regime is constructed and national sovereignty is exercised. The country’s independence is asserted on territory and it is firmly secured by territory (Kim Jong Il, 1984: no page, my italics).

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80 These firms are from the pro-North Korea expatriate Korean community in Japan, Jochongryeon.
81 Except for the joint venture law, there had been no other legal mechanisms necessary for substantial operation of firms such as the Law on Land Lease (adopted in 1993), Bankruptcy Law for Foreign-Invested Enterprises (adopted in 2000), and Regulations on the Implementation of the Law on Joint Venture (adopted in 2000). In particular, it was not until April 1992 that the North Korean state inserted an article regarding joint venture and management in the Socialist Constitution of North Korea (Article 37).
82 In 1962 North Korea announced the “Four-Point Military Guidelines”: “installing cadre potential in every soldier, modernizing the entire military, arming the entire population, and turning the whole territory into a fortress” (Yonhap News Agency, 2003: 676, my italics).
As these statements disclose, the leaders’ insistence on security and independence naturally led to an unwavering concern with territorial integrity. National territory was imagined and practiced as a shelter against aggression from foreign powers. No doubt this mobilization of imaginative geographies towards its own territory also entailed reiterative representations of space outside territory as contaminated and dangerous—“a secure inside and an anarchic outside” (Ó Tuathail and Dalby, 1998: 4). In other words, North Korean territory was envisaged as a pure and untainted space to be protected from the external world—above all, the capitalist world. Despite its attempts to build up some connections with the world beyond the Soviet Bloc, the operation of the socialist world market and economic aid from China and the Soviet Union only enabled North Korea to maintain territorial policies for security purposes.

The disintegration of the Cold War system not only damaged North Korean security but also its economy. North Korea urgently needed to find a substitute for the socialist world market and aid. Thus on 28 December 1991 two small fishing port cities Rajin and Sonbong (hereafter, Rason), located in northeastern corner of the Korean Peninsula and close to both China and Russia, were designated as the first Free Economic and Trade Zone (International Crisis Group, 2005: 10). Nevertheless, this Rason Zone did not evolve into further opening during the 1990s but remained as an isolated island in the isolated country (discussed below).

While the existence of the U.S. has been a constant and routine threat to the

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83 A Guidebook on Chosun [North Korea] Investment Laws explains the background for the establishment of the special economic zones as follows: “Under the condition that the Soviet Union and Eastern European socialist countries that had been our major trading partners collapsed, our country creates the special economic zones to actively promote trade relations with the capitalist countries and to achieve national interests” (Jung, 2007: 31).

84 The unique location of the Rason Zone is “its unconnectedness with its national core region, but its growing linkages with an external exporting area” (Jo and Ducruet, 2007: 929).
North, North Korea has become manufactured as a new “renegade state” in replacement of Iraq after the first Gulf War, “another Iraq, in short” (Cumings, 2004: 51). Along with this security crisis, North Korea faced the most severe economic crisis during this time. However, as the U.S. military threats have become more explicit since the early 1990s, North Korea’s security imperative was re-asserted via territorial policies.

North Korea’s crisis of the 1990s is often understood as “the most critical test of its life” (Cha and Anderson, 2012: 7). During this period, North Korea suffered from severe food shortages caused by successive great floods in 1995 and 1996 that led to famine in 1996 and 1997. Also, the collapse of the Soviet Bloc and China’s intensification of reforms in the early 1990s not only led to the disintegration of the socialist market and created a critical shortage of fuels and resources but also radically undermined North Korea’s security environment (R. Kim, 2009: 2; Hecker, 2010: 49). Moreover, the death of the Great Leader Comrade Kim Il Sung on 8 July 1994 rocked the country. The crisis was so grave that rumors circulated in both media and academia that North Korea was on the brink of collapse. These rumors came with high expectations called the “3·3·3 Hypothesis of North Korean Collapse” that meant “North Korea will collapse within three weeks or three months at the earliest, otherwise within three years at the latest” (Y. Chung, 2010).

Against these complex crises, the North Korea state adopted a new type of politics: “military-first” (Songun). After three years’ mourning over the death of his father, Kim Jong Il took office with a new title of “Chair of the National Defense Committee”. This title suggested that the state would prioritize national security against

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85 For instance, it is widely known that the Clinton administration seriously considered an air strike on the Yongbyon reactor in North Korea in the summer of 1994 (CNN, 1999).
increasing threat of invasion from the U.S.—which claimed that North Korea was “America’s greatest security threat” (Cumings, 2004: 65). Kim Jong Il explains the background of the military-first politics in these terms:

Owing to imperialists’ and reactionaries’ schemes to isolate and squeeze our republic, our revolution faces severe hardships and difficulties unprecedented in our history and we have to stand up against the US imperialism and fight against the barrage of attacks of imperialist invading forces. The confrontation between us and imperialism is a power game and anti-imperial military lines are the fundamental front lines and the first life lines of our revolution to determine the survival of our country, nation and socialism. Only when we concentrate our power on the military, strengthen people’s armies, and rely on them, we can save destiny of our country and nation and lead our revolution and construction to the victory (2003: 355).

Accordingly, the principle of economic construction under the military-first politics era is asserted as: “on the basis that security and independence of the socialist homeland is guaranteed first, the state should solve improvement of people’s lives together” (Park, 2003: 9). Since then, the way that North Korea has resolved tensions between national security and economic opportunity clearly reveals its unique territorial logic of “security-first, economy-next”. An editorial in the Global Times, which is widely known to speak for Chinese official foreign policies, also recognized North Korea’s dilemma: “North Korea has no choice but to secure state power instead of seeking economic development. Having been secluded and antagonized by the international community for many years, North Korea wavers frequently between military expansion and economic development” (Global Times, 2011). In short, North Korea attempted an economic opening of

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86 Despite ongoing advice from the Chinese leaders to introduce economic reform, North Korea refused for the reason of security: “When North Korea’s Kim Young Nam visited Beijing in 1999, Chairman Jiang Zemin suggested conducting economic reform so as to promote economic growth, but
territory with the establishment of the Rason Economic Zone, going beyond its abiding representation of territory only as a shelter or fortress. Yet, regime crises during the 1990s forced it to re-strengthen geopolitical territorial practices and discourses with a new political system of military-first. The oscillations between security and development have been more intense since that time.

After the Perry Report of October 1999 proposed a new engagement of the U.S. with the North, North Korea actively extended its external economic relations again and reconsidered a geoeconomic approach to its territory. In May 2000, Kim Jong Il visited China (his last visit had been in June 1983), and the two countries forged a new cooperative relationship which was quite distinct from the traditional alliance (Lee, 2005). One month after this visit, a summit meeting between the two Koreas was held in Pyongyang for the first time since the Korean War. Subsequently, Kim visited Russia two times in June and July 2001 and August 2002. Deepening its relations with these neighboring countries, North Korea adopted measures of economic reform and opening that were generally perceived as following the Chinese model (Lankov, 2009b: 56). In July 2002, the 7.1 Economic Management Improvement Measures that normalized wages and prices and strengthened autonomy and power of companies were put into place. Three Special Economic Zones (SEZs) were established at the other three corners of North Korea – Mt. Kumgang, Kaesong, and Sinuiju – in addition to the Rason Economic

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87 In personal interview with a North Korean governmental official, she acknowledges that people at first did not understand Kim Jong Il’s call to prioritize national defense and security when the food crisis was extreme. She says that this confusion was attributable to the fact that government had guaranteed everything people needed before the crisis.

88 At times of security crises, North Korea has strengthened export controls and even closed the border (Freeman and Thompson, 2011: 35).

89 In January 2001, Kim Jong Il paid another visit to China (Beijing and Shanghai) for five days.
Zone at the northeastern corner. While “China’s turn outward since the 1970s expressed the way in which economic forces in the region have eroded and bypassed cold war boundaries, bringing former adversaries back into contact” (Cumings, 2009: 401), it took North Korea almost thirty more years to highlight geoeconomics as much as geopolitics. North Korean attempts at an economic breakthrough were undergirded by a new discourse of “strong, prosperous, and great country” (강성대국, kangsung daeguk). In his colloquy with the central committee members of the Workers’ Party of Korea on 1 January 1999, Kim Jong Il defined a “strong, prosperous, and great country” as one whose national power is strong and whose people are prosperous (Kim Jong Il, 1999: 452).

Kim Jong Il’s moves drew global attention. The mainstream academia and media in the West interpreted this shift as a reluctant and passive decision because of North Korea’s economic sufferings. However, this belief may be attributable to the lack of awareness that North Korea’s territorial strategies have been meticulously arranged and enforced according to the logic of “security first, economy next”. The range and effects of these territorial policies has been carefully measured and their implementation is selective and gradual in order not to bring about any harmful influence on regime security (see below for further analysis). Many problems in policy circles, especially in Washington, result from a lack of appreciation of this logic. For instance, one U.S. Congressional Research Service Report explains that the main question for North Korea is “whether to retain the ‘guns’ (nuclear weapons) or give them up in order to obtain ‘butter’ (food imports)” (Nanto and Chanlett-Avery, 2009: 7). The report goes on to argue that food shortages or economic suffering can give some leverage to the U.S.
government. This position corresponds to that of hawkish politicians in South Korea, Japan, and the United States, who generally believe that tightening economic sanctions will force North Korea to abandon its nuclear weapon program.\(^90\)

A similar view also emerges in the analysis of Sino-North Korean relations. Some argue that North Korea yielded to China because it cannot endure economic suffering any longer. However, in reality it was after economic conditions of North Korea were somewhat recovered that North Korea extended its external economic relations with neighboring countries; the improvement in the Sino-North Korean political relationship since 1999 is “partially a reflection of North Korea’s economic stabilization (commensurate with the end of its so-called arduous march) and political stabilization that resulted from the public emergence of Kim Jong Il as chairman of the National Defense Commission in 1998” (Snyder, 2009a: 124). In other words, North Korea never trades security for economy. While some scholars note North Korea’s overriding priority of regime security and survival over economic development or people’s welfare (Ruediger, 2005; Toloraya, 2009; Kang, 2011),\(^91\) the ways that North Korea’s territorial dynamics materialize this underlying logic escape scrutiny. And without grasping this logic, the analysis of North Korean political economy can only be locked into a fixed frame that it is an abnormal country that does not care about anything but militarization. However, the prioritization of security is not a fixed, static goal. North Korea’s territorial dynamics with its neighboring countries – not only South Korea and China, but

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\(^{90}\) In a similar vein, some experts on North Korea predict that the new leader, Kim Jong Eun, may “transform their country’s ‘military-first politics’ into ‘economy-first politics’” (Michishita, 2010: 7) or embrace Chinese-type of economic reform and opening (Frank, 2010; Chosun Ilbo, 2011a; Hilton, 2011; Powell, 2011). However, this position also fails to grasp the dynamics between security and economic development in North Korea. I return to this part below.

\(^{91}\) Many Chinese politicians and scholars recognize that North Korea will not give up nuclear weapons without sufficient security guarantees (Thompson, 2011: 75).
also more recently Russia – reveal that the space of Northeast Asia is not completely monopolized by geopolitical logics. To appreciate this new calculus, we must shed more light on how a new geoeconomic logic complicates the political economy in and around North Korea.

North Korea and the United States almost adopted normal diplomatic relations with the U.S.-DPRK Joint Communiqué in October 2000. This progress was ruined with the coming of the Bush Administration. In his State of the Union Address on 29 January 2002, President Bush labeled Iraq, Iran and North Korea the “Axis of Evil” and in September 2002, the U.S. government issued *The National Security Strategy of the United States of America*. In this document (which is generally regarded as specifying the Bush Doctrine), North Korea is described as “the world’s principal purveyor of ballistic missiles” (National Security Council, 2002: 14). The text also argues that the United States has a right to *act preemptively* against adversaries which no doubt included North Korea. After Assistant Secretary of State James Kelly visited Pyongyang in October 2002, he reported that North Korea had admitted building a uranium-enrichment program for nuclear weapons (Cumings, 2004: 91). Thus began a new and continuing series of confrontations between North Korean and the United States around North’s nuclear program. This so-called ‘second nuclear crisis’ disrupted the advance of North Korea’s geoeconomic efforts, in particular with South Korea: “In the current era with impending invasion schemes by imperialists and reactionaries, we cannot develop the socialist economy comprehensively without reinforcement of military power and development of defense industry” (S-C. Park, 2010: 4). Though the two SEZs – Mt.

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92 Secretary of State Madeleine Albright visited Pyongyang in October 2000 and President Clinton’s visit to Pyongyang was planned for November 2000, but not undertaken.
Kumgang and Kaesong – gradually made some progress, further development of inter-Korean economic cooperation was seriously challenged by South Korean conservatives and the Bush administration who claimed that those economic relations fueled the development of nuclear weapons. In addition, North Korea’s sense of security was badly shaken again by the Second Iraq War in 2003 because “in the context of the ‘war on terror,’ the justifications for intervention within normal state territory are broadened” (Elden, 2009: 65). This invasion raised a serious alarm for the North, aggravating its insecurity. In his interview with the BBC about one month before the War (6 February 2003), North Korea's Foreign Ministry deputy director, Ri Pyong-gap clearly recognized that North Korea will become the next target of the U.S. after Iraq (BBC, 2003).

North Korean leaders have always been fearful of their security, and these fears were exacerbated by the American invasion of Iraq. Pyongyang believes that if Saddam Hussein had had nuclear weapons at his disposal, the United States would not have dared to attack and topple his regime (Cai, 2010: 142).93

North Korea’s next move was to conduct two nuclear tests in 2006 and 2009. Ki-sok So (2009), senior researcher for the DPRK Institute for Disarmament and Peace, argues that the purpose of nuclear weapons is to strengthen defense against increasing threats from the U.S. and thus to maintain North Korea’s sovereignty. Since development of the nuclear program is intended to counter a U.S. war of regime change, success in nuclear testing provides an ultimate security guarantee for regime survival

93 One North Korean scholar explains the legitimacy of militarization in the 2000s: “[The] American unilateral invasion into Iraq clearly shows that it is only with strong military deterrent that we can prevent a war and protect security of our country and nation. For this reason, our Republic has no choice but to strengthen military deterrent, fully mobilizing our country’s potential” (S-J. Lee, 2010: 219)
(Zhang, 2006: 132; Ji, 2011: 15-6). Watching the wars in Iraq and in Libya, North Korea has clearly seen the deterrent effect of nuclear forces: “The U.S./NATO air campaign against Libya’s Muammar Gaddafi, who had given up his nuclear program to secure better relations with the West, only reinforced Pyongyang’s belief that nukes are the ultimate guarantor of its security” (Feffer, 2011). This point has not been lost on the North Korea:

It was fully exposed before the world that ‘Libya’s nuclear dismantlement’ much touted by the US in the past turned out to be a mode of aggression whereby the latter coaxed the former with such sweet words as ‘guarantee of security’ and ‘improvement of relations’ to disarm itself and then swallowed it up by force. It proved once again the truth of history that peace can be preserved only when one builds up one’s own strength as long as high-handed and arbitrary practices go on in the world. The DPRK was quite just when it took the path of Songun [Military-First] and the military capacity for self-defence built up in this course serves as a very valuable deterrent for averting a war and defending peace and stability on the Korean Peninsula (DPRK Foreign Ministry, 2011: no page).

To become a nuclear power is also perceived as realizing the self-reliance of the juche ideology (Kim Jong Il, 1982; Shen, 2006a; 2009a). After the second nuclear test, North

94 While a host of Western experts see North Korea’s nuclear program as a means to extort more economic aid (Snyder, 2007; Fitzpatrick, 2011), this view disregards North Korea’s deep sense of insecurity from US threats since the Korean War. Chinese expert on North Korea, Shaohua Yu, criticizes the United States which seeks its own security at its maximum without considering North Korea’s security concerns (2009: 155). In terms of its relations with China, it is claimed that North Korea has grown more desperate to develop its nuclear programs “before it becomes a geostrategic liability to China” (Shen, 2009a: 183).

95 In terms of self-defense and security, Cumings defends the legality of North Korea’s nuclear programs: “The [International] Court of Justice cannot conclude definitively whether the threat or use of nuclear weapons would be lawful or unlawful in an extreme circumstance of self-defense, in which the very survival of a state would be at stake’. By this standard, North Korea is more justified in developing nuclear weapons than the United States is in threatening a nonnuclear North Korea with annihilation” (2004: 101-2). John Delury says of the death of Kim Jong Il, “He left the country with the ultimate deterrent. He ensured it won’t be Iraq and won’t be Libya” (Branigan and McCurry, 2011).
Korea declared that it had now achieved military power.\textsuperscript{96} Recognizing itself that it had already been a politico-ideological power with the \textit{juche} idea, North Korea has now again turned its attention to the achievement of economic power to finalize its goal of becoming a “strong, prosperous, and great country”: “The success of the nuclear test made North Korean leaders feel safe enough to shift their focus to build the country,” says Zhang Yushan, researcher at the Jilin Academy of Social Sciences (Su, 2011).\textsuperscript{97} Regarding North Korea’s increasing zeal for economic reconstruction, Delury and Moon (2011) term it as “the transition from security-first to security-plus-prosperity”. However, North Korean territorial policies reveal that North Korea is now making a strategic adjustment from its prior focus on national security to economic development (H-F. Xu, 2011). The shift toward economic regeneration is manifest in the decision to jointly develop and manage two economic zones with China in the northern border region: the Rason Economic and Trade Zone and the Hwanggumphyong-Wihwa Islands Economic Zone. That is, more active deployment of territory for economic development again follows gains in security measures. But before analyzing the specificity of North

\textsuperscript{96} After its December 2012 satellite launch, the North implemented the third nuclear experiment on 12 February 2013.

\textsuperscript{97} While this ambition seems unachievable within a short period of time considering North Korea’s low level of economic development, it is known that this economic goal actually means to re-attain the level of economic development in the late 1980s, the highest ever for the North Korean economy (G-S. Lee, 2009: 5; K-S. Lee, 2011: 16). Delury and Moon (2011) argue that “If Kim Jong Il could claim nothing else, he did achieve at least one thing for North Korea—the ultimate ‘strength’ of nuclear deterrence. Now, it’s up to his son Kim Jong Eun to achieve the other half of the equation: prosperity”. This corresponds to professor Han Sik Park’s interpretation of Kim Jong Eun’s speech on 15 April 2012. About Kim’s claim of “industrial revolution in a new century,” he explains that since Kim Il Sung established a juche-style country and Kim Jong Il provided complete security, Kim Jong Eun thinks that he should pursue economic development (C-K. Kim, 2012a). On the other hand, North Korea also recently revised the constitution and inserted a clause in the preamble to eulogize the achievement of Kim Jong Il for the development of nuclear power: “Kim Jong Il gloriously defended the noble socialist inheritance of comrade Kim Il Sung with military-first politics, turning our nation into an invincible political ideological state, nuclear-armed state and undefeatable militarily strong state, and paving the glorious way to the construction of the strong and prosperous state” (Green, 2012: no page).
Korea’s territorial strategies, I turn to Foucault’s concept of governmentality to examine the North’s territorial practices and representations.

IV. Governmentality, Territory, and North Korea

Why has North Korea not collapsed like other former Soviet bloc countries (without any economic reform and opening-up like PRC or Vietnam) or why can North Korea not have its own version of an Arab Spring (Cha and Anderson, 2012)? Some experts have already acknowledged that there is only a slight hope that an uprising against the Kim family and other elite groups would lead to a radical regime change (Katrandjian, 2011; Popham, 2011). Regarding these pessimistic prospects, some reiterate a hackneyed Orientalist rhetoric about the North Korean people as passive and powerless with no capacity or will to overthrow (Hassig and Oh, 2009: 2; Cha, 2012: 12-3). Others assert that a tight system of social surveillance and control prevents any chance for the North Korean people to overthrow their oppressive regime. If the former simply treats North Korean people as ‘others’, the latter perpetuates the Cold War mentality that only reminds us of a horrible Stalinist state. However, as David Kang (2011) reminds us, North Korea people are not brainwashed robots. These views emphasize the negativity of power in the North Korean political system. To get a better glimpse of North Korean politics, I quote from “On the concept of juche”:

The working masses are the subject of history and the motive force of social progress … The masses of the people undertake the revolution and construction for themselves in order to shape their destiny. It is the masses that want the revolution and construction, and it is also the masses

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98 Frustrated by endless failures of predictions of system collapse, those people tend to imagine a perfectly totalitarian society where domination exhausts every possibility for alternative acts.
that carry them out … The process of their creative struggle is the process of developing themselves to be more powerful beings … The success of the revolution and construction depends, after all, on how the creative efforts of the popular masses are utilized. Since the masses are the decisive force that propels the revolution and construction, one can successfully solve any difficult problem and energetically speed up the revolution and construction only when one relies on them … This juche work method is fundamentally opposed to the method of moving people by offering money or using force, or the administrative work method, the method of command. … By its nature, the revolution is a voluntary struggle. One stages a revolution [n]either on orders from [sic] others nor to obtain some remuneration; one is motivated to stage a revolution by one’s own political belief and self-consciousness. Therefore, the principle that should be consistently adhered to in the revolutionary struggle is to give priority to political work to heighten the consciousness and activity of the people (Kim Jong Il, 1982: no page).

Unfortunately, by reducing juche to a tool for domination, many experts on North Korea tend to depict and imagine North Korea’s political system as too totalitarian or as an absolute monarchy.99 While we cannot disregard the hierarchical and suppressive nature of North Korea’s political system, this does not mean that we can be insensitive to its complex working of different forms of power. We may need to view North Korea through the lens of government rather than that of totalitarian domination based on absolute sovereignty and tight surveillance. One of the guiding principles of juche that I examined in Chapter 3 encourages people to undertake ideological remolding and political work on their own. Perhaps this is the “subjectification” that Michel Foucault addresses as “the way a human being turns him- or herself into a subject” (1982: 208). Power in North Korea has been only examined as a “top-down” and negative phenomenon. However, the survival of the Kim regime through its numerous crises implies that another perspective on the power dynamics of North Korea is required. For

99 “[t]he apparatus of control by the state is overwhelming and there’s very little mobility, there’s very little internal communication” (Katrandjian, 2011; an interview with Mike Chinoy).
this, we can refer to Foucault’s description about the French monarchy:

The famous ‘absolute’ monarchy in reality had nothing absolute about it. In fact it consisted of a number of islands of dispersed power, some of them functioning as geographical spaces, others as pyramids, others as bodies, or through the influence of familial systems, kinship networks and so forth (Foucault, 1980: 207).

I claim that this perspective is crucial for understanding North Korea’s politics today. For instance, North Korea’s launching of various mass mobilization campaigns based on *juche* – the 150-Day Campaign and 100-Day Campaign in 2009 for economic restoration – encourages people to take the revolution to heart and thereby identify with the process of subjectification.100 Just as is the case in the West, hegemony is not based exclusively on violence or domination. Wang Hui’s statement about the Chinese revolution is worth noting here. He argues that “the focus on its violence has also resulted in the neglect and even the denial of the new social subjectivities created through this process” (Wang, 2011: xxii). The same dynamic also arises in analyzing North Korea’s politics. The North’s persistent efforts to constitute particular political subjectivities (the “*juche*-style being”) are manifest in a wide variety of regulatory programs such as continuous education, systems of self- and mutual criticism, and regular life and work evaluations.101 These efforts, in a routinized form, educate desires and imaginations and cultivate particular habits. For instance, even Andrei Lankov, a harsh critic of the North Korean regime, acknowledges that it is not pervasive political police but “other, less sinister-

100 In this context, North Korea consistently emphasizes the “constitution of a *juche*-style being” to imply “a man full of endless loyalty towards the leader, the party and the people” (Kim Jong Il, 1992).
101 Mitchell Dean’s discussion of authoritarian governmentality can be useful to analyze the North Korean political system. He defines it as “non-liberal and explicitly authoritarian types of rule that seek to operate through obedient rather than free subjects, or, at a minimum, endeavour to neutralize any opposition to authority” (Dean, 2010: 155).
looking institutions” that bring about consent from the North Korean people and makes sure that “every single North Korean is exposed to the official ideology and also gets regular training in the politically correct ways of conduct” (2012a: no page, my italics). The last phrase in italics exactly accounts for governmentality and hegemony. In addition, these practices of government are legitimized by claiming to improve the well-being of people. (Consider the slogan of “strong, prosperous, and great country”).\(^{102}\)

Drawing upon Lefebvre and Gramsci, Xiaobo Su argues that this kind of ideological construction was important for the Chinese Communist Party (CCP) to win hegemony: “Through the naturalization of ideologies in the space of everyday life, individuals can govern themselves; their practices will not conflict with the Party, but rather will become ‘its normal continuation, [and] its organic complement’” (2011: 314). For the North, *juche* functions in the same way.

Though further analysis on these different forms of power in North Korea is necessary, my purpose here is not to exhaustively examine how governmentality is working with regards to the North Korean population. Rather I focus on how the North Korean state conceives, calculates, and governs its territory – producing and re-producing it – through the prism of the relationship between governmentality and territory.

Despite his lecture/book title, *Security, Territory, Population*, Foucault emphasizes the concept of governmentality more than territory. He affirms: “if I had wanted to give the lectures I am giving this year a more exact title, I certainly would not

\(^{102}\) There is no linear transition from sovereignty through discipline into government, but an intricate interplay among these three elements: “At some historical conjunctures a sovereign’s might is best confirmed – and secured – by ensuring the well-being of the population and augmenting its prosperity. Although the right of a sovereign may be absolute, sovereigns have often been judged good or bad according to their capacity to secure the welfare of their people” (Li, 2007: 12).
have chosen ‘security, territory, population’. What I would like really like to undertake is something that I would call a history of ‘governmentality’” (Foucault, 2007: 108).

Foucault claims that governmentality is more than a traditional sense of sovereign’s domination over its territory: “Government is the right disposition of things … the question of the acquisition of sovereignty over a territory for a prince, are only relatively secondary matters. What counts essentially is this complex of men and things; property and territory are merely one of its variables” (Foucault, 1991: 93-4). This aspect appears in his contrasting Machiavelli’s with La Perriére’s writings:

We could say that if the traditional problem of sovereignty, and so of political power linked to the form of sovereignty, had in the past always been either that of conquering new territories or holding on to conquered territory, then its problem was in a way: How can it not change, or how can I advance without it changing? How can the territory be demarcated, fixed, protected, or enlarged? In other words, it involved something that we could call precisely the safety (sûreté) of the territory, or the safety (sûreté) of the sovereign who rules over the territory. In the end this is Machiavelli’s problem in fact. In a given territory, either conquered or inherited … Machiavelli’s problem was precisely how to ensure that the sovereign’s power is not endangered, or at any rate, how can it keep at bay, with full certainty, the threats hanging over it … he reaches the highest point of a moment in which the problem was actually that of the safety of the Prince and his territory (Foucault, 2007: 64-5).

After he explains the traditional understanding of the essential link between sovereign power and territory in Machiavelli – the major concern being territorial acquisition or its protection – Foucault focuses on the relationship between governmentality and population while leaving aside the question of territory. This may generate the confusion that the concept of governmentality is less about territory than population. In fact, Foucault claims that while territory was a fundamental element of sovereignty in Machiavelli’s texts, for him population has become a fundamental basis for the state and
sovereign (Foucault, 2007: 68; 96). He argues that “from the eighteenth century, these three movements – government, population, political economy – form a solid series that has certainly not been dismantled even today” (Ibid.: 108). In this sense, his studies on governmentality are mostly concerned with biopolitics, i.e., how power over life is organized (e.g., Foucault’s subsequent lecture/book project The Birth of Biopolitics (2008) on neoliberal governmentality).

Stuart Elden offers a useful interpretation of Foucault’s discussion of governmentality and territory. Based on Foucault’s account of La Perrière, he contends that the qualities of territory emerge together with a new understanding of population as instruments of government (Elden, 2007). Territory becomes the object of governmental practices:

We can therefore read the strategies applied to territory – in terms of its mapping, ordering, measuring, and demarcation, and the way it is normalised, circulation allowed, and internally regulated – as themselves calculative. The same kinds of mechanisms that Foucault looks at in relation to population are used to understand and control territory … Territory is more than merely land, but a rendering of the emergent concept of ‘space’ as a political category: owned, distributed, mapped, calculated, bordered, and controlled. Foucault’s notion of the politics of

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103 Michel Senellart, in the explanation of Foucault’s course context at the end of Security, Territory, Population, even asserts “‘Territory’ and ‘population’ thus function as the antithetical poles between which research will be set out” (Foucault, 2007: 378). Yet Elden (2007: 563) interprets Foucault’s focus on population not as “a substitution” (of population for territory) but “a shift of accent”. This reading corresponds to Foucault’s own clarification: “a state of government that is no longer essentially defined by its territoriality, by the surface occupied, but by a mass: the mass of the population, with its volume, its density, and, for sure, the territory it covers, but which is, in a way, only one of its components” (2007: 110, my emphasis). In other words, territory is not replaced by population, but the role of territory is changed from a decisive and indispensable element for sovereignty to an object of governmental practices.

104 Human geographers also tend to approach Foucault’s notion of governmentality in terms of how space is organized for management of populations (Huxley, 2008).

105 Here Foucault shifts his idea of territory: “The things with which in this sense government is to be concerned are in fact, men, but men in their relations, their links, their imbrication with those other things which are … the territory with its specific qualities, climate, irrigation, fertility, etc” (Foucault, 1991: 93, my emphasis).
calculation is therefore crucial, but not as something which only manifests itself in population, but, rather, in territory too. The same kinds of mechanisms can be found in both, at root grounded in the relation between governmentality and calculation (Ibid.,: 578, my emphasis).

This quotation reveals that the same government techniques such as calculation and control are applied to both population and territory. That is, territory is not just the abstract politico-legal foundation of the sovereign state but rather a specific means of governing.

Foucault’s concept of governmentality provides another insight into territory:

I tried to show you how the territorial sovereign became an architect of the disciplined space, but also, and almost at the same time, the regulator of a milieu, which involved not so much establishing limits and frontiers, or fixing locations, as, above all and essentially, making possible, guaranteeing, and ensuring circulations: the circulation of people, merchandise, and air, et cetera (2007: 29).

This passage shows that the notion of governmentality also includes a change in the approach to territory from geopolitics or “the safety (sûreté) of the territory” (Ibid.,: 65) to the general economy of territory, in other words, geoeconomics. The role of the sovereign state becomes more than just defense of its borders. For the well-being of its population, the modern state forges a new vision of territory as not only a backdrop but also as an important instrument for smooth flow and distribution of economic resources:

106 In this sense, Elden defines territory as “the political corollary of the notion of space—much more about calculation than boundedness, boundaries being a consequence of, and made possible by, ‘space’, and the emergence of new techniques in cartography and surveying” (2006: 56). To a point, his conception loses specificity (i.e., state space).

107 The following questions from Foucault reveal his keen observation of political economy of territory: “Again, we need to know the general economy of power within which this project and structuring of space and territory is situated. Does it involve marking out a territory or conquering it? Is it a question of disciplining subjects, making them produce wealth, or is it a question of constituting something like a milieu of life, existence, and work for a population?” (Foucault, 2007: 30).
“it is insofar as there was this relationship [fundamental link] between police and the primacy of commodity, … the being and well-being of individuals really became relevant for government intervention” (Ibid.: 338). Thus, the primary object of police becomes “the number of men, the quantitative development of the population in relation to the resources and possibilities of territory occupied by this population” (Ibid.: 324). The specific practices derived from the geoeconomic logic of governmentality are to calculate, manage, and utilize the resources within territory and to evaluate, develop and exploit the potential of territory (such as an improvement of locational advantage).

While Foucault’s analysis targeted modern Europe, we can apply it to North Korea. Since the early 1990s, the North Korean state has deployed particular governmental practices towards its territory. North Korea had consistently projected a particular territorial imaginary upon its space as an impregnable fortress. However, the inextricable link between sovereignty and territory has become weakened since its use of zoning technology (e.g., the establishment of the first SEZ in 1991). This new policy reflects a significant shift in the conception of territory as something calculable and manageable. First, the North has taken meticulous account of locational advantages or the qualities of territory in the establishment of the SEZs. For instance, the four corners of North Korean territory are designed to benefit from neighboring countries, while Dancheon that is deemed to have significant development value with considerable

108 This new understanding of territory by Foucault is also found in Lefebvre: “For Lefebvre, the consolidation of a modern notion of (national) territory was inextricably intertwined with the state’s mobilization of such techniques to control economic resources embedded in its land and landscape, all in the context of a rapidly expanding capitalist world economy” (Brenner and Elden, 2009a: 363).

109 The justification for this territorial imaginary draws on North Korea’s political geography: “Under the national condition that the territory is small and the population is not large, to arm people and transform our entire territory into a fortress becomes a matter of life and death to construct socialism against endless confrontations with enemies” (The Institute for Philosophical Research, 2000: 49, my emphasis).
magnesite resources is independently developed by North Korea. Thus, this new approach to territory displays geoeconomic calculation: “What North Korea really has is ‘location, location, location,’ and it finally seems ready to cash in on its critical position at the heart of the world’s most vital economic region” (Feffer, 2011).

On the other hand, this change is most dramatically manifested in the use of a new spatial metaphor, that of the “mosquito net”. This new imaginary reflects the imperative “letting advanced technology come in, while keeping capitalist ideas out: ‘It can let in breezes, and it can also defend against mosquitoes’” (Cumings, 2011: 55-6). To put this in Marx’s terms: the North Korea state wishes to attract capital but resist capitalist social relations. It is through the strategic use and control of territory that North Korea is attempting to realize this improbable ambition.110 This entails the intensive employment of territorial technologies to firmly separate the SEZs from the national territory. The SEZs are re-bordered from domestic territory and de-bordered from the external world. They are also categorized spaces within North Korean territory: “SEZs are acceptable to the North Korean government because they are relatively easy to control. North Korean SEZs have been fenced off with barbed wire and all visitors have had their IDs carefully studied at checkpoints” (Lankov, 2011a: no page). These new territorial strategies to partition and differentiate spaces within territory reflect a desire to regulate its territory under two different economic systems—full market economy in the SEZs and socialist juche economy in the rest of the territory.111

110 Chae-Jin Lee argues that North Korea did not adopt the Chinese economic model because it did not have enough territory to isolate the SEZs from the rest of it (1996: 138). However, his view was wrong. To establish the SEZs, the size of territory is not the problem but how to govern the territory.

111 Kim Il Sung (1994) explains “Because we intend to develop Rason-Sonbong area into a Free Economic and Trade Zone, there is no problem at all in allowing capitalists to do any business they
And in terms of ideology, these policies cause no serious problem to the North. In his interview with the International Crisis Group, Cumings explains “Ideologically [juche] isn’t an obstacle to change because it can always be creatively reinterpreted. Change and reform will happen, and juche will be adjusted accordingly” (International Crisis Group, 2005: 4).\(^{112}\) Transformations of the SEZs – from independent development of the first zone in Rason to the joint development of Mt. Kumgang and Kaesong with South Korea in 2002 and another joint development of Rason and Hwanggumphyong-Wihwado with China – indisputably demonstrate an increasing command of governmental practices over territory.

It is often argued that North Korea’s introduction of the SEZs follows the Chinese model of reform and opening-up (and similar experiments in numerous Third World countries such as South Korea in the early 1970s) (Jo and Ducruet, 2007). Yet the major difference lies in the linkages between the SEZs and the domestic economy.\(^{113}\) North Korea firmly separates the SEZs from domestic territory: “In general, the development of free economic trade zones is based on not domestic capital but foreign one and external economic connections with foreign countries rather than economic links want in that zone”. In addition, in his interview with The New York Times, Park Chol-su, the president of North Korea’s Taepung International Investment Group, affirms “It’s the market that directs national development … We operate according to market economic principles” (Wong, 2011). While he does not clarify that this principle is solely applied to the SEZs, we can infer this from the fact that the main tasks of Taepung Group are to attract foreign investment into the SEZs while counter-reform and anti-market atmosphere becomes stronger in North Korea. In addition, Yoo (2001) makes clear that the Export Processing Zone (EPZ) is operated with more autonomous authority and function and free market principles such as market prices and price competitions are applied: “In the export processing zones where sovereignty of one country is exercised, it is an independent measure for national economic development to provide preferential economic conditions to foreign investors” (47).

\(^{112}\) For further analysis, refer to Armstrong (2009).

\(^{113}\) Chinese opening-up has begun from the “points” of the four special economic zones, evolved into a “line” throughout the coastal regions, and expanded in the form of a “plane” into inland areas (RIETI, 2002). North Korea’s four economic zones are generally predicted to follow the Chinese path and lead to a further opening-up (Nam, 2011; Yonhap News, 2011a).
with domestic markets” (Choi, 1998: 29). This reveals that the SEZs in North Korea do not serve as a testing ground for expansion of the capitalist economy throughout the entire territory. Accordingly, regulation of different economic spaces within the territory – market economy in the SEZs and juche socialist economy in the rest of territory – depends on how effectively governmental techniques are employed. We can thus witness “the emergence of a completely different problem that is no longer that of fixing and demarcating the territory, but of allowing circulations to take place, of controlling them, sifting the good and the bad” (Foucault, 2007: 65). However, this shift in North Korea is neither linear nor irreversible. Since security concerns have not completely disappeared, the territorial logic of “security-first and economy-next” still complicates the production and reproduction of North Korea’s territory. Yet, more profoundly, the oscillations between these two different imperatives in territorial strategies in the North reveal the state’s new conception of territory as a manipulable and calculable object.

V. The Production of Territory in North Korea

The hegemonic reading in the West of North Korea’s economic strategy is that the North blackmails the world with its missiles and nuclear weapons and extorts aid from those who fear North Korea’s sudden collapse (China) or its provocative military acts (the United States). Consider, for instance, Lankov’s claim:

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114 The establishment of the SEZs in North Korea is arguably instrumental: “North Korea’s real intention is to revive socialist planning economy through the acquisition of foreign currency from limited opening of the SEZs” (Kyodo News, 2011).

115 The Kaesong Industrial Complex has been operated since 2004, but there is no specific evidence about the effects of the operation of this SEZ on North Korean people and political economy. Only some South Koreans expect the reform and opening-up of North Korea to spread.
In this sorry situation, the only way for the Kim family regime to stay afloat is aid from foreign donors. Indeed, over the past 20 years, North Korean foreign policy has been, above all, aimed at squeezing unconditional aid from potential donor countries. Nicolas Eberstadt has described North Korean foreign policy as ‘a chain of aid maximizing strategies’ and this is indeed, a highly perceptive description (2011b: no page).

A circular logic underlies this interpretation. It presumes that the top priority for the Kim family and other elite groups is to remain in power. Any substantial reform or opening-up that threatens this power structure is disallowed. However, there is no way to develop the economy other than extortion for external economic aid. And to generate aid, the North stages military provocations. The gains from the see-sawing between engagements and provocations only benefit the ruling elites of the North and fund another provocation.\textsuperscript{116}

Another stereotype of the North Korean economy draws a dichotomy between isolated autarky as a problem and capitalist reform with opening as the ideal or only solution. This view channels an undercurrent for North Korea to follow a universal model of development – “capitalism qua development” (Wainwright, 2008b) – in a form similar to Chinese economic transformation.\textsuperscript{117} These teleological aspirations tend to dismiss North Korea’s own economic projects such as the establishment of the SEZs or

\textsuperscript{116} For instance, Adrian Hong provides a typical example of this logic in \textit{Foreign Policy}: “Here’s what will likely happen: The regime will launch an aggressive provocation of some sort, calling attention to itself. Then it will express a willingness to engage, whether bilaterally or multilaterally, in exchange for sweeteners, usually in the form of released sanctions, humanitarian aid, fuel, or other resources. The regime will negotiate dismantling or removal of whatever the key problem was – missiles, nuclear facilities, etc – and claim to have done so, before revealing months later yet another provocation. It goes on and on” (2011: no page).

\textsuperscript{117} This perspective resonates with China’s view of economic development as a panacea. In his final speech as Premier in March 2013, Wen Jiabao asserts that “Development is still the key to solving all our problems” including social and ecological crises in China (Jacobs, 2013: no page).
mass production campaigns as futile efforts. Or this perspective sees that the North generally seeks isolation from the outside world, but only when desperate economically do they open talks and extract aid (Chanlett-Avery, 2011: 5). Such views are blind to changes in the territorial order, which have far-reaching effects on the North Korean political economy. However, through the prism of territory, we can destabilize and unsettle these rigid beliefs of North Korea’s political-economic strategy.

While it is generally depicted as one of the poorest countries in the world (Allison, 2010; Chu, 2011), its performance has not been as bad as often suggested. The growth of industrial production since the Korean War was fastest among the socialist countries. North Korea also recorded the highest rate of agricultural growth in the world between 1970 and 1978 and (Cumings, 1998: 99). Until the mid-1990s North Korea was the only socialist country in Asia that had not suffered any famine (B-C. Lee, 2011). Unfortunately, North Korea experienced deep economic crises in the middle of the 1990s and has been dubbed a failed state since then (Bechtol, 2010; Nye, 2010; Seth, 2011; S-s. Lee, 2012). From that time, the shortage of hard currency with which to import energy and fuel for industrial production, transportation, and fertilizer has been arguably the most urgent matter. To tackle these economic concerns, North Korea had two options available: to sell plentiful natural resources such as anthracite, magnesite, and copper and to open its territory to attract foreign capital.

After North Korea’s political situation stabilized with the official inauguration of

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118 “In fact, North Korea is sitting on the goldmine … It hosts sizeable deposits of more than 200 different minerals, of which deposits of coal, iron ore, magnesite, gold ore, zinc ore, copper ore, limestone, molybdenum, and graphite are the largest and have the potential for the development of large-scale mines” (Petrov, 2012b: no page).

119 In addition, North Korea increasingly sends a number of guest workers to China, but neither country announces the details of this program (Demick, 2012).
Kim Jong Il as Chairman of the National Defense Commission in September 1998 and the issuance of the Perry report in October 1999, the North began to improve its external relations in an effort to recover its stagnant economy. Yet, not only have international economic sanctions restricted North Korea’s access to global markets, but the North also lost its two major trading partners – Japan since 2002 and South Korea since 2008 – because of deteriorating bilateral relations. As a result, North Korea’s mineral exports to China soared. The annual growth rate of the value of mineral exports to China amounts to 53% between 2000 and 2009 (Aden, 2011). Due to a lack of modern equipment, technology, and electricity, North Korea’s mineral mining and processing capacity declined in the 1990s (Yoon, 2011). However, Chinese investment in North Korea’s mining industry has increased considerably, especially since the middle of the 2000s. Some regard the increasing outflow of North Korean natural resources to China as convincing evidence in support of the claim that China is colonizing North Korea (discussed in Chapter 6). But there is much more to North Korea’s bilateral fuels and minerals trade with China. Nathaniel Aden (2011) offers a compelling analysis:

There are four basic points in this story: net energy and fuels flows have reversed with the DPRK’s emergence as a coal and electricity exporter; in terms of unit prices, the DPRK is ‘selling low and buying high’ in energy trade with China, though the margins are shrinking; imports are becoming more industry-intensive and exports more mineral- and resource-intensive; and aggregate bilateral trade deficits are large and growing. Overall, Chinese customs data suggest that North Korea is trading the regime’s political present for the country’s energy and economic future.

The last sentence is particularly important for the heated controversies surrounding North Korea’s transfer of mining development rights to China (Lim, 2009). Media and academia in China and South Korea report that China is purchasing North Korea’s
mining development rights (Nam, 2005a; Sun, 2008; J-K. Park, 2009; Wu, 2009). However, my interviews with Chinese businessmen who conduct business with North Korea, Chinese experts on North Korea in the Yanbian Korean Autonomous Prefecture, and North Korean scholars and governmental officials confirm that North Korea is still very cautious about exchanging cash for national economic assets. Jong-Lim Lee, Professor of Yanbian University, argues that North Korea never transfers mining development rights but only sells its mineral resources. The North allows investment in mining only in the form of joint ventures not to wholly-owned foreign firms. In addition, North Korea demands that when Chinese invest in the mining industry, they must carry out at least the primary processing of minerals in the North and then export into China (Personal Interview on 3 June 2011). This leads to slow progress in the joint development of mining projects. North Korea’s mineral exports to China in the first three quarters of 2011 increased about three times compared to the same period of 2010; 97% was anthracite coal (8.19 out of 8.42 million tons) (Yonhap News, 2011b). While the exploitation of mineral resources is currently its primary means to gain foreign currency, North Korea recognizes that it simply is not enough to solve its economic problems. The North has no choice but to go with the second option—opening its territory.

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Here I will examine the three stages of territorial strategies in North Korea since

120 For instance, Jean-Jacques Grauhar, Secretary General of the European Union Chamber of Commerce in Korea, who is well versed in North Korean affairs and met Kim Jong Il in 2002, argues that it is too late to worry about North Korea’s dependence on China. He claims that China has already invested in the North and secured a wide variety of development rights, and therefore, the South will have to deal with these Chinese rights in North Korea (J-M. Kim, 2011).
121 Edward Yoon (2011) also confirms that to transfer mining rights to foreigners is very rare in the North, and the state is still unwilling to trade these rights.
the early 1990s when territorial dynamics began to stand out. My central claim here is that the manner in which North Korea’s territory is produced and reproduced during this period displays continuous oscillations between territory-as-shelter and territory-as-springboard. Hence the logic of “security-first and economy-next” shapes these territorial dynamics.

Stage 1: The establishment of Rajin-Songbong Free Economic and Trade Zone

In his speech in November 1991, Kim Il Sung asserted “a changed environment urges us to boldly make inroads in the global capitalist market and a drastic transformation in our foreign trade”. This instruction materialized via the enactment of the first SEZ in the Rajin-Songbong area. The designation of this region as the SEZ derived from not only its advantageous location – adjacent to China and Russia – but also to the launching of the “Tumen River Area Development Programme” initiated by the United Nations Development Programme (UNDP) to develop this region into a hub of international transportation and logistics in Northeast Asia (Marton et al., 1995) (discussed in Chapter 5). The Rason SEZ was designed to develop as “an international transit transport base, a processing industry base, and international tourism base” (Yoo et al., 1998: 28). To facilitate the development of the Rason SEZ, the North provided a new legal mechanism; the Law on the Rason Economic and Trade Zone adopted in January 1993 clarifies the status of this zone as “a particular area of the DPRK

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122 In a similar vein, a North Korean scholar asserts that “The establishment of the free economic trade zones is an urgent request to actively develop foreign economic relations according to rapidly changing external conditions and to strengthen self-reliant national economic base” (Choi, 1998: 28).
123 Snyder describes the Rason Zone thusly: “Although the area is far from the nerve center of the North Korean regime, Pyongyang, Rajin-Sonbong has strategic significance as the northern-most year-round ice free port in Northeast Asia and therefore is an attractive geostrategic transit point for the shipment of goods to landlocked Northeastern China and the Russian Far East” (2010c: 5).
designated for preferential treatment for trade, transit transport, export of processed goods, financing and services” (Legislation Press, 2006: 573). Various related laws and regulations – the Law on Foreign Investment (October 1992), the Law on Wholly Foreign-Owned Enterprises (October 1992), the Law on Foreign-Invested Banks (January 1993), the Law on Foreign Exchange Control (January 1993), and the Law on External Economic Contract (February 1995) – were also enacted (Legislation Press, 2006; Jung, 2007). The Socialist Constitution was also revised in April 1992. In Chapter II (on economy), a new Article 37 was inserted: “The State shall encourage institutions, enterprises and organizations in the country to conduct equity or contractual joint ventures with foreign corporations and individuals”. And in September 1998, a rule about the SEZs was added to Article 37: “[The State shall encourage] and establish and operate enterprises of various kinds in special economic zones”.

Despite these bold changes, the Rason SEZ failed to achieve the hoped-for impact on the economy during the 1990s. By August 1996, ~US$40 million from twenty-two foreign enterprises was invested in this zone (Yoo et al., 1998: 69). However, the investment environment – a lack of physical and institutional infrastructure – was still poor (Jeong et al., 2011: 39). Without any independent institution to run this economic zone, the Rason City People’s Committee was designated to manage and operate the zone under the instruction of the central institution. This suggests that the management of the zone was still under North Korea’s strong hierarchical administration and could not be free from bureaucrats of the party-state (Jo and Ducruet, 2007).

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124 According to the Rajin-Sonbong Economic and Trade Zone Investment Handbook, sixteen laws and thirty-three regulations to support the development of the Rason SEZ were created between October 1992 and April 1996 (Yoo et al., 1998: 65-7).
Figure 4.1: North Korea’s Territorial Strategies via Special Economic Zones\textsuperscript{125}

\textsuperscript{125} This map is based on Figure 1 of Yoon and Lee (2013: 20).
However, North Korea still warned against an infringement of its territorial sovereignty by the penetration of new geoeconomic powers:

North Korea, while expressing keen interest in developing its side of the Tumen River into a special economic zone, has voiced objection to any economic activity which would imply a surrender of sovereignty over its territory … North Korea is also very sensitive about the border issue for political reasons and encroachment into its territory (Lavallee, 1996: no page).

While the North still wished to create a Northeast Asian logistics, transportation, and trade hub, it was not ready to abandon its traditional geopolitical concern for territorial control. This concern made the North choose an independent development model of the zone, relying on foreign capital to construct an infrastructure and facilitate industrial development without any knowledge and experience of market economy rather than developing the zone jointly with neighboring countries.126 In this sense, the Rason SEZ was doomed to disappointing results, if not failure. More crucially, the security crisis of the middle 1990s has disrupted further progress of the Rason SEZ. In his speech on 27 March 1994, Kim Jong Il emphasized that the development of the Rason SEZ should be relentlessly pursued regardless of national security tensions (Yoo et al., 1998: 80), but his instruction was not followed.127

126 In relation to this concern, Kim Il Sung offers a sensitive response about opening: “You ask me if we have any intention to open to develop economy like other countries, but we opened, already. To make a fuss about opening does not enable opening. We encourage joint ventures with foreign countries, allow foreign investment, and establish free economic zones. Opening is no big deal. To allow foreign people to come and do business as they wish is opening. I think opening in our own way is the best opening. When we open, we do it our own way. What I hate the most is to imitate what other countries do” (1996: no page).

127 In addition, the official title of this zone was changed into “Rason Economic and Trade Zone” with deletion of “free” in 1998. This change derived from North Korea’s more negative attitude toward the global market economy due to the Asian financial crisis in 1997 (Mimura, 2010; C-W. Lee, 2011).
Stage 2: Not a Chinese-style but a Chosun-style economic strategy

Overcoming a regime crisis during the 1990s, North Korea actively sought to improve economic conditions and promote restoration of relations with China, Russia, and South Korea. Bruce Cumings argues that the “crisis forced North Korea to think seriously about the future of its autarkic system, resulting in a host of new laws on foreign investment, relations with capitalist firms, and new zones of free trade” (2005b: 436). Since then, reconfiguration of state territory has become the main strategy for attracting foreign investment in North Korea. In particular, the establishment of SEZs in the southern border region to face South Korea and U.S. armies was a radical and unexpected measure for the North. After the first inter-Korean summit in June 2000, the economic interchanges increased and cooperation between the two long-hostile neighbors improved. Two sites near the DMZ, or demilitarized zone, Mt. Kumgang and Kaesong were designated as SEZs where South Korean capital and technology would combine with North Korean labor power and land. While Mt. Kumgang was developed as a tourism complex with investment from one of the biggest South Korean conglomerates (or Chaebol) Hyundai, Kaesong SEZ was titled “Kaesong Industrial Complex” (hereafter KIC) which has been developed and managed by Hyundai and a South Korean public enterprise Korea Land & Housing Corporation to target small- and medium-sized companies from the South with a high demand for disciplined, low-wage labor. The most heavily-militarized border region in the world was thus transformed by

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128 In September 2002 Japanese Prime Minister Junichiro Koizumi Pyongyang and held summit meeting with Kim Jong Il in September 2002. However, North Korea’s admission of abductions of Japanese citizens in the 1960s and 1970s aroused public opinion in Japan and, as a result, ruined the chance to improve bilateral relations.

129 1.2 million North Korean soldiers are deployed against the southern border, which shows a sharp
geo-economic de-bordering and zoning practices that led to inter-Korean economic cooperation in the two SEZs. This marked the first time since the division of the Korean Peninsula in 1945 that geo-economic practices received special emphasis over geopolitical ones. In particular, Kaesong occupies a militarily strategic position of the North against the ROK-U.S. alliance. For this reason, the KIC project is known to face strong opposition from North Korea’s military (Jang, 2009).

Although the Rason SEZ was an attempt to attract foreign investment without any substantial involvement of foreign political entities, the new territorial measures in the early 2000s fit into the kind of global change described by Xiangming Chen: “Over the last 20 years, national borders in every corner of the globe have undergone an unprecedented opening and blurring that can be dubbed a simultaneous de-bordering and re-bordering” (2005: 4, emphasis in original). In other words, the border increasingly comprises a “security/economy nexus” (Coleman, 2005).

Yet this newly formed geo-economy along the border region did not last long. It was disrupted by the return of conservative power in South Korea with the election of new president Lee Myung Bak in December 2007 (Armstrong, 2008). The Mt. Kumgang Complex was shut down in October 2008 after the shooting death of a South Korean tourist by a North Korean guard. While KIC is still maintained, the South Korean government has prohibited new investment and restricted the number of South Korean workers and managers who may stay in the zone. This came after the announcement of new sanctions against the North (the so-called “May 24 measures”) for increase from 40% of North Korean combat forces in 1980 to 70% by 2003 (Kaplan, 2006).

130 “Pyongyang … has remained, at least until mid-2002, smugly ensconced in the cocoon of the socialist hermit kingdom” (S. Kim, 2006b: 99).
131 Amid heightened inter-Korean tensions, the KIC is now suspended in April 2013.
the sinking of a South Korean warship, the *Cheonan* (Manyin and Nanto, 2011: 2). Though this is not a complete reversal of the ten-year, trans-border economic cooperation between the two Koreas, geopolitical imperatives from security tensions have overwhelmed geoeconomic logic again.

Along with the two SEZs in the southern border, North Korea defined the corner in the northwestern region as a fourth special zone. However, while the three zones that I have already discussed – Rason, Mt. Kumgang and Kaesong – are established as SEZs, the fourth zone in Sinuiju, the second largest city in the North, was designated as a Special Administrative Region (hereafter, SAR) in September 2002. Sinuiju, which faces Dandong, China, across the Amrok (or Yalu) river, is the biggest city for North Korean trade with China, accounting for approximately 70% of bilateral trade (Y-G. Kim, 2010). The Sinuiju SAR is generally recognized to be modeled on Hong Kong’s SAR; the hope was that it could develop into a financial hub in Northeast Asia (Y. Kim, 2003; Mimura, 2010). For this, the North implemented two startling measures: first, North Korea appointed Yang Bin, a Chinese-born Dutch entrepreneur (and the second-richest man in China), as governor of the Sinuiju SAR (Kahn, 2003). Second, according to the Law on the Sinuiju SAR adopted in September 2002, North Korea guaranteed legal, judicial, and administrative autonomy to this region (Article 2), and assured that the central government’s organizations such as the Cabinet, the Committee, or the Ministry would never intervene in its regional affairs (Article 6). Considering North Korea’s emphasis on territorial sovereignty and its rigid and hierarchical administrative system, these actions were perceived as being qualitatively different from the earlier opening-up

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132 It is reported that after the May 24 measures, the firms in the KIC lost about 2 billion Korean won on average (Chosun Ilbo, 2012).
measures such as the adoption of a joint venture law in the 1980s and the establishment of the Rason SEZ in the 1990s. For some, with the 7.1 Economic Management Improvement Measures (explained below), these moves were taken as decisive evidence that North Korea would follow a Chinese-style reform and opening-up (Jo, 2004; Oh and Bae, 2004). Some experts thought that this bold decision derived from the North’s recognition that investment measures in the Rason SEZ were ineffective to attract foreign capital and therefore a drastic introduction of the capitalist system was necessary (Je, 2002: 233). However, the Sinuiju SAR never even broke ground due to the arrest of Governor Yang by Chinese public security for bribery, illegal occupation of farmlands, tax evasion, and investment scams (People’s Daily, 2002).133 And then on 22 January 2003, North Korea’s National Planning Committee officially deferred the development of the Sinuiju SAR due to growing tensions with the United States on nuclear issues (Oh and Bae, 2004: 195).

Along with these attempted territorial strategies, North Korea adopted another eye-opening measure of economic reform. On 1 July 2002, North Korea enacted the 7.1 Economic Management Improvement Measures to promote economic decentralization, allow market activity, introduce price and wage reform, and strengthen material incentives in production and distribution of goods. Chung (2004b) explains that these two seemingly contradictory policies – to strengthen juche socialism through “military-first politics” and to introduce economic liberalization – comprise a “dual strategy”:

133 Even before his arrest, Yang Bin was placed under house arrest in early October, right after North Korea’s appointment of him as governor of the Sinuiju SAR (People’s Daily, 2002). Thus, his arrest is understood as Chinese displeasure with North Korea’s development project either because Sinuiju is located across the border from a major military base or because China wanted to prevent competition over investment for China’s northeastern cities (Kahn, 2002; Y-I. Lee, 2006). However, Kim and Choi (2005) pay more attention to the lack of communication between the two countries rather than an intentional intervention by China to ruin the project.
“Though the current reform and opening policy is inevitable, the leaders still intend to control the process to ensure changes to conform to the current system” (Ibid.: 286).

For instance, to support the new economic policies, North Korea introduced the concept of “silli” (practicality\textsuperscript{134}) which still emphasizes the socialist principle: “The seed (key) to the improvement and completion of socialist economic management is both to adhere to the socialist principle and to find the economic management method which can produce the biggest sill\textit{i}” (J-K. Kim, 2003: 13; Ryu, 2003: 7). In other words, poor economic conditions forced the North Korean state to chase two hares – to pursue greater economic profits and uphold socialist principles – at the same time. This duality also applies to economic opening generally. Compare these three statements by Kim Jong Il:

If we allow the capitalist trade method in socialist society, this can bring about considerable side effects to impede socialism. If various units, beyond the control of government, may trade with capitalists and earn and spend foreign currency as much as they can, this can lead to ‘reform’ and ‘opening’ as imperialists want and national economy becomes liberalized and capitalized. … We should strictly adhere to the socialist principle in the development of foreign economic relations (Kim Jong Il, 1995b: 9).

Under the current condition without socialist markets, unless we improve and strengthen our trade tasks appropriate for this condition, we cannot fulfill Party’s trade-first policy and promote foreign trade. … Trade officials who were in charge of trade tasks under the socialist markets failed to develop trade tasks to satisfy new conditions under the capitalist markets. … We should boldly modify our export structure and trade methods for capitalist markets (Kim Jong Il, 1996: 165).

We should not be dragged into wind of ‘reform’ and ‘opening’ that

\textsuperscript{134} Nanto and Chanlett-Avery translate sill\textit{i} into “utilitarian socialism” (2009: 18). However, North Korean economist Jae-Suh Kim (2007: 53) provides a more specific definition of “economic sill\textit{i}” as producing a better outcome than labor input. Silli implies various standards like profitability and use-value in the quality of the product, while profit in the capitalist system only means the profit of the firm. For these reasons, this notion has nothing to do with the Marxist labor theory of value (how can one produce better results or value than labor input?). Rather, sill\textit{i} draws upon the juche idea’s understanding of human beings with their independence, consciousness, and creativity: therefore, it assumes that this incredible being can do much more than provide a modest investment of labor power.
imperialists talk about. ‘Reform’ and ‘opening’ is the road to ruin our country. We should never allow ‘reform’ and ‘opening’ even a little (Kim Jong Il, 1999: 458).

The internal conflicts around ‘reform’ and ‘opening’ after the economic crisis of the 1990s in North Korea are revealed by Kim Jong Il’s remarks. Considering that his statements are generally taken as absolute principles to be adhered to, confusion about implementation of economic policies would have been severe.

Both adoption of the 7.1 Economic Measures and introduction of a more radical form of the SEZs and SAR was a temporary outcome of this turmoil. Political stabilization both in internal and external conditions allowed the North to take radical steps to boost its stagnant economy. While many argue that North Korea’s foray into the market economy became inevitable with these drastic measures, in fact since 2006 North Korea has retrenched, restricting market activities and restoring the public distribution system, thus turning the clock back to the socialist planning era. This retrenchment was not drastic repeal of every reform measure at the same time but a gradual adoption of counter-reform policies against market activities such as limits on trade items, restrictions on trader age and gender, and designated market operation days.

135 Nevertheless, North Korea’s economic measures were different from those of the early reform stage of China or Eastern European countries in that price rationalization was not to introduce market prices but to stabilize them under state control. (Hong, 2002: 101-2). In this sense, Hong (Ibid.; 103) argues that the “underlying intention of the North Korean authorities is to normalize the planned economy system by enhancing efficiency and productivity in industry, and to restore the official economic sector in order to absorb or contract the private economic sector”.

136 “Thus, by 2004 most observers believed that North Korea had finally embarked on a reformist path. Both in mainstream media and in academic publications one frequently encountered statements to the effect that ‘the country has recently initiated a policy of internal reform and external engagement.’ Newspaper headlines were equally optimistic: ‘With Little Choice, Stalinist North Korea Lets Markets Emerge,’ ‘Signs That North Korea Is Coming to Market,’ and ‘North Korea Experiments, With China as Its Model’ (Lankov, 2009b: 57). Also see Chung (2004a; 2004b) who discusses the parallel development of reform and opening in North Korea since 2002.
Especially after its first nuclear test in October 2006, North Korea focused on its economic problems and decided to normalize the national planning system and provision networks (H-Z. Zhang, 2010a). These measures reveal that the markets in North Korea are recognized as a temporary complement to state planning but not as a *sine qua non* to revitalize the economy. Kim Jong Il’s “6.18 Statement” of 2008 made counter-reform official:

As we allow the market mechanism to function to some degree, some people understood this meant that we would deviate from the socialist principle, reform and open our national economy and transform it into market economy. However, this is a very wrong idea … The market is a stronghold and hotbed for anti-socialist and capitalist elements … That according to current condition we utilize market under government’s control is not the transition into market economy (Han, 2009: 209-210).

Victor Cha (2010) terms this change “neo-juche revivalism,” a return to the conservative *juche* ideology of the 1950s and 60s, rejecting both opening-up and reform. A different view emphasizes an indissoluble link between reform and opening. For instance, Hilton (2011) claims that “Without more radical reform, the already enormous economic gap between North Korea and its neighbours will only grow, and keep the country isolated

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137 Scholars have conflicting opinions about when the North Korean government enforced the counter-reform measures. Lankov (2009b) relates this backlash to a growing challenge to the regime and argues that a huge explosion at the Ryongchun railway station just after the train of Kim Jong Il passed by in April 2004 served as momentum to cut back liberalization. However, Ki-Bum Han (2009), who was in charge of intelligence on North Korea at the National Intelligence Service of South Korea, contends that tensions between the Cabinet which was pushing economic reform and the Korean Workers’ Party which favored retrenchment in 2005 led to a victory for the latter and strengthened counter-reform. However, substantial measures to restore the socialist planning economy have been gradually introduced since 2006.

138 “The evidence of the last few years, therefore, testifies to the fact that the improvement in the economic situation and the relaxation of outside pressure has not pushed the North Korean leadership toward market-oriented reforms. On the contrary, relative economic stabilization formed a background for a backlash against the market-oriented institutions and activities that were grudgingly tolerated for a period” (Lankov, 2009b: 68).

139 Even before this statement, it is known that on 26 August 2007, Kim clarified that “markets have become antisocialist, Western-style markets” (Nanto and Chanlett-Avery, 2009: 27).
and paranoid.” Both points of view share the underlying idea that “development” of North Korea should be market capitalism in parallel with opening territory.

A different interpretation of this change in North Korea’s policy is offered by Chinese scholars. For instance, H-Z. Zhang, a scholar of North Korea, terms this change “neishou waikuo (内收外扩)” (2010b). Here neishou means strengthening the national planning system and reducing the negative effects of market economy which had spread since the enforcement of the 7.1 Measures. In this sense, she agrees with North Korean scholars who began to reemphasize the socialist principle: “Without government’s centralized instructions and planning economic management principle, we cannot protect socialism in the economic realm and develop socialist economy” (K-H. Kim, 2009); “One of the most critical issues in the current era is to strengthen discipline of people’s economic planning” (J-S. Kim, 2009: 18). But Zhang’s waikuo implies the expansion of external economic relations to attract foreign capital. This principle is demonstrated by North Korea’s active cooperation with China (explicated below).

When North Korea adopted the 7.1 Economic Measures and expanded the SEZs with South Korea, it was compared to an early development model in China when economic liberalization was introduced and SEZs were developed with Hong Kong, Macau, and Taiwan. Thus, few doubted that North Korea was taking the same path as China. However, the trends since 2006 clearly belie this opinion. The palpable expectation of the outside world that North Korea would introduce capitalist mechanisms was betrayed:

140 By contrast, another North Korean scholar emphasizes the market’s complementary role with the centrality of planning economy and state’s centralized instructions (S. Zhang, 2011: 6).
The decrepit North Korean economy has ‘three crying needs: deeper market reforms, greater openness, and above all, massive investment to modernize decrepit plant and infrastructure.’ ... reports from North Korea indicate that the economic reforms there currently are stalled—even being reversed (Manyin and Nanto, 2011: 16).

North Korea has tried to satisfy two needs: limited opening through zoning and infrastructure development with foreign investment. Then it rejected reform attempts of the early 2000s and reemphasized socialist economic management under centralized control. North Korea claims to adopt not a Chinese-style but a Chosun-style economic strategy, characterized by enforcement of currency reform, encouragement of mass campaigns, and development of two SEZs with China since 2009.

Stage 3: China as a partner, not a comrade

The success of the second nuclear test in May 2009 provided North Korea with a sufficient security guarantee to concentrate on economic development. Since then, North Korea has turned to the border with China, where the trans-border development projects that Chinese local governments have yearned for, but were always reduced to rumors, are finally being realized. In October 2009 Chinese Premier Wen Jiabao visited Pyongyang, where both sides signed significant cooperation agreements on trade, technology, investment, and development to embrace software industry cooperation,

141 “Beijing’s pressure on Pyongyang to lift the collapsing economy by its own juche-bootstraps has been persistent since China began its own reforms. Yet, Pyongyang has issued mixed and contradictory signals and statements about post-Mao Chinese socialism” (S. Kim, 2006b: 88). The Chinese central government has been persistently eager to induce North Korea into reform and opening-up. Despite Kim Jong Il’s several travels to China which have often been interpreted as an attempt to learn and be impressed by Chinese economic achievement, it has always been clear that North Korea will never follow China’s path nor any other’s. This discloses North Korea’s tenacious pursuit of juche. Notwithstanding familiar complaints from outsiders of North Korea’s unpredictability, examination of North Korea’s foreign policies clearly shows its unswerving commitment to the ideology of juche.
economic assistance, tourism, educational exchanges, and wildlife protection. Moreover, they announced the construction of a new highway bridge across the Amrok (Yalu) River (Bates, 2011: 5). This visit marked a new stage in bilateral relations between North Korea and China (Chang, 2011a).

The climax came with the announcement of the joint development and management of two SEZs the Rason Economic and Trade Zone and the Hwanggumphyong-Wihwa Islands Economic Zone in North Korea. Thus, their economic cooperation has evolved from economic aid and small-scale trade and investment to joint development projects in the border region (Hong, 2010; Zhang, 2006). Between May 2010 and his death in December 2011, Kim Jong Il visited China four times and had three summit meetings with Hu Jintao (two times in Beijing and once in Changchun, Jilin). In particular, his visit in May 2011 built a momentum to facilitate the relationships between both central governments to lead their respective local authorities and enterprises (M-S. Yang, 2011: 37). This visit was followed by groundbreaking ceremonies in both the Rason and Hwanggumphyong-Wihwa Islands Zones on 8 and 9 June 2011. Jang Song Taek, Kim Jong Il’s brother-in-law and Administrative Director of the Korean Workers’ Party, and Chinese Minister of Commerce Chen Deming joined in these events which symbolized the direct involvement of the central governments of both countries. Both countries established three-tiered cooperative systems for the development of these SEZs—a Joint Steering Committee to discuss, steer, and negotiate critical issues and principles between the central governments, a Joint Development and Management Committee consisting of local governments to implement specific projects and manage general issues for the SEZs, and an Investment
Development Corporation in each zone to direct real estate and commercial development ("Outline of DPRK-China Joint Development Plan for Rason and Hwanggumphyong Economic and Trade Zone"). Establishment of such official channels and organizations for development of the SEZs is unprecedented in their bilateral relationship (Ibid.: 38).

It is widely expected that the Hwanggumphyong Zone will be similar to KIC in that it will take advantage of much lower labor costs in North Korea (Lankov, 2011a; see Table 6.1).142 On the other hand, according to Hwang Chul Nam, Vice Chairman of the People's Committee of Rason Special City, the development strategy of the Rason Zone is to develop this region into an international trade zone where transit trade, export processing, and tourism play a central role in its growth (Park and Jang, 2011). In the recent third round of talks of the Joint Steering Committee held in Beijing on August 14, 2012, both countries agreed to specific development projects for both zones. Hwanggumphyong and Wihwa Islands Zones will focus on the information industry, tourism, cultural and creative industries, modern agriculture, and apparel manufacturing, to develop this area into a knowledge-intensive economic zone. The Rason Zone, as Hwang remarked above, is centered on the development of raw materials industry, equipment manufacturing industry, high-tech industry, light industry, service industry, and modern and efficient agriculture, to become an advanced manufacturing base in North Korea and international hub for logistics and tourism for Northeast Asia (Ministry of Commerce of the PRC, 2012). Both parties concluded two agreements about the Hwanggumphyong development (the establishment of the Management Committee for

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142 While some Chinese media and research reports argue that Hwanggumphyong will be developed into a North Korean version of Hong Kong (H-Z. Zhang, 2011; Zhou et al., 2011), its location and related law belies this claim.
the Hwanggumphyong Economic Zone between the Liaoning Provincial People’s Government of China and North Pyongan Provincial People’s Committee of North Korea and a MOU on Designing Processes for Basic Facilities in the Hwanggumphyong Economic Zone) and agreed to facilitate the development of the Wihwa Islands Zone (KCNA, 2012). These measures from both central governments are to narrow the development gaps between Rason and Hwanggumphyong-Wihwa Islands.

Thus, the economic geography of opening is shifting again. While the SEZs with South Korea had been the key regions of North Korea’s economic opening before 2008, the focus has now moved to the Hwanggumphyong-Wihwa Islands and Rason Zones in the border region with China. Rason had been maintained without any special efforts of promotion until December 2009 when Kim Jong Il conducted an on-the-spot instruction here for the first time since the establishment of the zone. Following this visit, in January 2010 the state promoted Rason as a Special City, which means it is placed under direct control of central government. It also revised the Law on the Rason Economic and Trade Zone to allow overseas Koreans residing outside the DPRK territory to invest in the Rason SEZ (Article 8). Though this article remains vague, it is generally understood that it is intended to attract South Korean capital (H-J. Yoo, 2010c). In addition, the North Korean government inserted a new article to clarify territorial sovereignty in this zone for the first time: “DPRK sovereignty is exercised over the

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143 The Law on Equity Joint Venture and the Law on Contractual Joint Venture, both of which were amended in February 1999, added a new article to encourage the establishment of foreign joint ventures in the Rason SEZ: “The equity joint-venture enterprises shall be set up mainly in the Rason Economic and Trade Zone” (Article 2 of the former); “Investment in the form of a contractual joint venture shall be made, in principle, in the Rason Economic and Trade Zone” (Article 5 of the latter). However, no substantial measures to improve the investment environment were initiated.
This emphasis paradoxically reveals North Korea’s growing anxiety about weakening the state’s authority over its territory from its territory strategies for geoeconomic interests. The slow development of the existing SEZs has sharpened North Korea’s long-standing dilemma between maintaining territorial sovereignty and attracting foreign capital. The changes of legal provisions and promotion of the SEZs imply that to attract foreign capital without ceding its own territorial authority becomes more challenging.

This affects the North’s decision to allow more authority to the Chinese state and capital to capitalize on their capacities for economic development under a new system of joint-development and joint-management. The North Korean government revised the Law on the Rason SEZ again in December 2011 and removed the sentence on sovereignty. China is now closely engaged in both designing and implementing industrial and urban development plans of the Rason SEZ (M-H. Park, 2011). One businessman in Dandong explains: “The North Korean situation can be figured like this: as a family’s fortune is on the wane, the land in which ancestors’ efforts have been invested for a long time is turned over to others” (Huh, 2011). In other words, any economic engagement of the North

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144 The Law on the Sinuiju SAR in 2002 also includes reference to sovereignty in the Article 1: “Sinuiju Special Administrative Region is a special administrative unit where the DPRK sovereignty is exercised”. However, in Rason Law revised in 2010 added this content as a separate sentence.

145 North Korea cannot be free from the possibility of exploitation in the SEZs: “the very process of subtracting oneself and creating ‘liberated territories’ outside the domain of state has been reappropriated by capital. Exemplary of the logic of global capitalism are the so-called ‘Special Economic Zones’: geographical regions within a (usually Third World) state with economic laws which are more liberal than the state’s standard economic laws (allowing for, e.g., lower import and export taxes, the free flow of capital, the limitation or direct prohibition of trade unions, no minimum working day, and so on) in order to increase foreign investments. The name itself covers a whole range of more specific zone types: Free Trade Zones, Export Processing Zones, Free Zones, Industrial Estates, Free Ports, Urban Enterprise Zones, etc. With their unique combination of ‘openness’ (as a free space partially exempt from state sovereignty) and closure (enforcement of working conditions unencumbered by legally guaranteed freedoms), which renders possible heightened levels of exploitation” (Žižek, 2009a: 126).
with the outside world tends to be interpreted within the frame that it has to give up something – either mining rights or territory – to alleviate its people’s suffering. One perspective on the recent territorial projects between the two countries is that North Korea has conceded Rason in exchange for development of Hwanggumphyong. This view argues that while China has long been eager to gain access to the ice-free port of Rajin that occupies a strategic location for logistics of northeastern China, China has little interest in the development of Hwanggumphyong (Anderlini, 2011; Dong, 2011; C-K. Kim, 2011b, an interview with Seung-Ryul Lee who has worked in both Northeast China and North Korea for the establishment of universities; J-Y. Kim, 2011). Many experts on North Korea argue that China does not need Hwanggumphyong because it also has vast under-developed areas in Dandong near this island (C-K. Kim, 2011a; J-K. Park, 2011a; 2011b; an interview with a Korean-Japanese expert on North Korea, Chan-Woo Lee). In particular, some even point out that China thwarted the Sinuiju SAR in 2002 and argue that it has no real intention of developing Hwanggumphyong (J-I. Cho, 2011). In particular, they note the different paces of development between Rason and Hwanggumphyong as evidence. While specific plans were already announced and development projects are now in progress in the former, there is no specific progress except for adoption of the Law on the Hwanggumphyong and Wihwa Islands Economic Zone on 3 December 2011 in the latter.\footnote{Both countries agreed on eight projects like the modernization of Rajin port for development of the Rason Zone. Besides renovation of roads between Quanhe near Hunchun, China and Rajin, North Korea already finalized in December 2011, four projects including construction of a new cement factory and power plants in Rajin are in progress (Chi, 2011a; J-K. Park, 2011a). On the other hand, 38 North (2012), a website for the analysis of North Korea, has examined satellite imagery of the Hwanggumphyong and Wihwa Islands and argues that there has been no substantial activity in these zones. However, I recognized some construction works in progress in Hwanggumphyong during my fieldwork in September 2011 and confirmed that some projects have been gradually}
claim of China’s colonization of North Korea. However, it is necessary to consider different existing conditions between the two zones. While Rason has been developed as an SEZ since the early 1990s, Hwanggumphyong remains agrarian land. One Chinese scholar said, “Hwanggumphyong is like a blank sheet. Thus, it takes much more time to decide which picture both countries will draw there” (An interview with professor of Liaoning University on 19 August 2011).

According to the development blueprint of both SEZs (“Outline of DPRK-China Joint Development Plan for Rason and Hwanggumphyong Economic and Trade Zone”) and related legal provisions, North Korea has not turned over any property rights in these zones to China or any other foreign agent. The North Korea state still firmly holds them. The development is ‘joint’; North Korea cedes no territory to China. A well-known Chinese expert on North Korea, Zhang Liangui (2010) also rejects any possibility for this joint development to induce the North into reform and opening-up. He argues that North Korea employs the Rason SEZ as one specific solution for the economy and for foreign relations, but North Korea’s development path has nothing to do with reform and opening-up.

According to one Japanese North Korean expert, joint development and management of these zones achieve a common interest for both countries (Yum, 2011). To the North, the interest is to gain a substantial economic boost from these SEZs (The Chinese interest is explained in the next chapter). These recent trans-border territorial development projects forge the northern border as an economic bridge to connect the northeast China economy with North Korea’s economy. This situation reflects the transformation of North Korea’s territorial strategies: the re-bordering of the southern border as a traditional barrier and de-bordering in the north toward a more bridging role.

proceeding in this area in interviews with local residents, though they did not have any specific information about the nature of the projects.

147 A well-known Chinese expert on North Korea, Zhang Liangui (2010) also rejects any possibility for this joint development to induce the North into reform and opening-up. He argues that North Korea employs the Rason SEZ as one specific solution for the economy and for foreign relations, but North Korea’s development path has nothing to do with reform and opening-up.

148 For these recent trans-border projects between the two countries, Nanto (2011) argues that North Korea finally agreed to adopt the Chinese economic model. However, as specified here, North Korea’s economic strategy can be described as “opening without reform”.
Along with these territorial policies, North Korea announced some measures to attract foreign investment. First, the North Korean government announced a long-term development plan called the “Ten-Year Strategic Plan for Development of the State Economy” to improve infrastructure, agriculture, and basic industries with foreign capital investment (International Crisis Group, 2011: 16). While the North Korean state tried to cope with economic hardships through prioritized development of four industries (electricity, coal, metal, and railway) during the 2000s, this new plan signifies that the main objective of national economic policies has shifted from overcoming crises into a strategic development of the national economy. Second, to realize this plan, new organizations to support foreign capital have been established. On 20 January 2010, North Korea set up the State Development Bank to do business with international financial organizations and commercial banks. It will also carry out investment tasks along with the Chosun Taepung International Investment Group (hereafter, Taepung Group) established in 2006 as an official window to bring in foreign investment (J-H. Hwang, 2010; H-K. Park, 2010). In addition, the Joint Venture and Investment Committee (hereafter, JVIC) was established in July 2010 to be in charge of Sino-North Korean economic cooperation and the two SEZs in the north (Minjog21, 2011; Thompson, 2011). Third, North Korea revised fourteen laws on foreign investment such as the Law on Foreign Investment, the Law on Wholly Foreign-Owned Enterprises and the Law on the Rason Economic and Trade Zone in November and December 2011. No less important are changes in discourses. A large signboard on which Kim Jong Il’s own writing was engraved at the main lobby of the Kim Il Sung University Library in

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149 In January 2012, the Taepung Group was merged as a bureau under the JVIC to prevent overlapping functions and improve efficiency (C-K. Kim, 2012b).
celebration of its renovation in April 2010. It says “To keep your feet on our ground and turn your eyes to the world (자기 땅에 발을 붙이고 눈은 세계를 보라)”. While the first part still stresses the importance of juche, the latter obviously emphasizes a global mindset. This is more than just a slogan. Considering the recent active engagements with the external world – not just China and Russia but recently Southeast Asia and Western Europe – this implies not a passive or temporary measure to overcome economic hardship but a strategic decision.150

These efforts to improve external economic relations are coupled with various measures to strengthen the socialist economy. On 30 November 2009, North Korea announced currency reform, substituting new coins and bills for all currency in circulation at the rate of 1:100 and with a maximum limit of exchange between 100,000 and 300,000 won. The purpose and results of this reform were intensely debated in South Korea, but most agree that the two main intentions were to control inflation and repress emerging market powers. In other words, this drastic measure was to eradicate rampant market forces that still thrive despite gradual counter-reform policies since 2006 designed to restore the socialist planning system (Hwang, 2009a). North Korean expert Rudiger Frank interprets this currency reform as an attempt to return to orthodox socialism. Specifically, it intends to eliminate the newly emerged middle class which threatens social collectivism (Frank, 2009).151

150 Kim Young-Nam, the Presidium of North Korea’s parliament, recently visited Singapore and Indonesia and Kim Yong-il, secretary of the Central Committee of the Workers’ Party travelled to Laos, Vietnam and Myanmar to strengthen bilateral ties and attract foreign investment (Y-j. Kim, 2012; Shin, 2012a).

151 About this reform, the South Korean media continuously reported serious social confusions and even the possibility of collapse of the economic system. This led to an interpretation that North Korea’s active efforts to attract foreign investment since early 2010 was an attempt to overcome the
North Korea’s typical mass campaign to raise productivity encourages the entire country to follow one or two regions as a role model. For instance, the North Korea state recently propagates ‘the flames of Hamnam’ as a model for a higher productivity in light industry and agriculture. Furthermore, the North resumed mass mobilization campaigns like the 150-Day Campaign and 100-Day Campaign in 2009, which shows that its socio-political system has become stabilized enough to conduct these campaigns.\(^{152}\) Finally, on 6 April 2010, North Korea revised the law governing the planning of the People’s Economy in the direction of re-strengthening the state’s authority to manage and control the national economy (S-Y. Kim, 2010).

After the sudden death of Kim Jong Il in December 2011, the new leader, his young son, Kim Jong Eun, maintains the orientation of economic development to be “true to the Instructions of the Great General Kim Jong Il” (the title of 2012 New Year’s Joint Editorial). It is reported that young Kim asserts “In the past, we could live without food, but not without bullets. However, now we do not need to secure bullets, but food” (Cho, 2010). Though the document is not available yet, it is reported that the North will test a new economic management system, called “6.28 measures” to give greater autonomy and increase economic incentives in factories and collective farms, for instance, allowing farmers to keep 30 percent of their annual yield (AFP, 2012). As always, some media hasten to conclude “North Korea is relinquishing its rickety central planning and crisis caused by currency reform. For instance, H. Lee (2010) relates the recent advance of the Sino-DPRK economic relations to North Korea’s desperate situation. However, Jeong (2010a) argues that the policies to attract foreign investment had already been announced before the currency reform and this move towards the outside world should be understood in conjunction with the strengthening of the planned economy through currency reform: “the harmony between market and planning” is now transformed into “the harmony between planning and foreign capital” (Jeong, 2010b).

\(^{152}\) The last mass campaign to heighten productivity was the 200-Day Campaign between 1988 and 1989 before the crises of the 1990s (The Editorial Committee for Chosun Encyclopedia, 2010).
rationing systems” (Shin, 2012b: no page). Yet as I have shown above, we need to take note of how North Korea’s own territorial imperatives – security first, economy next – remain at work.

VI. Conclusion

One of the roles of the state vis-à-vis today’s global economy has been to negotiate the intersection of national law and foreign actors—whether firms, markets or supranational organizations. … It is becoming clear that the role of the state in the process of deregulation involves the production of a series of instruments that grant foreign actors and international regimes rights to the territory of the state in a way that represents a rupture with the history of the last hundred years (Sassen, 2005: 527).

Sassen’s comment applies as much to North Korea as any other state today. Considering that “The geographical position of the DPRK is one of the most compelling and immutable factors in Pyongyang’s survival strategy” (S. Kim, 2007: 83), its territorial strategy is crucial for security and development. The location of North Korea – not only geopolitically surrounded by big powers but also geoeconomically occupying a central position in Northeast Asia the world’s most dynamic economic region – frame the possibilities for both territorial practices and representations. The traditional geopolitical sense of territory has been complicated by a new approach that emphasizes territory from geoeconomics. While North Korea set up the first SEZ to solve a currency shortage, the current SEZs with China reveal a territorial strategy of restructuring the national economy with advanced technologies and capital from the outside. The guarantee of security from nuclear power allows more room for geoeconomic logic, but the dilemma between security and development still lingers.
With these new territorial measures, the political-economic force to produce and reproduce the territory of North Korea does not originate solely from inside the borders, but also comes from beyond the borders.
Part II. Production of Territory ‘outside’ North Korea
Chapter 5:
Production of Territory 2.
Improvement of Security through Economy

I. Introduction
Since North Korea’s second nuclear test in 2009, China has shifted its North Korea strategy remarkably. All expectations were that China would join the U.S.-led international sanctions against the North. Instead it has actively forged new economic ties with North Korea, especially with the adoption of territorial policies. This chapter attempts to answer why China adjusts its position towards the North, even while it anticipates blame and criticism from the West. This new move arguably hurts China’s international image as a responsible member of global politics. It provides another impetus to the notion of a more “assertive” China which is being widely propagated in the Western media. The claims that China wants a stable North Korea or that China is economically incorporating the North, are not sufficient to explain the full dynamics of China’s geopolitical and geoeconomic imperatives. My goal in this chapter is to unravel the complicated nature of China’s North Korea strategy.

North Korea is only one of the fourteen countries that share land borders with China. However, its historical and geographical significance in Chinese foreign policy
is enormous. Sutter argues that except for Taiwan, there is no place more crucial to Chinese interests than the Korean peninsula (2012: 198). North Korea was the first foreign country that China’s likely next president, Xi Jinping visited after becoming Vice President in 2008 (Zheng and Chen, 2009: 20). Yet China’s vision of North Korea is highly contested both in and outside China. Until recently, the North was regarded as a bulwark against U.S. military forces (Shen, 2006b: 20). But since the 2000s, China’s complicated feelings toward North Korea have erupted as is shown by the expressions “a long-standing headache” (Shambaugh, 2003: 43), “North Korea fatigue” (International Crisis Group, 2009: 1), “a big thorn in China’s side” (S. Lee, 2011d: no page) or “a hot potato” (Snyder, 2011: no page). Nowadays, few see the relationship as the “lips and teeth” celebrated by Mao Zedong. Nevertheless, many argue that China’s strategy toward North Korea reveals an underlying consistency, viz.: Beijing’s “first priority” and “unassailable touchstone” for North Korea is stability (Gill, 2011: 4; Manyin and Nikitin, 2011; Nanto, 2011: 75; Nanto and Manyin, 2011). The logic here is simple: to concentrate on economic development, China needs a stable and peaceful environment. Until it achieves a certain level of economic growth, it does not want any instability in the periphery. In this sense, China’s position towards the Korean peninsula is often called “status-quo” (Bazhanov and Moltz, 2000: 172): “Beijing’s core interests, beliefs, and objectives regarding North Korea … almost certainly remain the same” (Swaine, 2009: 1). China does not want any serious changes in the Korean Peninsula. For instance, it supports a peaceful resolution of the North Korean nuclear issue while strongly opposing all military options. Also, despite its official position supporting a peaceful unification of the Korean Peninsula, China objects to Korean reunification (Ji,
2001; Snyder and Wit, 2007). Many Chinese scholars that I met also assert that Chinese policy toward North Korea has been consistent, without any major change.  

The conservative nature or inertia of this policy is generally criticized by experts outside China (Thompson, 2010; Christensen, 2011). For instance, H. Kim argues that “Chinese foreign policy has been characterized as ‘responsive’ rather than ‘initiative’ … The characteristic of China’s leadership, technocrats, and decision-making culture are [sic] rather resistant to any change” (2010: 70). Yet I argue that China’s strategy toward North Korea has been neither constant nor inert. China’s approach to North Korea is comprised of dynamic and superimposed efforts to involve various actors and interests, and address distinct imperatives. Specifically, we must pay attention to the complex interplays of various scales—to struggle with the U.S. for global hegemony after the collapse of the old Cold War order (global), to improve regional security in Northeast Asia against the North Korean nuclear weapons and missiles (regional), to sustain a stable national economic development (national), and to overcome regional inequality through economic growth of northeast China (local). A few studies address some of these aspects (e.g., Thompson (2011) and Cha (2012)), but they simply list them without scrutinizing their dynamic interactions.

Even more problematic is that the Western view of China’s North Korea policy contains a complex mix of hope, desire, frustration and anger. The West expects and pressures China to stand beside it in implementing sanctions against North Korea over its nuclear program (Lunn, 2007: 29; Gill, 2011: 3). However, China has betrayed that position by strengthening economic cooperation with North Korea since 2009. So most

153 However, when I asked them specific questions about the implications of joint development of the SEZs, they were embarrassed and dodged the questions.
scholars from the West (including Japan and South Korea) simply blame China for ‘supporting’ North Korea’s rogue behavior.\textsuperscript{154} In a similar vein, the West accuses China of pouring free aid to support the ‘belligerent’ North Korean regime. Nonetheless, more than a few studies of Chinese subsidy policy reveal that China has never supported North Korea with a sufficient amount of grain and oil. Its subsidies have never been stable but rather reflect changing political-economic conditions in the Korean Peninsula. For example, in the roundtable of the Asian Institute of Policy Studies, well-known experts on North Korea such as Victor Cha and Scott Snyder blamed China for irresponsibility in its role as a major power in global politics by not following the Western diagnosis of North Korea. They apparently hoped that the West could make China adjust its North Korea policy on the assumption that China does not know its best interests (Cha \textit{et al.}, 2010). Consider their arguments: “We need to get China on the same page again and make them understand the damage to regional security and China’s prestige caused by taking an agnostic position on North Korean actions … If China cannot influence a small state on its border, then it will show that it is not yet ready to play a leading role on the global stage … We need to get them to correct their inconsistencies” (\textit{Ibid.}: 5; 8; 12).

In general, we can recognize two extreme tendencies in the analysis of China’s North Korea policy. The first sticks to a fixed frame, i.e. China only favors maintaining the status-quo and therefore, all policy changes serve this goal. The other viewpoint tends to overstate each particular action by China against the North. For example, the fact that China joined in the UN Security Council Resolutions against the North Korea

\textsuperscript{154} For instance, as South Korean conservatives criticize liberal regimes for materially supporting North’s nuclear program, Gordon Chang charges China for the same cause: “By bolstering Kim Jong Il’s economy, China is giving the diminutive dictator the resources to build his nuclear arsenal” (2011b).
missile launch and nuclear tests are suggested as evidence that reveals a shift in China’s North Korea policy (Zhu, 2006). I reject both views. China’s strategy towards North Korea has changed, by evolving gradually. China’s pursuit of stability in the Korean peninsula is relentless (Kang, 2010; Lankov, 2010; S. Kim, 2011; L. Zhang, 2012). Toward this end, a stabilized North Korea is still critical. However, the measure and meaning of security has changed as political-economic relations evolve. Accordingly, how to achieve this goal has also varied. Yun contends that “China’s policy towards North Korea has remained consistent on a macro-level but evolved on a micro-level” (2012: no page). Yet it is not the scale of policy in which we can distinguish consistency from change. To be sure, China wants stability, but it also wants change. To gain stability is not necessarily to maintain the status quo. China has increased its involvement to deal with the growing insecurity in the Korean peninsula.

In sum, China’s goal in this region has become to acquire security-cum-stability, and to attain this goal China has employed various strategies. In doing so, they have made North Korea’s production of territory more complicated—while also facilitating certain territorial strategies.

In this chapter I analyze China’s North Korea strategy, focusing on its territorial practices and representations. I argue that China has shifted its territorial strategies toward North Korea to accommodate its security-cum-stability goals. In the past, its territorial practices and vision of the region mainly reflected geopolitical imperatives.

155 As another example, quoting an anonymous U.S. expert, Song (2012) argues that political scandal around Chinese politician Bo Xilai will shift China’s policy toward North Korea since this event reveals a dominant position of reformists over traditionalists who emphasize the importance of North Korea as a traditional ally. This assumes a simple and problematic translation of factional conflicts into foreign policy changes.
These territorial approaches faded during the 2000s when China attempted to shift its relationship with North Korea from the ‘lips and teeth’ into normal (i.e., more distant) state relationships. However, since late 2009 China has remobilized its territorial strategies in geoeconomic terms. While these policies are related to regional economic development – e.g. to gain access to the East Sea\textsuperscript{156} – the fundamental aim is to improve security-cum-stability. In short, China’s territorial strategies are to enhance geopolitical security through geoeconomic means. To grasp these dynamics, I examine three intertwined territorial features: China’s neighbor policy, regional development projects in northeast China, and the scalar and local politics of its North Korea policy. My central finding is that China’s North Korea strategy cannot be completely reduced to any single dimension, as these three facets are closely intertwined. This analysis implicitly criticizes the prevalent view of China as a monolithic state in which every lower organization and individual (or cadre) in the administrative hierarchy of party-state strictly implements decisions from the central government. The underlying tensions of scalar and local politics reveal that China’s North Korea approach derives from political conflicts, and that the central government still holds sway over decision-making, albeit in ways that are shaped locally.

II. North Korea as a Buffer Zone against the U.S. military

North Korea was never intrinsically valuable to China as a trading partner, as a model of Communism, or as a military ally. Instead, its paramount value to the Chinese was as an asset to keep out of the hands of other adversaries (Cha, 2012: 318).

\textsuperscript{156} There have been international disputes on the naming of the sea between South Korea and Japan. The former names it the East Sea, while the latter calls it the Sea of Japan (Y. Choi, 2009).
Since North Korea’s founding in 1948, China’s approach has been strongly shaped by geopolitics. North Korea was a strong bulwark and buffer zone against U.S military power. China sustained this particular geographical imaginary of the North during most of the Cold War. The geopolitical (strategic) value of North Korea was palpable. North Korea was “China’s northern gate … [and] a very important ideological and psychological ‘outpost’ that China would not allow the US to extend its influence all throughout” (Denney and Litt, 2012: no page). Even during the Cultural Revolution, when North Korea considered the severance of diplomatic relations with China, China abided by this vision. Yet the geopolitical value of North Korea was not just to keep at bay the U.S. army stationed in the South. Since the founding of the PRC in 1949, China has had twenty-three territorial disputes and conflicts with neighboring countries (the largest number in the world), including great powers like the Soviet Union and India (Ramachandran, 2011; Y. Wang, 2011). Alliance with North Korea enabled China to reduce its military deployment in northeast China and focus on more critical issues such as Taiwan. In this sense, Shen Dingli argues that China’s aid to the North is “in essence helping itself … [by] buying security insurance at a basement bargain price” (2006a: 20; 21, my emphasis). The provision of security was not one-sided but mutual since it also allowed North Korea to concentrate its military power on its narrower southern border.\(^{158}\)

During the Cold War, the two countries maintained a special relationship under

\(^{157}\) Bilateral relations were aggravated to such an extent that the Red Guards burned a portrait of Kim Il Sung, (personal interview with a researcher at the Chinese Academy of Social Science on 12 October 2011).

\(^{158}\) While the Sino-North Korean border is about 1,420km, the North-South Korea border is around 250km.
the Sino-North Korea Treaty of Friendship, Cooperation and Mutual Assistance, signed on July 11, 1961. Article II of this treaty stipulates: “In the event of one of the Contracting Parties being subjected to the armed attack by any state or several states jointly and thus being involved in a state of war, the other Contracting Party shall immediately render military and other assistance by all means at its disposal”. China signed this kind of pact with only two countries—the other was the Soviet Union (S. Lee, 2011c). The tensions during the Cultural Revolution and China’s displeasure with North Korea’s power succession eventually undermined this alliance. Nonetheless, geopolitical imperatives prevailed in China’s territorial conception of North Korea as a strategic buffer.

Through the 1980s their shared interests and identities further diverged, as China carried out economic reforms under Deng Xiaoping’s leadership (Nanto et al., 2010: 5). China’s normalization of diplomatic relations with South Korea in 1992 was decisive. China recognized South Korea and officially abolished the “one-Korea” policy which treated North Korea as the only legitimate government in the Korean Peninsula. Subsequently, China substituted commercial transactions for the free transfer of grain and energy, subsidized sales, and barter trade with the North. In addition to these economic measures, the Chinese government’s refusal to return defector Hwang

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160 Kim Jong Il published the article titled “Socialism is science” in Rodong Shinmun and implicitly criticized Chinese reform: “Today, traitors to socialism are also clamouring for a return to capitalism, harbouring illusions about capitalism and expecting ‘aid’ and ‘cooperation’ from the imperialists. History shows that to expect ‘good will’ or ‘class cooperation’ from the exploiter class is to make a mess of the revolution” (1994: no page).

161 Chong Wook Chung, the former South Korea’s Ambassador to China, claims that the timing of normalization was more problematic to the North than the fact itself because China was the only alliance that it could rely on after the collapse of the Soviet Bloc (2010: 5).
Jang Yop, the former Secretary of North Korea’s ruling Korean Workers Party, to North Korea, substantially weakened the bilateral relationship (C-J. Lee, 1996; Ji, 2001; International Crisis Group, 2006; J. Kim 2006): “relations between China and North Korea ‘were at an all-time low at the beginning of the post-Cold War years’” (Pollack, 2011: 104). China’s detached attitude towards North Korea also reflected a shift in the geopolitical conditions. The collapse of the Soviet Bloc, improvement in Sino-U.S. relations, and expanding economic cooperation with South Korea further reduced the geopolitical value of North Korea. China’s emphatic attention on its own economic development led to its adjustment of its trade relations with the North, abolishing “friendship prices” and demanding hard currency payments in the early 1990s (Garrett and Glaser, 1995; Choo, 2008). Considering North Korea’s financial predicament amidst the post-1989 disintegration of the socialist market, China’s measures were a heavy blow.

Some argue that this policy change displays China’s pursuit of its own national interests (rather than ideological solidarity) in its relation with the North (Garrett and Glaser, 1995; J. Kim, 2006; Moore, 2008). These views tend to see China’s national interests only in economic terms. China has always calculates its national interests in

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162 Wang Hui, a leading intellectual of China’s New Left, argues that “After 1978 the Chinese government gradually abandoned its policy of alignment with the Third World and the non-aligned countries; it placed its relationship with the United States, Japan, and other developed capitalist countries at the center of its foreign policy … From February to March 1979, China attacked Vietnam … The war was thus the true beginning of China’s entry and assimilation into the American-led economic order … From this moment on, the old socialist stance of internationalism gradually faded from the scene, and China’s previous one-sided policy of openness was transformed into another one-sided policy of openness – that is, openness toward the West” (2011: 42-3). In this vein, China’s North Korea policy can be understood in the context of China’s more fundamental shift in its foreign relations.
foreign relations; it was how it weighs its interests that has shifted.\textsuperscript{163} China placed a consistent emphasis on the geopolitical significance of the North during the Cold War. Since the early 1990s, China’s perception of its national interests has changed and strongly accentuates economic development on which the legitimacy of the CCP has drawn. China thus re-calculated the costs of aid and discounted prices for the North and changed to market-based trade (Thomson, 2011: 28). Of course, this does mean that China ceased to care about security and stability in the North. In 1996, China temporarily recovered its friendship prices and increased economic aid to North Korea, that it had reduced almost 80–90\% in early 1990s, because of North Korea’s severe economic crisis (Choo, 2008: 348; 351; Yoo, 2010a: 453). Nevertheless, China did not consistently provide economic aid. When the food and energy crisis was the most severe in the latter half of 1990s, bilateral trade fell to US$413 million in 1998 from US$656 million in 1997 and continued to decline to a low of US$379 million. This trend continued until 2001 (Ming, 2007: 2).\textsuperscript{164} This shows that China’s economic support was carefully re-calculated. The prevailing view that China provides “unconditional assistance” to the North (Beck, 2011: 39) is wrong: “[T]here is no clear

\textsuperscript{163} To interpret the Sino-North Korean relations through the prism of ideological solidarity not only neglects the complex histories between the two countries but is likely lead to naïve conclusions—for instance, that China’s intervention into the Korean War was due to ideological considerations. Then why didn’t the Soviet Union step in? It is already widely agreed that “Beijing was forced to support it [the Korean War] for its own strategic interests” (Cha, 2012: 318).

\textsuperscript{164} As an exception to declining bilateral trade, Snyder indicates the fact that Chinese exports of grain to North Korea increased from US$29 million in 1995 to US$129 million in 1996 and US$195 million in 1997, but declined again because of humanitarian support from UN agencies and South Korea (2009a: 114). Zhao Huji at the Party School of the Central Committee of the Communist Party of China argues that North Korea was frustrated by the fact that China only supplied 0.4 million tons of grain which was less than the U.S. (0.5 million tons) and consisted of feed grains not food grains. At the same time, Jilin province, neighbor North Korea, had a good harvest (Y-S. Lee, 2010). In addition, he explains that the gradual decline of Chinese oil exports between 1995 and 1999 was attributable to heavy oil shipments from the Korean Peninsula Energy Development Organization under the Geneva Agreed Framework of 1994 between North Korea and the United States (Ibid.,: 115).
evidence to suggest that the survival of the DRPK regime is decisively dependent on Chinese assistance and that Pyongyang would become compliant, as opposed to more desperate and defiant, in response to such a Chinese action” (Swaine, 2009: 11).

It is not true that “Sino-North Korean relations are being transformed from being ideology-motivated to interest-motivated” (J. Kim, 2006: 916). As Marx and Engels (1932 [1845-1846]) once clarified, ideology and interest are always inseparable. Not only have China’s national interests been redefined to reflect new geopolitical conditions, but Chinese socialism has also taken a pragmatic turn to justify and legitimize this change.

III. Liability or Strategic Asset: What is North Korea to China?

The frequency of high-level visits between Beijing and Pyongyang provides a useful yardstick to measure the state of bilateral relations. After China established diplomatic relations with South Korea in 1992, exchange visits of the top leaders came to a halt (C. Chung, 2010: 4). It was with Kim Jong Il’s visit to Beijing in May 2000 that bilateral relations were restored after eight years’ cooling-off time.\(^{165}\) In January 2001, Kim Jong Il paid another visit to China and Chinese President Jiang Zemin made a return visit to Pyongyang in September 2001. The resumption of top-level visits led to rapid development of economic relations (B. Zhang, 2005).

Although China radically shifted its economic policy toward North Korea in the 1990s,\(^{166}\) it moved to a more stable, market-based approach to the North during the 2000s. To maintain regional security, China tried to improve North Korea’s long-term...

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\(^{165}\) Kim’s last visit to China was in June 1983.

\(^{166}\) It is no doubt that this sudden policy change produced fallout. To the North, “the memory of being abandoned by its only ally at a time of utmost deprivation was not easily forgotten” (C. Chung, 2010: 6).
stability. Though the North recovered from its crises of the 1990s, China saw North Korea’s economic problems as resulting from its outdated and inefficient economic system. In my interviews, the scholars, businessmen and even government officials in China did not hide their opinions that the North Korean economy is not sustainable and therefore needs reform and opening-up. In particular, China did not want to bear the burden of supporting the North when it needed to put more investment into its own economic development (Gill, 2010). Samuel Kim describes China’s changing view of the two Koreas:

For China, from the national interest perspective of post-Mao reform and opening, the South Korean economy represented opportunities to be more fully exploited, whereas North Korea’s economic troubles posed a burden to be lessened, albeit without damaging geopolitical ties or causing system collapse (S. Kim, 2006b: 75).

China’s response was to increase trade and investment and forge a new cooperative economic relationship with the North based on pragmatism: “Beijing appears to believe the best way to ensure Pyongyang’s survival is to shape a kinder, gentler, more reform-minded North Korea” (Scobell, 2004: 16).167 To justify this shift in policy, some Chinese scholars used figurative expressions like “from a blood transfusion to blood making” (Chen, 2006: 25), and “helping one [North Korea] master the skills of fishing rather than granting the fish as in the past” (Y. Wang, 2011: 20). In other words, they argued that China should help the North deal with its economic problems in a more fundamental way than playing it by ear.168

167 Ironically, this expression was originally from Bush the First when he asserted “I want a kinder and gentler nation” (http://www.americanrhetoric.com/speeches/georgehbush1988nc.htm).

168 Aden (2011)’s study on Sino-North Korean trade and investment of mineral resources and trade
China had a clear idea of how to solve those problems: introduce its own success story. For instance, Chen (2006) claimed that Sino-DPRK economic cooperation could convince both the leader and people in North Korea of the necessity and efficiency of economic reform and opening-up. China’s economic engagement in the early and middle of 2000s is called ‘economic reform diplomacy’ to induce North Korea to follow the Chinese model. During this time, some Chinese analysts even asserted “North Korea’s only viable option to avoid national suicide is to emulate China’s reformist example” (Shambaugh, 2008: 83). In fact, China had continuously recommended that the North adopt the Chinese-style economic model. In June 1983, Deng Xiaoping invited Kim Jong Il to Shenzhen, one of the first SEZs of China, to learn about the Chinese reform experiment (Ji, 2001: 5). Yet except for this sort of study-tour, China had not made any substantial effort to facilitate the change of the North Korean economy until the late 1990s. Then from the early 2000s, China shifted to institutionalizing bilateral economic relationships and transforming their nature from aid to mutual cooperation (Chen, 2006; Liu, 2007; Global Times, 2010; Yoo, 2010b). To assist and supervise companies investing in the North, China set up the Beijing Sino-Korea Economic & Cultural Exchange Company (Beijing Chaohua Youlian), Shenyang Municipal Association of Entrepreneurs (Shenyangshi Qiyejia Xiehui), and Dandong Municipal Economic Consultation Center for the Korean Peninsula (Dandongshi Chaoxianbandao Jingji Zixun Zhongxin) in February 2004. Both governments signed shows China’s market-oriented approach to the North.

Perhaps we can read the geopolitics of representation here. To paraphrase Slater (2004: 175), China might have the narcissistic assumption that North Korea could only be improved by becoming more like China itself, though China did not force the issue like the West.

In general, the prevalent view of China’s ultimate goal toward the Korean peninsula has been to maintain a “status quo”. However, Chinese new efforts to transform its relation with the North into a normal state-to-state relationship is also termed as “status quo plus” (Scobell, 2004: 16).
“Investment Encouragement and Protection Agreement” in March 2005 (Yoon and Lee, 2013: 23). Since China intended to construct market-oriented relations with the North, it encouraged local governments and entrepreneurs to actively engage in business with and in North Korea. The role of central government was relatively limited to “set[s] the general direction and pace of investment” (J. Kim, 2006: 902). This position is also condensed into the official principle of China’s economic policy towards the North: “政府引导，企业为主，市场运作，互利共赢” (government-guided, enterprise-based, market-operated, win-win) (Yoon and Lee, 2013: 23). This corresponds the Chinese Premier, Wen Jiabao’s speech in April 2004 when Kim Jong Il visited Beijing: “The Chinese side will actively encourage its enterprises to conduct mutually-beneficial cooperation in various forms with the DPRK side” (Xinhua News, 2004: no page).  

We can explore this policy transition in terms of China’s new strategies for peripheral regions and investment policy. The fourth generation of PRC leaders, led by Hu Jintao, took office in November 2002 and has taken a different approach to foreign relations than the Jiang Zemin government. It highlights relations with neighboring countries under a new strategy which has been called China’s version of Franklin Roosevelt’s “good neighbor policy,” “睦邻政策, mulin zhengce” to aim to build “an amicable, tranquil and prosperous neighborhood” (睦邻 mulin, 安邻 anlin, 富邻 fulin) (Chung, 2009; Ye, 2010; Zhao, 2011). In his speech in October 7, 2003, Wen Jiabao explains China’s new neighbor policy:  

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171 While Premier Wen clarified enterprises as a main performer in bilateral economic relations, he did not specify who would be the partner from the North. In fact, it was the North Korean government and small businesses from China that led Sino-DPRK economic cooperation during the 2000s (Cho and Kim, 2011: 13).
Under the new circumstances, China’s policy guiding its relations with its neighbours is: to become a good neighbor and a good partner, to strengthen good neighbourly ties, to intensify regional cooperation, and to push China’s exchanges and cooperation with its neighbors to a new high. … To build an amicable neighborhood means adherence to the Chinese philosophy which emphasizes benevolence, good neighbourliness and harmony. Guided by the principles that all countries, big or small, are equal and that one should live amicably with its neighbors, China is ready to work together with its neighbours to foster stable and harmonious state-to-state relations in the region. To build a tranquil neighborhood is to actively maintain peace and stability in the region, to consistently enhance mutual trust through dialogue and cooperation, and to settle disputes through peaceful negotiations, thus creating a peaceful, tranquil and stable regional environment for Asia's development. To build a prosperous neighborhood is to step up mutually beneficial cooperation with the neighboring countries, deepen regional and sub-regional cooperation, and vigorously facilitate economic integration in the region, thus achieving common development with other Asian countries (my emphasis).172

This strategy thus has three underlying purposes: to create a stable peripheral environment to enable China to concentrate on economic development, to appease any concerns of neighboring countries about China’s increasing influence, and to strengthen regional ties in anticipation of a future deterioration of Sino-U.S. relations (Zhang and Tang, 2005: 50; Freeman and Thompson, 2011: 10). This focus on peripheral regions is further supported by the Chinese government’s programs for underdeveloped border regions such as “Western Development Program” (WDP) and “Prosperous Borders, Wealthy Minorities” program (PBWM) to promote stability and development of across the borders as well as minority border regions (Freeman and Thompson, 2011: 16). In addition a new policy to encourage foreign investment, which was titled “go abroad (or going out)” (zouchuqu, 走出去) and has been implemented since 2002, has actively encouraged Chinese firms to invest overseas. Between 2003 and 2009, Chinese outward

foreign direct investment (FDI) showed an explosive increase of 1,400 percent and its non-financial outward FDI in 2010 amounted to US$59 billion (T. Xu, 2011). In particular, neighboring countries account for more than 60 percent of Chinese overseas investment (Chung, 2009).

Many see the main target of China’s new neighbor policy as Southeast Asia (Ba, 2003; Percival, 2007; Glassman, 2010). After all, it was at the ASEAN Business & Investment Summit that Premier Wen gave his symbolic speech cited above. However, China’s new approach to North Korea can be also interpreted in terms of this “good neighbor” policy (Freeman and Thompson, 2011; H. Kim, 2010). Sun (2008) argues that North Korea is a strategic priority for China’s “go abroad” policy. Furthermore, the Yanbian Korean Autonomous Prefecture that borders North Korea received central government’s ongoing funding to facilitate infrastructure development to enhance its links with not only Chinese domestic regions but also its neighboring countries Russia and North Korea (Freeman and Thompson, 2011: 33-34). In particular, the fact that Yanbian is the only region in China to benefit from all three major central funding projects – the PBWM, WDP, and RNE (Revitalize the Northeast, which I will examine below) (Ibid.: 34) – demonstrates China’s serious commitment to stability and development of this border region and its beneficial effect on North Korea. As a result, as I showed in Chapter 1, China’s trade and investment in North Korea rapidly expanded during the 2000s.173 The fundamental tenor of China’s new peripheral strategy

173 Some analysts contend that the Chinese state actively guided investment in North Korea, and therefore its economic efforts are politically motivated (J. Kim, 2006: 908). However, this opinion overstates the role of the Chinese government. Both my interviews with the Chinese businessmen and research on the Chinese firms that do business in North Korea (Haggard et al., 2011; Thompson, 2011; Haggard and Noland, 2012b) confirm that the Chinese government rarely supports, intervenes,
generally corresponds to its switch in North Korean policy—improving stability through market-oriented principles. Nonetheless, we cannot reduce China’s geoeconomic moves to simply peripheral strategy because North Korea’s security problems render it impossible.

In retrospect, then, China’s new economic policy toward North Korea was feasible due to the improvement of its security environment, a result of external dynamics. China-U.S. relations were “remarkably smooth” and “a positive-sum development” in the early 2000s (Shambaugh, 2005: 42; Dumbaugh, 2006: 1). This was mainly attributable to the U.S.’s strategic adjustment in China policy after September 11 (Yang, 2002). In addition, inter-Korean relations were substantially restored after the first summit meeting in July 2000. The stabilization of the Korean peninsula provided some room for maneuver for China’s North Korea policy.

Yet until the present day, Chinese efforts to seek two goals simultaneously—profits for Chinese firms and stabilization of North Korea—encounter formidable obstacles from increasing tensions between North Korea and the U.S. Perhaps China expects too much to hope that its market-based policy tools can perform magic and transform the North while resolving regional insecurities.
Figure 5.1: Northeast China
The second nuclear crisis on the Korean peninsula was exacerbated by North Korea’s withdrawal from the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) on January 10, 2003. This provoked a new debate about whether the North was a strategic asset or liability, especially among overseas Chinese scholars (S. Kim, 2003: 15). For instance, Anne Wu argued that China’s traditional view of North Korea as a buffer seemed “both obsolete and self-destructive” because Sino-U.S. cooperation against the North Korea’s nuclear arms would be effective (2005: 39). The Chinese government also shifted from its “passive, risk-averse ‘who me’ stand” or “a discreet behind-the-scenes approach” that it held during the first nuclear crisis between 1993 and 1994 (S. Kim, 2006a: 12; J. Park, 2010: no page). China’s chairmanship of the Six-Party Talks, initiated in August 2003, symbolically revealed its new diplomatic approach to the North Korean issue in terms of “proactive crisis management” (S. Kim, 2006a). This new move not only enhanced China’s image as a responsible member of the international community but presented the North as a bargaining chip against the U.S. (especially useful apropos Taiwan). Yet North Korea could also become a double-edged sword to China. If China could influence North Korean policy, it could use the North as leverage, for example, to negotiate with the U.S. on the issue of arms sales to Taiwan. On the other hand, if China failed, it would have to accept liability as the closest ally, biggest donor, and the country that had “has the most significant economic and political leverage over the North Korean regime” (H. Zhang, 2009: no page).

China’s changing stance on North Korea’s nuclear issue reflects its concern about

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174 In this sense, Li (2011) claims that China’s leverage over the U.S. lies in its North Korea card. However, this view seems superficial and pays little attention to economic dynamics.
increasing regional insecurity. China often expressed its troubled position in relation to its unruly neighbor as “Beijing seems to view Pyongyang as a troubled teenager lacking adult supervision who lives right next door in a decrepit old house with a large arsenal of lethal weapons and exhibiting strong self-destructive tendencies. A confrontation, or— heaven forbid—battle between the teen and the police threatens to damage China’s newly remodeled mansion” (Scobell, 2004: 28). China deployed the People’s Liberation Army (PLA) to the border with North Korea in substitution for the paramilitary frontier guards in 2003 (Twomey, 2008: 416). Experts offer a variety of explanations for this measure: to pressure Pyongyang for its military provocations, to prevent illegal border crossings, or to enact a military restructuring process (Twomey, 2008; Freeman and Thompson, 2011).\footnote{A large number of experts see a flood of refugees into northeast China in case of a North Korean collapse as one of the dominant reasons why China is concerned about North Korea’s security (S. Kim, 2006b; Freeman and Thompson, 2011; S. Lee, 2011c). Yet, some Chinese scholars reject this view because China’s vast territory can offset its impact (L. Zhang, 2006: 16).} Yet Jang-Hwan Joo argues that this action was a response to the U.S. military acts against the North. This seems more persuasive to me, considering the war-like gestures of the U.S. during the first nuclear crisis in 1994 (Joo, 2012). China’s “two pronged approach to North Korea”, separating the nuclear issue from the economy during the early 2000s, almost achieved success with the September 19 Joint Statement issued during the Six-Party Talks in 2005 (Moore, 2008: 2). From this China gained a reputation as a constructive mediator in global politics, and this agreement was expected to lead to a stable regional security structure.\footnote{Yet Pollack (2009) argues that China’s growing engagement in global politics and economy has weakened its historical relations with North Korea.} Unfortunately, that stability has always been complicated by not just North Korea’s nuclear capacity but also hostile relations between the U.S. and North Korea and between Japan and North Korea (X. Zhang, 2006).
Thus, China’s strategy towards the North faced a serious challenge with North Korea’s first nuclear test in October 2006.

China’s official response to this test was to describe it as “hanran (悍然)” meaning “brazen” or “flagrant.” (C. Chung, 2010: 23; Snyder, 2010b; Wang and Song, 2011: 52).177 This expression, which China had not previously used about one of its allies, reveals China’s frustration with North Korea178: “A nuclear test on China’s eastern doorstep had undermined fundamental Chinese political and security interests, leaving Beijing in a passive and diminished position” (Pollack, 2011: 150). The North’s nuclear test brought about heated debates inside China about whether North Korea was more a liability than a buffer (Sun, 2010). An increasing number of Chinese scholars began to view North Korea as a strategic liability (Lai, 2009).179 For instance, B. Lim contends that “the teeth keep biting the lips, and it’s hurting” (2012: no page). Zhu Feng, Professor at Peking University, argues that this test was “the last straw to substantively spur Beijing to rethink its relationship with the North” (2006: 45) and Xuetong Yan from Tsinghua University complains that “The old relationship has gone to hell” (McGregor, 2006: no page). China’s reactions went beyond words. It is reported that China cut off North Korea’s oil supply through the pipeline, though temporarily. This had happened

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177 On October 9, 2006, China’s ambassador to the United Nations, Wang Guangya, asserted “the Democratic People’s Republic of Korea had flagrantly conducted a nuclear test in disregard of the common opposition of the international community” (cite from http://www.un.org/News/Press/docs/2006/sc8853.doc.htm, my emphasis). While some understand that the Chinese Ministry of Foreign Affairs, selected this term, Sunny Lee, a Beijing-based journalist, argues that the expression is instructed by “above” (2010b: no page). Jakobson and Know claim that Hu Jintao decided to use this wording (2010: 5).

178 Liangui Zhang, a well-known critic of North Korea, claims of this test that “This is the biggest diplomatic failure since the establishment of the People’s Republic [in 1949]” (McGregor, 2006: no page).

once before in 2003, when China stopped its oil shipment to the North for three days (Ji, 2011: 17), a measure interpreted as a strong signal from China to the North to denounce its nuclear program (Demick, 2009; J. Lee, 2009; Miller, 2012). After North Korea’s nuclear test in 2006, China used this economic means again to express its outrage at the North, though the Chinese government denied this interpretation (Chanlett-Avery, 2011: 10). Along with this surprising action, China agreed to UN Security Council Resolution 1718 and joined in international sanctions. Top-level visits were also suspended after this test.

China’s coercive measures against North Korea were cheered loudly by the West. Moore argues, “Quite simply put, North Korea has become ‘a liability’ to China” (2008: 12). Twomey saw the Chinese actions as “path breaking” and argues that China is “distancing itself from the former alliance commitments … and increasingly treating North Korea as a rogue state” (2008: 414; 420). This statement is no doubt an exaggeration; China would never abandon North Korea. Still, the worst scenario for China is that it would directly face U.S. troops along the Chinese border in the event of a North Korean collapse (Ming, 2007). Especially since China seriously considers the possibility of Sino-U.S. conflict in the Taiwan Strait, to allow another battle front in the northeast would only aggravate its security (Ji, 2011: 8-9). Hence the buffer mentality may weaken but will not dissipate. Moreover, the economic logic persists. Thus China has not give up hope on the effectiveness of the Six-Party Talks. It was only after

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180 The Chinese government announced that this interruption was ascribed to technical problems of the pipe line (Shen, 2009a: 177).
181 Prior to this, China consented to pass UN Security Council Resolution 1695 to condemn North Korea’s long-range missile launches in July 2006. This was China’s first official denunciation and legal sanction of North Korea on the international stage.
North Korea’s second nuclear test in May 2009 that China substantially modified its North Korea strategy again and in a surprising way: “Chinese policy has moved sharply and visibly to prop up the Kim Jong-il regime and strengthen ties at all levels” (Fitzpatrick, 2011:4).

IV. The Revival of a Buffer Zone?

[After North Korea’s second nuclear test] the Sino-DPRK component is no longer a “normal” relationship, but is taking on a renewed strategic value (Snyder, 2010a: no page).

North Korea’s first nuclear test gravely undermined China’s territorial imaginary. North Korea was no longer a strong buffer. Accordingly, when North Korea conducted another nuclear experiment in May 2009, many experts outside China foretold that China’s patience with North Korea would become exhausted. For instance, Glaser concluded that the debate around North Korea’s value was over and “a new consensus may be forming around the assessment that North Korea is a strategic liability for China” (2009: 39). H. Zhang (2009) claimed that the buffer mentality was no longer viable and China should replace its “pure carrot” approach and diversify its policy options to pressure the North. Reactions from inside China were also violent. Zhu Feng described this test as “not just a slap in the face of China, but a strong wake-up call for the Chinese leadership to face up to the malignant nature of their North Korean counterparts” (2009: no page). Few doubted that China would adopt stronger sanctions to punish its unruly neighbor. Yet China’s response to North Korea’s second test was starkly different from three years before.
Though China supported UN Security Council Resolution 1874 that condemned the North’s second nuclear experiment, its next move was contrary to Western expectations. Not only was its official response “far less harsh” (Gill, 2011: 2), high-level visits between China and North Korea escalated with more than 40 official events and 120 delegations in 2009 (Snyder and Byun, 2010: no page). The most crucial moment came in October 2009 with Premier Wen Jiabao’s visit to Pyongyang. Both countries signed “the biggest economic cooperation agreement since 1945” (J-H. Kim, 2011: no page) and after this visit, bilateral economic relations enter a new phase.

What explains China’s shift in its North Korea strategy?

It is reported that in July 2009, the Central Leading Group for Foreign Affairs Work, which is chaired by Hu Jintao and makes the most important foreign policy decisions in the CCP (Jakobson and Know, 2010: 5), held a meeting and decided to put the stabilization of North Korea above denuclearization (Chi, 2011; Cho, 2011; S. Lee, 2012a). This information was first publicized by South Korean analysts. All the Chinese scholars and governmental officials whom I interviewed denied the existence of this meeting. They claimed that it would be impossible to know not only which decision was made in that meeting but also whether the meeting was held or not (except among the top officials who participated). Regardless, Wen’s visit marked an important turning point in China’s North Korea strategy. We can recognize this change through the comparison of the editorials from the Global Times (Huanqiu Shibao) in 2009 and 2011. Right after North Korea’s test, this newspaper ran an editorial criticizing North

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182 About this visit, a Chinese netizen narrates “It must be a huge encouragement for North Korea that, when the whole world is isolating them, our premier is there to give them hope” (Al Jazeera, 2009: no page).
Korea’s nuclear weapons for “seriously jeopardize[ing] regional security” and calling it “a dead end for the DPRK” (Global Times, 2009: no page). Yet its tone shifts in its editorial in May 2011: “Given that it is now cornered, North Korea has no choice but to secure state power instead of seeking economic development. … As for China, it should not duck its responsibility to help its neighbors become prosperous and stable, which is in line with its own interests” (Global Times, 2011: no page). This recent editorial clearly shows China’s altered position vis-à-vis North Korea.

The Western frustration is also revealing. Thomas Christensen praises China’s North Korea policy of the period between 2006 and 2008 as “constructive and assertive … unprecedented in the history of the People’s Republic of China’s foreign relations” (2011: 54). As for China’s policy shift in 2009, he says:

Unfortunately, China has failed to maintain this positive momentum in its foreign policy, damaging U.S.-Chinese relations in the process. The most dramatic change is in its [China’s] North Korea policy: rather than pressuring Pyongyang after its nuclear and missile tests in the spring of 2009, Beijing seems to have doubled down on its economic and political ties with Kim Jong Il’s regime (Ibid.,: 57).

He also asks “How can China portray itself as a great power when it cannot even influence the behavior of its weak neighbor and ally, which is entirely dependent on its economic ties to China?” (Ibid.,: 63). Other Western critics intensified their condemnations after the sinking of the South Korean warship Cheonan and North Korea’s shelling of Yeonpyeong Island in the Yellow Sea in 2010: “Beijing is casting a growing shadow over Washington’s stalemated denuclearization-centered North Korea

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183 To the West, China’s new economic engagement with the North is regarded as a violation of UN Security Council Resolution 1874 (Snyder, 2009b; Chang, 2011b).
policy” (J. Park, 2010: no page); “Beijing has clearly lost its balance … to shield the North Korean regime … [and its response to these military conflicts is] disappointing enough … strategically short-sighted” (Roy, 2010: no page); “[North Korea’s] dictatorship kept afloat by Chinese aid and political protection” (Dyer, 2010: no page).

The former commander of U.S. Forces Korea, Gen. Burwell B. Bell even suggests that China is encouraging North Korea: “China is not being helpful in reining in Kim Jung Il and his rogue regime. Indeed, China may be encouraging North Korea’s rogue behavior” (2010: no page, my emphasis). Even Shanghai-based Chinese scholars are concerned about China’s North Korea policy in that it undermines China’s trust and influence in the international arena (Shen, 2011).

China’s dramatic shift of North Korea policy is generally explained from three distinct perspectives. First, China’s official stance claims that there is in fact no change. A number of Chinese scholars defend this position and argue that China has always supported North Korea and maintains the status quo—‘peace and stability’ in their terms (Cui, 2009; Cai, 2010; Ji, 2011). There are different ways to interpret China’s status-quo position toward the North. The dominant group of scholars cites geographical factors; China and North Korea share a 1,420 km (880 mile) border and the location of North Korea is strategically important to the defense of Beijing (Cai, 2010: 152). Despite improvement in Sino-U.S. relationships, tens of thousands of U.S. troops in South Korea still present a significant threat to China, and North Korea can be a shortcut for military penetration. In a word, North Korea still offers a strategic buffer to China.

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184 About the Western criticism of China for not reining North Korea, it is worth noting Nicole Finnemann’s suggestion that the West should be “more creative in their approaches to Beijing, instead of making the usual exasperated statements of ‘China needs to do X’” (S. Lee, 2011d: no page).
For this reason, Jian Cai argues that “the most distinctive characteristic of China’s policy toward the Korean peninsula is consistency” (*Ibid.*).\(^{185}\) Zhu Feng offers a different interpretation. He argues that China does not favor or strategically pursue a status-quo policy, but China’s policy reflects policy inertia or indecisiveness (Zhu, 2010b). China’s North Korea strategy is not sensitive to its own national interests but is an outcome of “obsolete ideology, emotional ties … the usual bureaucratic love of the status quo” (Zhu, 2010a: no page, emphasis in original).\(^{186}\) By contrast, Jin Zhe, Chief Secretary of the Korean Peninsula Research Centre at the Liaoning Academy of Social Sciences, argues that China does not just passively maintain the status quo, but desperately keeps up the status-quo to prevent any regional instability. In this sense, he claims that the implication of status quo in China’s policy of North Korea requires renewed attention.\(^{187}\)

Second, some analysts focus on Chinese economic interests in its policy shift. North Korea is essential for China in developing its northeastern economy and acquiring a rich and stable resource base and cheap but well-disciplined labor power. For instance, Chan-Woo Lee, a Tokyo-based Korean expert on North Korea, contends that while North Korea could be “an airway for development” to China’s northeastern economy, the latter could also function as economic hinterland for the North (2011: 349). In particular, China’s tireless efforts to gain access to the East Sea for landlocked Jilin province suggest a strong economic imperative in its relation with North Korea. A particular geographical imagination is at work here, emphasizing North Korea as an irreplaceable

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\(^{185}\) T. Lee (2009) points out that China has a strong tendency not to acknowledge any change in the bilateral relationship.

\(^{186}\) In a similar vein, a South Korea expert on China argues that the status-quo of China’s North Korea policy stems from its inherent conservatism in policy-making (H. Kim, 2011).

\(^{187}\) Personal interview on 15 August 2011
economic corridor for northeast China. South Korean journalists and scholars stress China’s geoeconomic interests and are concerned about China’s growing exploitation of North Korea’s economy since Wen’s visit (addressed below in Chapter 6). Chi (2011) calls China’s new policy on North Korea since 2009 “China’s economic engagement” strategy. Through the two axes from Liaoning and Jilin provinces to the two economic zones in Rason and Hwanggumphyong-Wihwa Islands (see below), the influx of Chinese money, goods and people will produce “one economic sphere” where China and North Korea are economically inseparable (B. Yang, 2011: 280). By this theory, China’s indiscriminate development of natural resources and exploitation of North Korea’s labor will make the bilateral economic relations less cooperative than exploitative. These scholars emphasize that unequal regional development within China has become serious and led to social instability in northeast China. To address these socio-economic problems, they argue that the Chinese central government needs economic cooperation with North Korea for the revitalization of underdeveloped northeast China.

Third, several analysts argue that China’s geostrategic interests underlie its recent move towards North Korea. Michishita (2010) is concerned that China can take advantage of North Korea in terms of its military-strategic purposes. He claims that China’s growing economic engagement with the North is not to support the economic recovery of North Korea in the long term but to increase China’s influence upon North Korea. Similarly, Gordon Chang even concludes that bilateral economic cooperation is “the stepping-stone to making North Korea a Chinese protectorate” (2011a: 73-4). Roy (2010) claims that China’s efforts to shield North Korea, especially from the military

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188 Please see Yoon and Lee (2013) for a further discussion of the negative implications of bilateral economic relations.
conflicts in the Yellow Sea in 2010, display its intention to secure this sea area as its sphere of influence.

The common problem with these three interpretations is to disregard the dynamic interactions between geoeconomic and geopolitical imperatives. In fairness, some scholars point out that China’s North Korea strategy implies an interdigitation of security and economic interests. For instance, Thompson argues that the bilateral economic relationship not only benefits Chinese businesses but also prevents a North Korean collapse and improves regional security: “Economic engagement with North Korea is therefore a critical component of China’s overall grand strategy for its own security” (Thompson, 2011: 78). Chanlett-Avery also sees that China’s expansion of economic ties with the North is designed to stabilize the North Korean economy and to maintain its strategic buffer (2011: 10-11). Jin (2010) argues that as regional security around the Korean peninsula and social stability in northeast China worsen, China is adopting geoeconomic policies to foster cooperation rather than conflict. The situation after the North’s second nuclear test implies a significant change in China’s North Korea policy—from the pursuit of geopolitical values to the pursuit of geoeconomic ones. He claims that the Chinese government more actively promotes North Korea’s economic reform and opening because North Korea’s economic stability can lessen geopolitical conflict and benefit the revitalization of the northeast China (S. Lee, 2010a).

Nevertheless, these readings of the shift in China’s North Korea strategy cannot

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189 For instance, the International Crisis Group says, “While preventing instability in North Korea is foremost in Beijing’s calculations, China sees strengthening economic ties as essential to enhancing its influence in the country and providing a channel for its long-term efforts to promote economic reforms” (2011: 15). Like this statement, many studies on Sino-North Korea relations tend to simply enumerate various interests that China has had in North Korea.
account for two crucial points: first, timing, i.e., why China has modified its strategy since 2009; and second, the specific changes in its strategy. I argue that in its North Korea policy, China is employing a new geoeconomic strategy to improve security. While North Korea’s second nuclear test was decisive in this shift, a serious deterioration of regional security – less from a higher possibility of a North Korean collapse than from escalating tensions in the Korean peninsula and the U.S.’s “Return to Asia” strategy – facilitates it. Economic interests in its relations with North Korea are not insignificant, but they never determine the fundamental guidelines of China’s North Korea strategy. With its new geoeconomic approach, China has adopted a territorial strategy, enhancing, modulating, or replacing its market-oriented policy. It entails the remobilization of a territorial strategy towards North Korea in geoeconomic terms. This implies more than an active management of insecurity in the periphery.

The strategic value of North Korea as a buffer is in the spotlight again. However, the means to maintain the buffer has altered. While China provided economic aid rather passively in the past, it now actively joins these investments with the construction of a stable buffer. Joint development and management of the two SEZs manifests China’s deployment of new territorial practices for the stabilization of the North Korean economy. And rather than standing in the background behind local government and businesses, the Chinese state is actively engaging in and leading this strategy.
The deterioration of China’s regional security

The United States is a Pacific power, and we are here to stay.

US President Obama (White House, 2011)

After North Korea’s second nuclear test, China’s crisis management strategy in the Korean peninsula required a significant adjustment. With just its two-pronged approach to North Korea – market-based economic policy and the Six-Party Talks – it became more difficult to maintain stability in the peninsula. The Chinese government faced a choice of whether to actively join the U.S.-led international sanctions on North Korea for its denuclearization or to lessen North Korea’s security concerns and improve its stability. This debate was “most heated” and “most divisive” (Jakobson and Know, 2010: 5; Christensen, 2011: 65)—“There’s no single policy divide in China greater than North Korea” (interview with Zhu Feng in Ramzy (2011)). Professor Qiang-yi Jin frames this debate as the controversy between the “North Korean nuclear problem” and the “North Korean problem” (in comprehensive terms including the nuclear issue, its economy, and a leadership crisis); he argues that if China only focuses on the former, it will result in dire consequences for regional security. China shifted its policy based on the judgment that sanctions could not make North Korea abandon its nuclear weapons. Accordingly, the Chinese government adopted a “comprehensive” approach that encompasses various complicated issues including North Korea’s insecurity and economic instability.190 Many interviewees that I met in China unofficially

190 Personal interview on 2 June 2011.
acknowledged that the second nuclear test confirms that North Korea has truly acquired nuclear capacity. China cannot abandon the goal of the North’s denuclearization. However, it wishes to prevent any drastic action to disrupt regional security. Instead, it has introduced more active measures to substantially improve regional security by stabilizing North Korea. China has discarded its non-committal attitude toward the North and decided to embrace it (Y-H. Lee, 2010). That is, China no longer feels obliged to prop up its belligerent neighbor. Rather than passively preventing a North Korean collapse, it is actively engaged in creating a stable, secure environment. A governmental official in Jilin province says, “While we protected the border with the arms in the past, we now protect it with economy”.\footnote{192}

Nevertheless, regional security has been further aggravated. Two incidents in the Yellow Sea – the sinking of Cheonan warship in March 2010 and the shelling of Yeonpyeong Island in November 2010 – seriously undermined stability in the region. As a result, since 2009, “[t]he most serious challenges facing China are from the Korean Peninsula” (Shen, 2011: 6). China’s belated response to the Cheonan incident and its refusal to place blame on North Korea demonstrate its predicament or “security dilemmas” (Thompson, 2010: 16), but they also bring about harsh responses from the West. Gordon Flake, a North Korean expert, argues: “Rather than promoting stability, China’s actions have led to instability. If China had joined in the criticism of the sinking of the Cheonan, would North Korea have bombed Yeonpyeong Island?” (Cha et al., 2010:

\footnote{191 China does not want a domino effect of North Korea’s nuclear development into neighboring countries like Japan, but it really does hate to corner North Korea (S. Lee, 2011b). While some argue that China’s new approach means separating the nuclear issue from the North Korean problem (International Crisis Group, 2011; Gong, 2012), it is more an adjustment of priority from denuclearization to stabilization of the North.}\footnote{192 Personal interview on 17 June 2011.}
While Western criticisms shift the responsibility for these incidents to China, China now senses a greater security threat that underlies these military conflicts in its neighboring seas: the U.S.’s “return (or back) to Asia”. \(^{194}\)

Since 2010, the U.S.’s refocus on the Asia-Pacific region has complicated China’s security strategy. This new strategy of the Obama administration is termed the “Pivot to Asia”. In her paper titled “America’s Pacific Century,” U.S. Secretary of State Hilary Clinton asserts:

> One of the most important tasks of American statecraft over the next decade will therefore be to lock in a substantially increased investment—diplomatic, economic, strategic, and otherwise—in the Asia-Pacific region. The Asia-Pacific has become a key driver of global politics … Harnessing Asia’s growth and dynamism is central to American economic and strategic interests and a key priority for President Obama. … Strategically, maintaining peace and security across the Asia-Pacific is increasingly crucial to global progress, whether through defending freedom of navigation in the South China Sea, countering the proliferation efforts of North Korea, or ensuring transparency in the military activities of the region's key players (Clinton, 2011: no page).

Martin Dempsey, the chairman of the Joint Chiefs of Staff, supports this statement saying “All of the trends—demographic trends, geopolitical trends, economic trends and military trends—are shifting toward the Pacific … So our strategic challenges in the future will

\(^{193}\) In a similar vein, Kleine-Ahlbrandt contends that China “has censured North Korea in the past after the 2006 and 2009 nuclear tests. Its failure to do the same now— for the Cheonan sinking, Yeonpyeong Island attack and Pyongyang's new uranium enrichment—endangers not just the region but also its own security interests” (2011: no page). Cossa and Glosserman (2010) blame China for acting as the “defense attorney” of North Korea about the Cheonan incident.

\(^{194}\) Criticizing the use of term ‘return,’ Cossa and Glosserman (2012a) argue that more appropriate expression is “rebalancing” or “refocus” because the U.S. was distracted by the Middle East but never left Asia. Weitz explains that the term “rebalancing” implies two different processes: “the U.S. military is rebalancing its global assets from other regions to Asia, as well as rebalancing within the Asia-Pacific region, reducing the concentration of forces from northeast Asia to a more widely distributed focus throughout the entire region” (2012: no page). See Cumings (2009) regarding the history of the U.S.’s engagement in the Pacific region.
largely emanate out of the Pacific region” (Burn, 2011: no page). U.S. leaders clearly recognize that the U.S. needs to hedge against the rise of China and safeguard the political-economic pre-eminence of the U.S. in this region to maintain its global hegemony. Grounds for engagement include protection of small countries from China’s increasing power. The U.S. needs “security or, rather, insecurity” and establishes “its continued relevance by fostering a dynamic of crisis and instability inside and around China” (P. Lee, 2011a: no page). It loudly promotes and circulates the China threat theory across the region to facilitate its presence (Wei, 2010: 40); “The ‘return to Asia’ is built around a security narrative that relies on framing China as an arrogant, aggressive, and destabilizing presence in the region” (P. Lee, 2011b: no page).

A sharp deterioration in the U.S.-China relationship has become noticeable in the periphery of China since 2010. The move of the U.S. to the Asia-Pacific region is currently afoot from the Yellow Sea and the Korean peninsula through the East China Sea near the Senkaku/Diaoyu Islands all the way to the South China Sea (Paal, 2012: 7).

195 Western analysts argue that China sees the 2008 financial crisis as a crucial moment in the decline of the U.S. hegemony; it drives China’s more assertive foreign strategy and threatens the U.S. position in the world (Dawnay, 2011).

196 The U.S. positions itself as the guardian and mediator in “contradictory Asia”: “the U.S. can create an atmosphere where countries can make decisions based on their own interests without being limited in responses or pressured to concede by stronger powers … strong U.S. leadership in economics and security can provide the freedom needed for countries to maneuver themselves safely toward greater prosperity” (Hamisevicz, 2012: no page). However, Walden Bello, a Philippines congressman, provides a different interpretation of the Obama administration’s new Asia-Pacific strategy: “The pivot is an attempt by Washington to retreat to an area for imperial power projection that it sees as more manageable than a Middle East that is running out of control”. In this respect, he claims that “One must not forget that China’s foreign policy is the product of over two centuries of Western intervention, a history that is shared by other countries in the region” (Bello, 2013: no page).

197 This security narrative not only produces “an assertive China” but also positions the U.S. as “a regional balancer” (National Committee on American Foreign Policy, 2010: 329). Another underlying vision of China in this narrative is to view China as an object to be controlled and regulated by the West: “2009-2010 will be remembered as the years in which China became difficult for the world to deal with” (Shambaugh, 2011: 7).
For instance, while the West believes that China’s support of North Korea, “ostensibly for sake of stability,” aggravates tensions in the Korean peninsula (International Crisis Group, 2011: 24), China interprets the U.S.-South Korea military exercises as a source of conflict in the region, comparable to the incidents involving North Korea in the Yellow Sea (Yang, 2010: 47). A recent highlight was President Obama’s announcement of the deployment of 2,500 US Marines to Darwin, Australia, to counter China’s power in the Asia-Pacific (Ewing, 2011). Scholars term the U.S. geopolitical maneuvers as a “C-shaped ring of encirclement,” “Asian versions of NATO” against China, or even “a new Cold War situation” (Yang, 2010:45; Duchâtel, 2011: 74). As Henry Kissinger says, “China’s greatest strategic fear is that an outside power or powers will establish military deployments around China’s periphery capable of encroaching on China’s territory or meddling in its domestic institutions” (2012: no page). These U.S. strategic moves obviously elevate China’s sense of insecurity. Hence Klare concludes that the U.S. “may be sowing the seeds of a new Cold War in Asia in 2011” (2011: no page).

Washington’s strategic pivot toward the Asia-Pacific is more than military and political. It pursues the Trans-Pacific Partnership (TPP) as an economic engagement strategy in this region, which is, according to Tom Donilon, President Obama’s National Security Advisor, “the most significant negotiation currently under way in the

198 Because the Chinese military perceives the Yellow Sea as “the gateway to China’s capital region,” military practices in this sea area are seriously threatening to China (Chase, 2011: no page). Beijing is located within the firing range of missiles from the U.S. warships in the Yellow Sea (K. Chung, 2010).
199 Cossa and Glosserman, American experts on East Asia, attribute the U.S.’s encirclement of China or consolidation of regional alliance to China’s “misguided, illogical and self-defeating policies” especially regarding North Korea (2012b: no page). In particular, Glosserman, terming this situation as “Cold War redux,” claims that China’s assertive actions aim to worsen the U.S.’s fiscal crisis (2011: no page).
200 Above all, the U.S.’s intervention in the Taiwan issue by, for instance, sustained arms sales is regarded by China as the U.S.’s lingering “Cold War mentality” in East Asia (K. Lim, 2012: 1367).
international trading system” (White House, 2012: no page). Flake and Stangarone
describe it as “a stepping stone to a 21st-century free trade area of the Asia-Pacific, and
perhaps the US best tool in a contest with China over the standards, rules, and norms of
trade and investment in the region” (2011: no page).201 This constitutes “a new
economic framework for the Asia-Pacific without China” (White, 2011: no page), in
other words, new geoeconomic formations to exclude China. Currently, nine countries
like Australia, New Zealand, and Vietnam have joined the TPP, and Canada, Mexico, and
Japan express interest in participation. While the U.S. does not officially prevent China
from joining the TPP, it has substantially excluded China through the creation of high
entry barriers that China will hardly accept (J-T. Lee, 2011). The U.S. expects that the
TPP will be a crucial platform through which it can continue “reasserting meaningful US
economic engagement in Asia” against the rise of a China-centered regional economic
order (Bergsten and Schott, 2010: no page).

The U.S.’s aggressive promotion of its new Asia-Pacific strategy underscores the
importance of a buffer zone to China. It forces reevaluation of North Korea to counter
the U.S.’s anti-China containment policy (Chun, 2011; Lam, 2011; Su, 2012). In
particular, the strengthening of the U.S.-Japan-South Korea triangular alliance
increasingly poses a great security challenge. While these countries ascribe frequent
military exercises on China’s doorstep to North Korea’s provocations,202 even Japanese

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201 To facilitate this plan, they deem the establishment of the United State-Korea Free Trade
Agreement (KORUS FTA) as crucial: “the ability of the US to pass the KORUS FTA has become a
litmus test for US leadership on trade in the entire Asia-Pacific region” (Flake and Stangarone, 2011:
no page).

202 In addition to the annual Ulchi Freedom Guardian (UFG) exercise, the U.S. and South Korea
conducted five military drills in the Yellow Sea in 2010, such as Key Resolve/Foal Eagle and anti-
submarine exercise (International Crisis Group, 2011: 26). One of these exercises on 22 November
led to the North Korea’s shelling of Yeonpyeong Island.
defense officials admit that North Korea’s threats are usually “a surrogate for China” (Glosserman, 2003: 107). To put this in perspective, Yang Yi, a retired Rear Admiral of the PLA navy, questions, “If China were to hold military exercises near Florida or Hawaii, would the United States feel this is a friendly posture?” (2010: 47).\(^{203}\) In addition, closer ties in the U.S.’s military relations with most of China’s neighboring countries including former adversaries or once estranged countries like Vietnam, Cambodia and India corners China. In an interview with Financial Times, one Chinese official expresses dissatisfaction with the US’s Asian strategy: “Look around the world, the US has dozens of well-established alliances … We only have one” (Dyer, 2010: no page). In short, China needs North Korea again. Hence the recent reemergence of the expression “blood-bound alliance” in the Chinese political and media rhetoric; it is not simply that North Korea’s crisis has deepened but that China feels threatened by the U.S. in Asia (Huang and Lü, 2011). Chen Xiangyang, an expert on China’s foreign relations, talks about China’s increasing regional insecurity: “The situation in China’s backyard has become more complicated, and there is a feeling that things are running out of control … Following the increase in Chinese power, we will need more friends. Otherwise we run the risk of isolation” (Hille, 2012: no page). While from the 1990s to mid-2000s, ‘to preserve regional security’ meant that North Korea should abstain from any provocation, now the implications of this phrase have changed. North Korea is no longer a liability to China because its buffer function has become more crucial to China’s regional security. For this, China has adopted a different approach from the past. China does not see only a market-based policy. Nor does it favor buttressing North Korea simply with economic

\(^{203}\) Chinese strategists suspect that the U.S.’s recent switch of its war games from the East Sea (Sea of Japan) to the Yellow Sea reveals a scheme to pressure China (K. Chung, 2010).
aid. Instead, China is jumping in by pursuing territorial strategies to stabilize the North Korean economy. Let us examine this strategy more closely.

Chinese deployment of a new territorial strategy

More than a bandaid solution through economic aid and small-scale trade and investment, China has adopted a fundamentally new approach to the North Korean economy (“中国更加看重从根源上促进朝鲜经济发展”) (Yan, 2011: 26). In his interview with The Washington Post, Jin Canrong, professor at the Renmin University of China argues that “Our current leaders, they pay more attention to stability … They don’t want to achieve something. They just want to avoid something” (Harlan, 2011: no page). This view fails to see the dynamics in China’s North Korea policy since 2009. Its new geoeconomic strategy is not just passively preventing a North Korean collapse. China clearly recognizes that it should do something more active for stability. During Wen Jiabao’s visit to Pyongyang in October 2009, the Chinese delegation included two important figures—National Development and Reform Commission Minister Zhang Ping and Minister of Commerce Chen Deming who are “the main architects and implementers of Chinese economic development” (J. Park, 2010: no page). This visit was followed by trans-border infrastructure development, including especially the construction of the new Yalu River Bridge and the renovation of the Tumen River Bridge—both fully funded by

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204 China does not openly ask North Korea to adopt the Chinese model of economic reform. For instance, a Chinese newspaper, Global Times says that “China’s successful reforms are attractive to North Korea, but the model cannot be forced upon Pyongyang, which has the right to choose its own path” (2012: no page). In addition, Wen Jiabao clearly announced “China supports the DPRK’s exploration of its own way of development in accordance with its domestic situation, and will continue to offer assistance within its capability” (Snyder and Byun, 2012: no page, my emphasis). Nevertheless, its territorial strategies are generally regarded as “a bid to encourage North Korea to launch Chinese-style market reforms” (Page, 2011: no page).
the Chinese government. Though there had been rumors about the new Yalu River Bridge since the early 2000s (Liu, 2006), its construction was finally initiated only after the bilateral agreement signed during Wen’s visit. The climax was reached with the announcement of joint development and management of two SEZs in North Korea’s border region. These projects symbolize a remarkable switch of the Chinese geoeconomic engagement from earlier patterns of market-oriented policies to territorial development projects.

In an interview with South Korean newspaper on September 21, 2000, Zhu Rongji, then-Premier, confirmed the fact that he had proposed to Kim Jong Il that North Korea should move the planned site of a new industrial park from Sinuiju (which means the Sinuiju SAR) in the Sino-DPRK border to near the DMZ (Liu, 2007: 16; Zhu, 2011: 119). Kim did not take his advice (as I note in Chapter 4), and China later thwarted the project. This episode plainly shows that the Chinese state did not have a deep interest in joining SEZ development in the North. At a minimum, it did not seem practical or profitable to participate in North Korea’s SEZ project back then. What led China to change its attitude and adopt these territorial strategies now? Here I argue that three elements contribute to this change: the ineffectiveness of market-based strategy, China’s enhanced economic power, and a heightened imperative for regional economic development.
China’s economic policy toward North Korea can be condensed into 16 Chinese characters: “政府引导、企业为主、市场运作、互利共赢” (government-guided, enterprise-based, market-operated, win-win). While the central government allows local governments and private companies to take the lead in economic cooperation projects, this method was not effective in the North Korean economy, where the central party-state monopolizes economic planning and decision-making. Though local governments from both countries agreed to joint economic projects, these agreements were easily overturned.
and canceled by the central government.\textsuperscript{205} To facilitate economic cooperation, China officially replaced the first principle from “government-guided” [政府引导] to “government-led” [政府主导] during the summit meeting between Kim Jong Il and Hu Jintao in August 2010 (Y-H. Lee, 2011; Li, 2011).\textsuperscript{206} Piao Jinyi from the Chinese Academy of Social Sciences explains: “China applied a market principle to North Korea in the past, but it did not work out well. So now the central government is pulling up its sleeves to lead the projects” (S. Lee, 2011a: no page). The direct involvement of the central government in the development of the SEZs demonstrates its determination to foster North Korea’s stability. Joint development and management of the SEZs is a more effective way to directly teach “how to catch fish” than market-oriented ways. More fundamentally, China’s territorial presence in North Korea, despite its geoeconomic nature, is expected to substantially deter any military operations targeting the North: “China sees North Korea as its ‘backyard’ in its strategy to balance the US troops in South Korea” (S. Lee, 2011c: no page).\textsuperscript{207} In sum, China’s deployment of territorial policies in geoeconomic terms entails a resurgence of the territorial vision of North Korea as a strategic buffer with a growing stake in geopolitical security.

\textsuperscript{205} In an interview with one professor at Northeast Asian Studies College of Jilin University, China, he explained that since the Rason city government did not have the authority for decision-making and it was very difficult and slow to obtain an approval of the central government, joint economic projects, though agreed on locally, were rarely advanced in the early and mid-2000s.\textsuperscript{206} In the third meeting of the Joint Guidance Committee for the management and development of the SEZs, both sides reaffirmed the first principle as “government-guided” [政府引导] (Cui, 2012). As Shen Danyang, spokesman for China's Ministry of Commerce says “construction of the two economic zones has entered the stage of introducing enterprises to invest in the zones” (Xinhua News, 2012b: no page), this reflects the progress in the development phase of the economic zones.\textsuperscript{207} On the other hand, experts on North Korea in South Korea are concerned that trans-border territorial linkages can be used as military routes through which Chinese troops could intervene in North Korea. China’s territorial presence legitimizes its military penetration into the North (Bajoria, 2010; Chi, 2011; Joo, 2012).
Second, China’s geoeconomic engagement with North Korea reflects certain dynamics of the Chinese economy. China’s phenomenal economic growth has enhanced the state’s capacity to channel economic resources into North Korea (Snyder, 2009a). China’s heavy funding of trans-border territorial projects to construct roads, railways, and ports along with joint development of the SEZs in North Korea is attributable to its strong financial power. Economic growth not only increases the government’s fiscal capacity; it also sharply lifts the purchasing power of the Chinese people.

Consider tourism, for instance. One of the agreements during Wen’s visit to the North in October 2009 was to promote bilateral tourism. The recent proliferation of Chinese tourism programs to North Korea, some of which include Russia’s Far East (e.g. Yanji – Hunchun – North Rajin and Sonbong; Yanji – Hoeryong – Chongjin – Mt. Chilbo; Yanji – Mt. Baekdu – North Rajin and Sonbong – Vladivostok; and Mt. Kumgang), is understood as a new channel to support North Korea (Guo, 2011). It is difficult for the Chinese government to give direct economic aid due to international sanctions. Instead an increasing number of Chinese tourists to North Korea indirectly support North Korea via their consumption.208

Third, China’s territorial strategy toward North Korea is also closely intertwined with the regional development of northeast China. The revitalization of the northeast economy benefits from the development of territorial linkages with North Korea, but the relations with the North never determine the shape of northeast China. To scrutinize

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208 Personal interview with a South Korean journalist in Shenyang, China, Jong-Kuk Park on July 24, 2011.
this relationship, I first examine the transformation of China’s regional development strategy and its effects on northeast China, then return to its relation with North Korea.

China’s northeast consists mainly of three provinces: Liaoning, Jilin, and Heilongjiang (see Figure 5.1). This region became a major industrial base during the Japanese occupation between 1931 and 1945, and underwent massive industrialization during the first Five-Year Plan between 1953 and 1957. The central government’s intensive investment along with Soviet assistance resulted in the concentration of more than one-quarter of China’s total industrial stock in Liaoning province by 1957 (Hurst, 2004: 96; World Bank, 2006: 5). The major form of business organization was the state-owned enterprise (SOE), and the northeastern regional economy mostly consisted of heavy and chemical industries, including important capital goods sectors (steel, mining, petroleum, shipbuilding, and railway equipment). As the largest industrial belt in China, northeast China was the “country’s industrial heartland” or the “cradle of industrialization” (Christoffersen, 2002: 225; Li, 2004: 1).

However, after China’s reforms began in 1978, the northeastern region was marginalized by economic liberalization. The regional development policy under Mao largely centered on values like regional equality, self-sufficiency, and national defense. However, since the late 1970s, efficiency, rapid economic growth, and openness have become the key concepts (Fan, 1995: 422-5). According to the new principles suggested by Deng Xiaoping (“getting rich first” and “pragmatism”), the Chinese government expanded uneven regional development, privileging the southern coastal region close to Hong Kong, Taiwan, and Macao (Fan, 1997). As this region (Guangdong province, especially) became a Chinese version of the Sunbelt, the
northeastern region turned into “the Stalinist rust belt of contemporary China” or “last fortress of a planned economy” because of the dominance of the SOEs, outdated facilities, and a lingering Maoist moral economy (Hurst, 2004: 97; Li, 2004). Chinese scholars began to call the resulting economic development lag and related social problems the “Northeast Phenomenon” (东北现象, dongbei xianxiang). Excluded by privileged support to other regions by the government, industrial productivity and profit stagnated or decreased across sectors. A large number of SOEs were closed and mineral resources which had promoted the development of heavy and chemical industries were depleted. Regional economic depression led to massive lay-offs and unemployment with severe social problems (Zhang, 2008: 112). The dominance of the SOEs in the northeast economy arguably prevented the growth of different types of economic organizations and activities. When the SOEs were bankrupted, workers faced a great shortage of jobs (World Bank, 2006: 6). Since local governments commanded insufficient resources to solve these structural problems, many local state officials felt betrayed by the central government (Hurst, 2004: 97). An increasing development gap among regions threatened social stability and weakened the political legitimacy of the Chinese party-state.

Since 2003, the Chinese central government has tried to address this “Northeast Phenomenon”. After he took office in March 2003, Premier Wen Jiabao made inspection tours to Liaoning in May and June and to Jilin and Heilongjiang in August 2003 (Dong, 2005: 2). On 5 October 2003, the Party center and the State Council announced “Certain Opinions Regarding Implementing the Strategies of Reviving the

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209 In agriculture, slow growth of farmers’ income and low efficiency in agriculture since the late 1990s is called the “New Northeast Phenomenon” (Dong, 2005; Mei et al., 2006).
Old Industrial Bases Including the Northeast” (关于实施东北地区等老工业基地振兴战略的若干意见), and launched a project to rejuvenate the old industrial bases of northeast China and to turn them into platforms for the manufacture of equipment and important raw materials. This strategy is called “Revitalize the Northeast” (振兴东北, zhenxing dongbei)).

Chung et al. (2009) suggest three major reasons that the central government selected the northeast region as the new target of regional development strategy: first, it is the natural result of the evolution in China’s regional development strategy. Deng Xiaoping’s “getting rich first” began from the south-eastern coastal regions, moved to the western inland under Jiang Zemin’s “Develop the West” (西部大开发, xibu dakaifa) programme in 1999, and rotated to the northeastern region under Hu Jintao and Wen Jiabao. More than just reviving the regional economy, this plan aims to making northeast region the “fourth engine” of China’s national economic growth after the Pearl River Delta, the Yangtze River delta, and the Beijing-Tianjin corridor (Li, 2004; Chung et al., 2009: 110). Second, regional economic decline, industrial restructuring, and rising unemployment have brought about a growing number of protests and serious social discontents in the northeast. The “Revitalize the Northeast” campaign thus represents the central government’s intervention to relieve widespread social tensions. Moreover, strong local demands play a critical role in making regeneration of the northeast economy a national priority. Since the mid-1990s, provincial officials have demanded funding from central government for infrastructure development and industrial restructuring.

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210 The Chinese government presents a brief history with major policies of the “Revitalize the Northeast” project at the website: http://www.chinaneast.gov.cn/static/e11315/11315.htm.
After the ascension of the Hu-Wen administration, their requests were accepted (I elaborate on the scalar politics of regional economic development below). Here I add that the northeastern development project is crucial to the Hu-Wen leadership as the symbolic achievement of the fourth generation of CCP leaders. The Eleventh Five-Year Plan (2006–2010) under the new administration adopted a new slogan “harmonious socialist society” (社会主义 和谐社会, shehui zhuyi hexie shehui), with a renewed idea about regional development based on the notion of “coordinated regional development” (区域协调发展, quyu xietiao fazhan), which means to change from uneven to equal regional development (Fan, 2006). To catch up with developed regions, the central government is accelerating the pace of reform and expanding economic opening in the underdeveloped regions.\textsuperscript{211} The time for “getting rich first” is over and “getting everyone rich” has arrived. In this vein, central power must not fail to revitalize the northeastern region: otherwise, not just their political legitimacy but the CCP’s monopolistic ruling system could be seriously damaged (Li, 2004: 2; Freeman, 2008: 5).

To be sure, the northeastern rejuvenation plan is a thoroughly capitalist strategy. Its aims are to reform the SOEs, especially their ownership, liberalize markets, encourage public-private partnerships, and improve infrastructure (World Bank, 2006; Chung et al., 2009). To facilitate the “Revive the Northeast” program, the central government approved development projects for four economic belts in northeast China: “Liaoning Coastal Economic Zone ‘Five Points and One Line’” (辽宁沿海经济带‘五点一线, hereafter, Liaoning Project), “Changchun-Jilin-Tumen River Development and Opening-

\textsuperscript{211} From the “Plan of Revitalizing Northeast China” (http://chinaneast.xinhuanet.com/2007-12/19/content_11981590.htm)
Up Pilot Zone” (长吉图开发开放先导区, hereafter, Chang-Ji-Tu Project), “Hadaqi
Industrial Corridor” (哈大齐工业走廊), and “Shenyang Economic Zone” (沈阳经济区)
(See Figure 5.3). Here I will examine the Liaoning Project and the Chang-Ji-Tu Project
because they are most closely linked with the trans-border development projects in North
Korea.

The central government promoted both of these projects from provincial to
national projects (the Liaoning Project in July 2009 and the Chang-Ji-Tu Project in
November 2009), so these belts now form the two key axes of “Revitalize the Northeast”.
In September 2009, the Chinese central government promulgated the document
“Opinions of the State Council on Further Implementing the Strategy of Revitalizing the
Old Industrial Bases Including Northeast China”. Based on its evaluation of the
“Revive the Northeast” plan, the State Council decided to accelerate both the Liaoning
and Chang-Ji-Tu Project (Article 6), strengthen infrastructure construction in this region
(Article 12), and open the region to the outside world and international cooperation
(Article 28).212

The Liaoning Project aims to integrate five key development areas: Dalian
Changxing Island Harbor Industrial Zone, Liaoning (Yingkou) Coastal Industrial Base
(including the Panjin ship industrial base), Western Liaoning Jinzhou Bay Coastal
Economic Zone (including Jinzhou Xihai Industrial Zone and Huludao North Port
Industrial Zone), Liaoning Dandong Industrial Park and Dalian Huayuankou Industrial
Park.

html.
Figure 5.3: Four Economic Belts in Northeast China

This map is based on information from http://www.chinaneast.gov.cn/2010-05/31/c_13324823.htm.
The plan is to build one 1,443km-long coastal road to connect these huge areas, and to develop them into a mega-industrial region (Song, 2007).

Because this project includes Dandong, a border city across from North Korea, some foreign analysts argue that the Liaoning Project enhances the connectivity between Dandong and Sinuiju in North Korea in the short term and will eventually strengthen the linkage between the Liaoning economy and North Korea’s development axis between Sinuiju and Pyongyang (Mimura, 2010; C-K. Kim, 2011a; Y-H. Lee, 2011). That is, the Liaoning Project is envisaged as a geoeconomic strategy towards North Korea (Cho, 2009). However, this reading seems to contradict China’s lukewarm attitude towards the development of the Hwanggumphyong SEZ which is located in the Yalu River between Dandong and Sinuiju (J-K. Park, 2011b).

The Chang-Ji-Tu Project was the first border development zone approved by China’s central government (Xinhua News, 2009). The project focuses on the improvement of both internal and external linkages of land-locked Jilin province through the upgrading and expansion of transportation infrastructure: first, to strengthen the connection among Changchun, Jilin and Tumen River areas; second, to enhance the linkages between the Chang-Ji-Tu area and other domestic regions; and third, to expand its opening through close cooperation with neighboring countries, in particular, North Korea and Russia (Wu and Yan, 2010: 3–10).
Figure 5.4: Liaoning Coastal Economic Zone ‘Five Points and One Line’\(^\text{214}\)

\(^{214}\) This map is based on information from http://www.chinadaily.com.cn/business/2006-05/08/content_584488.htm.
Unlike Liaoning province, which enjoys better access to the outside world, especially Japan and South Korea, and substantial economic capacity (compared with Jilin and Heilongjiang provinces), Jilin province needs to develop regional economic capacity and expand its external linkages. This is the reason why the project’s title “吉图开发开放先导区” includes both “development” (开发) and “opening” (开放) (Yum, 2011).

This project mobilizes spatial imaginaries to clarify spatial division of labor among locals: While Changchun and Jilin as traditional industrial bases play the role of engine (引擎) and hinterland (腹地), the Yanbian region (Yanji, Longjing and Tumen) functions as a front line (前沿) and Hunchun, which belongs to the Yanbian Prefecture and neighbors Russia and North Korea, becomes a window (窗口) (Cheng et al. 2010). In other words, Changchun and Jilin have an interest in internal regional development through the attraction of investment, but the Yanbian region favors the development of trans-border infrastructure and international economic cooperation. However, the modest government budget of Jilin province (J-L. Lee, 2011) led to conflicts around development priorities because of limited funding from the central government (more on this below).
Figure 5.5: The Chang-Ji-Tu Development Project\textsuperscript{215}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure5_5.png}
\caption{Map of the Chang-Ji-Tu Development Project.}
\end{figure}

\textsuperscript{215} This map is based on information from http://politics.people.com.cn/GB/101380/10512476.html.
Scholars from Yanbian and foreign experts see that the success of the Chang-Ji-Tu Project depends on the establishment of international corridors with neighboring countries to facilitate China’s access to the East Sea (J-K. Park, 2009; Yoon, 2009; Deng, 2010). In this sense, joint development of the Rason SEZ obviously benefits Jilin province. Currently, China only leases the first wharf of Rajin port, but plans to develop and use three more wharfs. Nevertheless, scholars and government officials in Changchun, provincial capital of Jilin province, though recognizing the advantages from economic cooperation with North Korea, tend not to regard it as decisive.216 My analysis of local and scalar politics of China’s North Korea strategy will show that seeing a clear connection between China’s regional development strategy and its North Korea policy is blind to political complexities in China.

Local and scalar politics of China’s North Korea strategy

Many analyses of China’s foreign policy presuppose that policy decisions and their implementation follow the top-down and hierarchical political structure controlled by the central party-state. Da Wei offers a meaningful criticism of the Western narrative of such an “assertive China”: “The overarching problem with the ‘arrogant’ or ‘tough’ narrative about China is that the basic unit for analysis is a monolithic nation, suggesting that it is a top-to-bottom unanimous entity” (2010: 38).217 In a similar vein, Gonzalez-Vicente criticizes the essentialist understanding of China:

216 Interviewees from Changchun and Yanbian took starkly different positions on the relation between the Chang-Ji-Tu Project and Sino-DPRK economic cooperation (I will discuss further below).
217 He follows this argument saying “As China goes through rapid political, economic and social changes, it moves further away from this kind of monolithic state” (Wei, 2010: 38). Yet, I reject this statement because the Chinese political structure has not gone through a linear evolution from a monolithic into a more diversified form of the party-state. Rather, this understanding results from a particular political imaginary of China.
The word ‘China’ is rarely disaggregated and on the contrary is often used to refer to things as different as ‘China’s central government’, ‘Chinese state’, ‘Chinese firms’, ‘China’s foreign policy makers’, ‘China’s industrial policy makers’, and in some cases even ‘Chinese people’, assuming unified aims and strategies among this wide range of actors … The analytical impasse is even more pervasive in the abundant ‘China Threat’ literature, which … presents China as a monolithic other, as a ‘yellow peril’ that must be feared in the zero-sum game of realist international relations (2011: 403).

In fairness, some studies emphasize the working of diverse actors such as the Ministry of Commerce, local governments, or large companies in Chinese foreign policy and show that their influences on policy-making has become substantial (Jakobson and Know, 2010; Gonzalez-Vicente, 2011). Nonetheless, most studies on China’s North Korea policy are still trapped in a fixed conception of the Chinese state.218 For example, Yeon-Chul Kim, a well-known South Korean expert on North Korea, expects further progress in bilateral economic cooperation between China and North Korea because “the Chinese central government has its own political interest, the economic logic of the Chinese firms is working, and northeast regional governments have a strong inclination to expand infrastructure” (2009: no page). This description presumes that Sino-North Korean economic relations are easily forged and regulated by the Chinese central government’s intentions.

Yet reality is not so simple. For one thing, “the political economy of China’s development is not determined by centralized geo-graphing alone, but negotiated in a multiplicity of local encounters” (Gonzalez-Vicente, 2011: 403). Moreover, I claim that

218 There are some researchers who examine the internal politics of the Chinese Communist Party, for example, the conflicts around North Korea policy among the CCP International Liaison Department and the Chinese military and the Ministry of Foreign Affairs (S. Lee, 2010b; Jakobson and Know, 2010; Bates, 2011; Chang, 2011a; Kwon, 2011b).
the working of various actors with dissimilar territorial imaginations of North Korea complicates China’s North Korea strategy. The Chinese state is not a monolithic power: it cannot control and guide other actors at will. An examination of local and scalar politics of China’s North Korea strategy and northeast regional development demonstrates the political dynamics of the interlacing of geopolitical and geoeconomic imperatives in the China’s North Korea policy. I focus my analysis on intergovernmental relations including central, provincial, and local governments. As bilateral economic relations have flourished during the 2000s, private actors have grown in the number and influence. Nevertheless, their powers are still limited because a majority of firms doing business in the North are small in scale and have little political leverage over government.219 For this reason, I exclude private actors from the analysis.

What are the common “economic interests” of northeast China in North Korea? Thomas Christensen argues that “economic interests in northeastern China … oppose policy innovations that would hurt their parochial interests” (2011: 62). More specifically, Gregory Moore affirms “leaders from China’s northeastern provinces have been urging Beijing to pressure North Korea for reform, making North Korean policy a domestic political issue in Beijing as well” (2008: 5). Is it possible to imagine that economic interests coincide among three different provinces, the size of each of which amounts to an individual country, in their relationships with North Korea? A similar problem is found in the claims of South Korean media and academia that the success of “Revive the Northeast” program depends on North Korea’s opening and for this reason,

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219 In my interviews, Chinese businessmen acknowledged that they neither received nor even expected state support. In this sense, they did not agree that private actors could influence government’s North Korea policy. Haggard and Noland’s survey (2012) also reveals that a great number of the private firms doing business in North Korea receive little support.
China (as a single-minded entity) has turned to territorial strategies in the North.220

What is striking about joint development projects is that the central government’s decisions are not automatically translated into a smooth implementation at the local level. According to the “Outline of DPRK-China Joint Development Plan for Rason and Hwanggumphyong Economic and Trade Zone”, for example, Jilin and Liaoning provincial governments are supposed to manage their respective projects. However, contrary to expectations, these provincial governments are not necessarily eager to take them on. About the Hwanggumphyong project, the Liaoning government seems less than enthusiastic due to its low economic potential. There are already many underdeveloped and unsold industrial estates in Dandong, and the Hwanggumphyong Islands are vulnerable to floods and not attractive to Chinese investors (J-K. Park, 2011a).

Since the Chinese economic reform and opening-up, local governments have played a critical role in boosting the Chinese economy, often called “entrepreneurial city” (Wu, 2003; Wu and Ma, 2005; Wu et al., 2007), “local corporatism” (Oi, 1992; Chung, 2007), or “local developmental state” (Zhu, 2004). McGee et al. note that local governments have changed from managerial to entrepreneurial functions and argue that state and market are now so interpenetrated that it is often impossible to distinguish the differences between “entrepreneurial bureaucrats” and “market entrepreneurs” (2007: 18). In addition, the central government actively encourages local authorities to engage in foreign-policy implementation and promote their own international linkages (Cabestan,

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220 This view is also shared by some Western experts: “All of these developments fit into China’s plans for development of its northeastern provinces and the view held by local officials that fulfilling those plans will not be possible without parallel developments in the North Korean economy” (38 North, 2012: no page); “the ultimate success of regional development plans in the Northeast is predicated on the successful launch of a reform and opening process in North Korea” (Thompson, 2011: 4).
In this regard, it is not unexpected that the Liaoning government, which is engaged in other more profitable projects in Shenyang and coastal regions, would have little interest in the Hwanggumphyong project. Moreover, because the career promotion of local party and government leaders into the central political stage is closely related to the performance of their regions (Ma and Wu, 2005: 12), it is reported that the Liaoning Provincial Party Secretary Wang Min, who pursues a career in the central government, does not want to bear responsibility for a high-risk development project (J-K. Park, 2011b). Freeman and Thompson contend:

Provincial authorities, whose measure of success as leaders is heavily weighted toward the growth rates they produce within their administrative jurisdictions, are eager to develop their provinces’ economic exchanges with countries across the border. Expanding opportunities for cross-border trade and investment is seen as an important way to boost local growth (2011: 12).

The case of the Liaoning government shows that Chinese local governments, rather than accepting that trans-border economic linkages are all to the good, perform their own calculations in terms of how and whether to translate cross-border economic projects into local economic development.

On the other hand, the Dandong city government shows a different geoeconomic calculation than the provincial government. Dai Yulin, CCP Party Secretary in Dandong, explains that the “opening up of the DPRK has provided an historic opportunity for Dandong” (Zhu and Li, 2011: no page). He argues that Dadong, as a crucial junction

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221 Many interviewees that I met in Shenyang and Dandong share the same opinion about the disinterest of the Liaoning government in the Hwanggumphyong project.

222 One North Korean scholar also affirmed that the Liaoning provincial government is not enthusiastic about the joint development projects (personal interview on 16 November 2011).
between the Korean peninsula and northeast China, is strategically important because of
the construction of “One-Bridge and Two Islands” (一桥两岛, yiqiao liangdao)—the new
Yalu Bridge and Hwanggumphyong and Wihwa Islands. Dandong, located on the
border with North Korea, is a major corridor for ~70% of bilateral trade (Snyder and
Byun, 2009; Yuan, 2011). Since trans-border economic projects directly benefit the city,
there can be little doubt that the city government welcomes them. Yet, for the provincial
government, business with North Korea is unpredictable and more risky than business
with other countries like Japan and South Korea. For this reason, Thompson’s claim
that “border trade and economic cooperation with North Korea is described by local
officials as an important component of Liaoning’s strategy for economic development
and interpreted locally as consistent with China’s national interests” (2011: 73) is not
correct. It is Dandong city officials rather than Liaoning provincial officials that put
stress on economic cooperation with North Korea. Dandong is only one point in the
Liaoning “Five Points and One Line” development strategy, but foreign analysts of North
Korea are biased toward it as a geoeconomic strategy that links with North Korea.
Actually, most Chinese research papers on the Liaoning Project emphasize economic
cooperation with Japan and South Korea.223

Because Jilin Province has no sea access, territorial development projects with
North Korea are generally considered crucial for long-term regional development.

223 Using the CNKI (China National Knowledge Infrastructure), China’s academic database, I
searched for papers about the Liaoning Project between 2005 when this project was announced by the
Liaoning provincial government and October 2011. Only two papers discuss the Liaoning Project
and North Korean economic policy (both only in terms of the Dandong development) (Jin, 2009; Jin
and Zhao, 2009). I tried to interview Jin Mingyu, who wrote these two papers, but she declined,
saying that she is not an expert on either the Liaoning Project or North Korea and just wrote these
papers in 2009 without follow-up research.
Since the 1980s, scholars from the Yanbian Korean Autonomous Prefecture have argued for developing the Yanbian economy through the promotion of regional economic cooperation with neighboring countries, which the United Nations Development Programme (UNDP) later launched in the name of “Tumen River Area Development Programme” (Cotton, 1996; Shim and Lee, 2000; Snyder, 2010c). The Chinese central government also endorsed this project. Then-President Jiang Zemin proclaimed: “Develop Hunchun [the border city with both Russia and North Korea], develop the Tumen River, and develop cooperative relations with the countries of Northeast Asia” (Freeman and Thompson, 2011: 29). This implies a new geographical imaginary for the Sino-North Korean border region as an economic space encompassing Northeast Asia. And yet this project, currently called “The Greater Tumen Initiative,” has not made meaningful progress.\(^{224}\) Compared to other southern border cities that benefit from their neighbors (Hong Kong, Macao, or Taiwan), scholars see the Yanbian region as a “dead border,” effectively criticizing North Korea’s economic performance (Freeman and Thompson, 2011: 36-7).

Nevertheless, the geoeconomic imperatives of the Yanbian region towards North Korea have not weakened. To overcome its territorial isolation, it adopted a new strategy called “Lease the ports and advance to the sea” (借港出海, jiegang chuhai) (Bing, 2010; Lin and Hao, 2011). While local government bargained for the use of Rajin port (and as a result, Yanbian-based firms have temporarily acquired the right to use

\(^{224}\) This is largely due to geopolitical conflicts on the Korean peninsula. But one ethnic Korean professor at Yanbian University also pointed out inherent limits of the UNDP project. Because it mostly consists of cooperation among regional governments, decisions here can be easily overturned by national governments. He argued that the Chinese central government has stepped forward in the joint economic projects with North Korea because of this understanding (personal interview on 3 June 2011).
one wharf), it also pressured the central government (Li, 2006; Freeman, 2010: 138; Snyder, 2010c: 5). Not only the provincial governments of Jilin and Liaoning but also the local governments of Yanbian Prefecture and Dandong City have used their representative offices in Beijing to make demands (Thompson, 2011: 73). Though it is uncertain whether such appeals are effective or not, the Yanbian region has received a considerable amount of development finance from the central government. Between 2003 and 2008, the central and provincial governments invested 4 billion yuan in the infrastructure and industrial development in the Tumen River area (Colin, 2003: 15). This funding supported a territorial policy of “road, port, zone integration” (路港区一体化, lujiangqu yitihua) between Hunchun and Rason (H-Z. Zhang, 2007; Huang et al., 2008: 82). This policy means to renovate the 50-kilometer unpaved road that connects Quanhe, China and Wongjong-ri, North Korea, to develop the Rajin port, and to establish a trans-border economic cooperation zone between Hunchun and Rason (Wu and Yan, 2010: 9) (see Figure 5.5). Despite the efforts of the Jilin provincial and the Yanbian Prefecture governments, local-level negotiations of trans-border projects with North Korea met with little success at first. However, Premier Wen Jiabao’s visit to North Korea in October 2009 as well as the approval of the Chang-Ji-Tu Project as a national-level project in November 2009 marked a turning point. The Chinese central government has signaled that it would now lead the development projects with North Korea. One official from the Yanbian Prefecture said that the central government’s involvement gave a huge impetus to the long-stagnant projects (C-K. Kim, 2011c). About this change, Snyder and Byun argue that “one difference in the latest joint economic projects is the support from the central leadership on both sides, which appears
to correspond with mutual economic and trade interests at the local level” (2011: no page). However as in Liaoning, economic interests in the Jilin province, between the Changchun-Jilin and the Yanbian region, do not entirely coincide.

With the state approval of the Chang-Ji-Tu Project, Sun Zhengcai became Party Secretary of Jilin Province. He switched the focus of the Chang-Ji-Tu Project from economic opening in the Yanbian region into concentrated development of the Changchun-Jilin region, so-called the “Changchun-Jilin Integration”. Today, then, the emphasis is laid on “Chang” and “Ji” rather than “Tu” (Tumen River region or the Yanbian). This elicits frustration and anger from the Yanbian region. Scholars in the Yanbian argue that since the provincial government is located in Changchun, Secretary Sun favors the development of Changchun over the Yanbian. They see that success of the Chang-Ji-Tu Project will be impossible without the construction of international corridors, and therefore, the Yanbian region should regain the initiative of this project. Because the original title of Chang-Ji-Tu Project is the “Outline of the Tumen River Area Cooperative Development Program—Considering Changchun-Jilin-Tumen as Pilot Zone for Development and Opening” (中国图们江区域合作开发规划纲要—以长吉图为开发开放先导区), they claim that the Tumen River area development should be prioritized.225 Governmental officials and scholars in Changchun mostly recognize the complaints of the Yanbian region.226 One provincial official acknowledged that local

225 One professor at the Yanbian University even said that the Jilin provincial government applied the “Changchun-Jilin Integration” project to the central government to gain approval as a national-level project, but it was rejected (personal interview on 3 June 2011).
226 One professor at the Northeast Normal University, Changchun, who has been involved in the Chang-Ji-Tu Project for a long time, criticized the provincial government for prioritizing the development of Changchun and Jilin over the Tumen River region (personal interview on 15 June 2011).
conflicts are fundamentally around how to distribute profits, but asserted that the project would advance in stages, meaning first from Changchun and Jilin and then other regions.\footnote{227 Personal interview on 9 June 2011.} A professor from Jilin University who joined the Chang-Ji-Tu Project argued that the corridors will be of no use without cargo.\footnote{228 This concern is also found in the argument that “Jilin authorities fear that many of the infrastructure projects that have already been built will never reach capacity and stand as white elephants on the border with North Korea” (Freeman and Thompson, 2009: 20).} That is, since Changchun and Jilin are the “engine” of the Jilin economy, it should strengthen the engine first and then improve transportation routes. Criticizing the former Secretary Wang Min (the current Party Secretary of Liaoning province) for his equal regional development strategy to evenly distribute development funds across locals, the professor supported current uneven development policies. His position contradicts the central government’s underlying intention to stabilize North Korea through trans-border development projects. According to one North Korean researcher who is engaged in the Rason development, the Chinese central government recently reprimanded the Jilin province for its lukewarm attitude. When he visited Changchun in September 2011, he noticed that Vice Governor of Jilin Province attended an academic conference of the Jilin Northeast Asia Investment and Trade Expo. Because this was unprecedented, he asked around and found out that this was ascribed to the central’s government’s critique of the provincial government for not being active in the international cooperation project. Because the joint development of the Rason is the only trans-border economic project that government is engaged in, this criticism implies the center’s displeasure with the provincial government’s half-hearted performance towards North Korea. Hong and Chang (2011) even claim that after Kim Jong Il’s visit to China in August 2010, the Chinese central government seemed
to *force* local governments to further economic cooperation with North Korea. Many see that local governments now actively represent China in their relations with neighboring countries and even shape “the direction and objectives of [the central] policies to reflect their own parochial interests and concerns” (Freeman and Thompson, 2011: 11). As I have shown, however, the working of local and scalar politics of China’s North Korea policy defies this simple generalization.

V. Conclusion

One of the lessons Pyongyang has learned from the Kaesong industrial complex is that it is a “money machine” that must remain in operation regardless of political and security disputes with South Korea. Now China is on tap to create a second money machine in the North (Nanto, 2011: 82).

China’s infrastructure investments are already laying the groundwork for a Tibet-like buffer state in much of North Korea, to be ruled indirectly through Beijing’s Korean cronies once the KFR [Kim Family Regime] unravels (Kaplan, 2006: no page).

China’s recent move towards North Korea is generally seen through two contrasting frames: China’s incorporation of the North Korean economy, and China as a shortsighted and helpless patron of the North (see epigrams). Neither view grasps the dynamics of China’s North Korea strategy. These dynamics involve the complex interactions between territorial imaginations and practices towards North Korea. The wax and wane of China’s perception of North Korea as a buffer has both reflected and

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229 In particular, China’s repeated requests for South Korean capital (e.g., LH Corporation and POSCO) to invest in Hwanggumphyong and Rason (Huh, 2011) belie the claim of Chinese colonization of North Korea.
shaped its North Korea strategy. The recent deployment of territorial strategies in
geoeconomic terms further complicates the production of territory in North Korea. The
Chinese central government employs territorial strategies linked with northeast regional
development to enhance security-cum-stability in the border region. This entails the
recent reworking of its territorial vision of North Korea as a strategic buffer zone.
However, this does not translate easily into territorial imaginations and practices at the
local level. While local governments in the border regions see direct economic interests
in these new geoeconomic strategies, provincial governments seem more detached and
passive in these policies, though not resistant to the central government. This results
from different calculations of their geoeconomic interests with North Korea. The
intricate entwinement of different geopolitical and geoeconomic imperatives from various
political actors in China requires a more careful consideration from us as to how this
affects the production of North Korea’s territory.
Chapter 6:  
Production of Territory 3.  
Surveying “an island blocked by North Korea”:  
Conflicts between Security and Economy

I. Introduction

The struggle over geography is also a conflict between competing images and imaginings, a contest of power and resistance that involves not only struggles to represent the materiality of physical geographical objects and boundaries but also the equally powerful and, in a different manner, the equally material force of discursive borders between an idealized Self and a demonized Other, between ‘us’ and ‘them’.

Ó Tuathail (1996: 14-5)

In both North and South Korea, the reunification of the Korean peninsula has been desired for a long time—a dream for the Korean nation to fulfill. Since the division of the Peninsula and during the Cold War, the South Korea state forcibly imposed and sustained its monopolistic vision of North Korea as an arch-enemy. This entailed the production of imaginative geographies and territorial representations of the North which are full of negativity. This vision and imaginary were bolstered by institutional mechanisms such as the National Security Law. The territory of the North
was naturalized not only as a dangerous place but also as an object to be reappropriated. Article Three of the Constitution of the Republic of Korea (enacted 17 July 1948) stipulates: “The territory of the Republic of Korea shall consist of the Korean peninsula and its adjacent islands” (Constitutional Court of Korea, 1987). By this conception, the North was deemed as legally and morally ‘our land’ but still an ‘unrecovered territory’, occupied by the enemy (in Schmitt (2007[1932])’s sense).230 This ‘othering’ of the North has bee crucial to illegitimate political regimes of the South (see Lee et al., under review).

After the regime change in 1998, old hostilities shifted. The liberal regime of South Korea launched the so-called “sunshine policy” in 1998 to promote peace and reconciliation through economic aid and cooperation or “South-North economic cooperation” (nambuk kyeonghyeop, 남북경협). Though this term means the development of mutual economic cooperation between South and North Korea, it is driven by the underlying intention of bringing about gradual changes in North Korea’s socialist system. President Kim Dae Jung claimed that “Sunshine is more effective than strong wind in inducing North Korea to come out of isolation and confrontation” (Koo and Nam, 2001: 83).231 As noted in Chapter 4, the June 2000 summit meeting between the two Koreas facilitated the expansion of economic interchange and cooperation and led to the development of the Mt. Kumgang and Kaesong SEZs. Despite several problems, economic cooperation was coaxed along for ten years (February 1998-

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230 In South Korea, there have been heated debate about the contradictions between Article Three and Four which stipulates “The Republic of Korea shall seek unification and shall formulate and carry out a policy of peaceful unification based on the principles of freedom and democracy” (H-K. Kim, 2009). How can it be possible to seek a peaceful unification with an illegal occupier?

231 Consider that the term ‘sunshine policy’ originated in Aesop’s fable, “North Wind the Sun” (Hogarth, 2012).
February 2008) by liberal regimes. This entailed a significant change in the vision of North Korea; it challenged the prevalent view of North Korea as an enemy that should be defeated (Lee et al., under review). A new narrative replaced this hegemonic vision. North Korea became a *geoeconomic object*.232

Yet the transformation has not been fully successful. It has sparked new political conflicts facilitated by politicians and intellectuals but spread throughout South Korean society. These conflicts are generally envisioned as ideological confrontations between liberal (or progressive) and conservative groups. They are called the “South-South conflicts” (*namnam galdeung*, 남남갈등). While this antagonism first centered on President Kim’s Sunshine Policy (e.g., conservatives consistently attacked inter-Korean economic cooperation because it helped fund the development of North Korean nuclear power), it has encompassed various other political and economic issues regarding not only North Korea, but also the U.S.. For example, conflicts rage over issues such as the transfer of wartime operational control from the US to South Korean forces and the KORUS FTA (W-Y. Lee, 2012).

In this chapter, I examine the conflicts within South Korea regarding the discourses on North Korea to scrutinize how different territorial imaginaries of the North underlie these political-economic struggles. I argue that while North Korea has been appropriated through a neoliberal frame by liberals, to conservatives it remains a politico-military object of territorial absorption. As a result of this bifurcation, political conflicts inside South Korea over the conception of North Korea – as an object of geopolitical

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232 Thus Hyun Ok Park explains that inter-Korean economic cooperation consists in the transition “from the once-and-for-all unification to a gradual and linear process of unification, and *from territorial to market integration of the two Koreas*” (2009: 112, my emphasis).
absorption or as a geoeconomic object – have come, dialectically, to influence the way North Korean territory is produced. In other words, political contestations between competing visions and interests in South Korea help to shape the mode of production of state territory in North Korea.

However, this does not mean that only liberals retain a geoeconomic vision of North Korea and conservatives stick to only a geopolitical one. Both factions have both geopolitical and geoeconomic representations and concerns toward the North. What distinguishes them is that they consistently highlight one side over the other: while liberals see that geoeconomic practices can address geopolitical concerns, conservatives still favor the hegemonic geopolitical scripts of North Korea to describe a particular geoeconomic vision of the North. I will elaborate this claim through an analysis that moves across two different planes: South Korea’s North Korea policies and Sino-North Korean economic relations. The former concerns the political contestations over how to view North Korea. The latter will entail a synoptic genealogy of the discourse of “China’s colonization of North Korea”.

**II. Political Conflicts over How to View North Korea**

Geopolitical visions of North Korea, which had been hegemonic during the Cold War, have shifted since the early 1990s. When the North suffered serious economic crises, a new economic vision of the North surfaced in the South as expectations were raised of reunification brought on by the collapse of North Korea. After witnessing the unification of the two Germanies (which crippled the German economy), calculations of the costs of reunification with the devastated North Korean economy presented North
Korea as an economic burden on the South Korean economy. Concomitantly, the necessity of reunification became contested. As Robert Kaplan asserts:

The truth is, many South Koreans have an interest in the perpetuation of the Kim Family Regime, or something like it, since the KFR’s demise would usher in a period of economic sacrifice that nobody in South Korea is prepared for. A long-standing commitment by the American military has allowed the country to evolve into a materialistic society. Few South Koreans have any interest in the disruption the collapse of the KFR would produce (2006: no page).

Kaplan’s argument is too simplistic. Ten years of liberal governments forged a new vision of North Korea as a geoeconomic object. Rather than as a serious economic liability, the North was viewed as “an object of development” (Mitchell, 2002) both to revitalize the failing economy of North Korea and to promote renewed economic growth of South Korea after the financial crisis. Under this vision, inter-Korean economic cooperation expanded under the “Sunshine Policy” (during the Kim regime) and “Peace and Prosperity Policy” (in the Roh Moo-Hyun government).

Kaesong Industrial Complex (KIC) was hailed as the symbolic locus and space for these new economic approaches to the North. Liberals stress both geopolitical and geoeconomic benefits of economic engagement with North Korea via the KIC. First,

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233 Before this crisis, a unified Korea was often envisioned as a great power in the global economy, though with no specific vision of North Korea: to be “freed from the burden of unnecessary military spending and perhaps equipped with better social and economic structures, [a unified Korea] would start growing with unprecedented speed, soon overtaking Japan – its long-term rival – and perhaps even China. More zealous nationalists even said that unification would make Korea into a superpower. These dreams are long dead. The early hopes collapsed in the early 1990s under the weight of two almost unrelated events—the unification of Germany and the sudden discovery of the sorry state of the North Korean economy by the South Korean public” (Lankov, 2012b: no page).

234 Timothy Mitchell (2002) discusses how the discourse of development produces Egypt as an object of development. This process, usually led by external international organizations such as the USAID, reduces problems of underdeveloped countries to technological and managerial terms, while disregarding social and political aspects. As a result, a country is constructed as “an object, out there, not a part of the study but external to it” (Mitchell, 2002: 210).
the geographical location of the KIC in the northern border region of the DMZ (Demilitarized Zone), forty miles from Seoul, provides close economic linkages between the KIC and the huge markets of the Seoul Metropolitan Area; it also offers a substantial deterrent effect. Second, the KIC represents a promising economic “survival strategy” to both the South and North Korean economies. The competitiveness of small- and medium-sized South Korean firms has been in decline because of far cheaper labor costs in China and Southeastern Asian countries. The data below is from the Hyundai Research Institute in South Korea, a subsidiary research institute of the Hyundai Group that is involved in the SEZs in Kaesong and Mt. Kumgang.

Table 6.1: A Comparison of Labor Costs and Productivity

<table>
<thead>
<tr>
<th></th>
<th>Sihwa Industrial Complex (South Korea)</th>
<th>Chengdu Economic and Technological Development Zone (China)</th>
<th>Tan Thuan Export Processing Zone (Vietnam)</th>
<th>Kaesong Industrial Complex (North Korea)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Wage (US$)</td>
<td>831</td>
<td>194</td>
<td>98.5</td>
<td>63.8</td>
</tr>
<tr>
<td>Annual Growth Rate of Minimum Wage (%)</td>
<td>6</td>
<td>13</td>
<td>29</td>
<td>5</td>
</tr>
<tr>
<td>Labor Productivity (relative to South Korea) (%)</td>
<td>100</td>
<td>69</td>
<td>40</td>
<td>71</td>
</tr>
</tbody>
</table>

Source: H-J. Lee (2012: 3)

The KIC attests that North Korea can provide reserves of cheap and disciplined labor—speaking the same language as South Korean capital. In addition, vast underdeveloped,
low-cost industrial lands are expected to enhance the comparative advantage of South
Korean capital. The joint industrial project is also seen as crucial for North Korea to
overcome its economic difficulties by attracting productive capital from the South, and in
the long term it will reduce the cost of reunification. Thus, the KIC (and inter-Korean
economic cooperation) is usually regarded as a “win-win strategy to both Koreas” (K-S.
Lee, 2004). As President Roh (2007) emphasized, “Now we should develop South-
North economic cooperation into productive investment cooperation and interactive
cooperation, and bring about the opportunity for investment for us and the opportunity to
recover economy for North Korea”. In addition, liberals anticipated that the KIC
would function as a showcase of the capitalist market economy to help North Korea
understand the concepts and importance of profit, and hopefully bring about
transformation of North Korea’s socialist economy (Ministry of Unification, 2006;
Wrobel, 2011).

Some liberal scholars contend that inter-Korean economic cooperation can
contribute to the peace and prosperity of the Korean Peninsula by creating a unified
economic sphere. Considering the KIC as the archetype, they argue that a gradual
expansion of SEZs would be one important step toward realizing this imaginary (Yang
and Lee, 2007: 158). This geoeconomic vision of North Korea and the Korean
Peninsula extends from criticism of both reunification-through-absorption and economic
skepticism towards the integration with the North. This position interprets geoeconomic
processes led by the state-capital nexus as the basis for geopolitical security. Liberal
politicians and scholars in this camp see inter-Korean economic cooperation as the

cornerstone for more open policies across Northeast Asia (Y-I. Lee, 2009: 72-7). In other words, North Korea is regarded as an important economic asset to the South, but this is not the whole story. Peace and cooperation with the North is envisioned as a crucial precondition for placing Korea as the economic hub of Northeast Asia. In this sense, reunification is envisioned as a new accumulation strategy for the South.

Liberals’ geoeconomic view of North Korea entails the construction of new geographic imaginaries beyond the peninsula.

This imaginary first materialized as a plan to restructure the country into “an international business hub for the Northeast Asian region” during the Kim Dae-Jung regime (Lee and Hobday, 2003). The Roh administration developed it into the concept of the peninsula as the “hub of Northeast Asia”:

The Korean Peninsula is located at the heart of the region. It is a big bridge linking China and Japan, the continent and the ocean. Such a geopolitical characteristic often caused pain for us in the past. Today, however, this same feature is offering us an opportunity. Indeed, it demands that we play a pivotal role in the Age of Northeast Asia in the 21st century.237

President Kim employed the concept of the ‘hub’ in symbolic terms to attract foreign direct investment; subsequently, the Roh government saw the hub as transforming the peninsula into a regional center of international logistics and financial services. This plan has led to the development of SEZs both in North and South Koreas (B-G. Park,

236 They argue that the Roh government aims to “promote the exchanges and peace on the peninsula in the frame of Northeast Asia” (Bae, 2004: no page).
237 President Roh Moo-hyun at the 16th Inaugural Ceremony on 25 February 2003. Here what he meant by “pain” from geopolitical conditions narrates Koreans’ prevalent understanding that it was due to its geographical condition – a peninsula – that Korea has been relentlessly invaded by neighboring countries throughout history. President Roh and other liberal intellectuals suggest transforming geopolitical suffering into geoeconomic opportunity.
These new geoeconomic visions and imaginaries of the liberals mostly draw on two different but related theoretical sources—Paik Nak-chung’s “theory of the division system” and Suh Dong-man’s “theory of the economy of the Korean peninsula”. Paik, long a leader in the South Korean civic movements, has played a pioneering role in proposing an alternative vision of the Korean peninsula. In his article titled “For the recognition of the division system”, Paik asserted that it is imperative to study the effects of the division structure in the Korean Peninsula more systemically (1992: 289). Drawing on Wallerstein’s World-Systems theory (1974), he argues that the ontological character of the division system can be identified at once as a subsystem of world-system and as the superordinate system of South and North Korean systems. Instead of seeing the division as a confrontation between two systems, ideologies, or nation-states, he describes the division system as a temporally and spatially particular world-subsystem that encompasses both the South and North (Paik, 2000: 110). The main mechanism sustaining this system is the mutual dependence of the ruling powers in both Koreas (Paik, 1992: 293-4). Their independence makes it impossible for either Korea to transform into a ‘normal’ democratic society or to reduce its dependence on foreign powers. Moreover, the division system is inherently unstable, swayed by internal contradictions and external geopolitical conditions (Paik, 2000: 108). This interpretation leads to the conclusion that unification and domestic reform are firmly woven together through one essential task: overcoming the division system (J-Y. Kim, 2004). The top priority for undoing the division system is to remove mutual distrust between the two Koreas. Logically for Paik, the goal is “unification as a process” led by people (minjung, 민중).
through local practices in daily life (Paik, 2000).

By contrast, Suh, who was a political science professor and the former director of the Office of Planning and Coordination at the National Intelligence Service under the Roh government, proposed a theory to envision the Korean Peninsula as a unified economic space. Developing Paik’s idea of the unification as a process, he claims that inter-Korean economic relations can pose a viable solution to the problematic economies of both Koreas. Specifically, the formation of the North-South economic linkages can curb excessive market powers in South Korea through the creation of markets in North Korea (Suh, 2007). To avoid exploitation of North Korea, he proposed two different economic linkages: (1) vertical division of labor between South Korean capital and North Korean labor power and land, and (2) horizontal division of labor in the development of high-tech industries (hardware from South Korea and software from North) (Ibid.,: 213).

According to Suh, inter-Korean economic relations would create two virtuous cycles in geopolitical-economic terms: one (= capital) is between South Korean surplus capital to find productive investment opportunities and development of the North Korean economy; and the other (= state) is between welfare and peace (Suh, 2006a). He believes that the market will not only check the increasing penetration of neoliberal logic but also open an alternative economic space. This view is bolstered by a new geographical imagination of North Korea as the object of a “spatial fix” where South Korean capital can search for new profitable opportunities (Harvey, 2003).

Yet such visions of North Korea held by liberal politicians and scholars are neither hegemonic nor uncontested. South Korean conservative politicians, scholars, and media fired back with a new discourse featuring the word, “giveaways” (pŏjugi, שןי)
Kim et al. (2009: 456) translate this term into “the most generous aid to North Korea”. This economic discourse claims that unilateral economic aid without a fair return only contributes to the survival of the Kim regime in the North and consequently delays unification. The complaint that “the North was dictating the course of rapprochement while South Koreans were concerned about their own economic problems” (Kirk, 2009: 180) evinces blindness to the geoeconomic element in inter-Korean engagements. Especially after the 2003 crisis over North Korea’s nuclear program, this discourse evolved into the claim that tremendous funding from South Korea actually supports North Korea’s development of nuclear weapons and missiles. For example, expressions such as “Give rice and get slapped in the face”, “South’s support for North Korea is returned with missiles”, and “The South makes North Korea develop bad habits” embody the “giveaways” discourse (G-S. Kim, 2006: 61). Instead of seeking clear evidence for this flow of money – e.g., showing that the money from the KIC is invested in the development of nuclear capability – they argue for more transparent distribution of funds, strict mutualism, and a strategy linking economic policy and political (nuclear) policy (Ibid.). This position is undergirded by the firm belief that economic support and cooperation will never transform North Korea. And implicitly it is still predicated on a fixed and normative vision of the North as a geopolitical object—an evil thing that must be conquered.

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238 Not surprisingly, these arguments were closely aligned with Bush’s North Korea policy (Feffer and Lee, 2001).
239 Moreover, Chun Yung-Woo, the former Vice-Minister for Foreign Affairs and Trade under the Lee government, claims that the KIC becomes a serious impediment to North Korean denuclearization efforts (C-d. Lee, 2013).
Let me recapitulate a central element of my argument. Both liberal and conservative sides share a common territorial aspiration towards North Korea as “our territory”. Yet the specific representations, imaginations, and practices have significantly diverged according to their underlying imperatives. South Korean liberals project geoeconomic hopes and desires onto the northern territory as a space to renew growth. They contend that expanding economic links with the North will alleviate pressing geopolitical concerns. For its part, the conservative faction is still obsessed with the Cold War-era geopolitical scripts of fear and danger about North Korea. Conservative forces endlessly lambasted the liberal regimes for risking national security in return for economic engagement with the North (Doucette, 2010: 24). This narrative is also interlaced with geoeconomic fears of the high costs of unification which may be a difficult process. As Sparke makes clear, geoeconomic imperatives anticipate unfettered capitalist penetration into the most isolated country in the world, and fantasize flow, connectivity, and interactions, whereas geopolitical imperatives stress and reproduce distinctions between “us” and “them” and provoke an urgent need to contain and expel others (2007: 342).

These political conflicts have become more pronounced since 2008 with the return of conservative leadership in South Korea. When Lee Myung-bak – called ‘the bulldozer’ due to his successful career as the CEO of Hyundai Engineering and Construction and mayor of Seoul – was elected, few predicted that the two Koreas’ relationship would rupture, given his advocacy for pragmatism and his connection with Hyundai, which holds the main business operation in North Korea (Doucette, 2010). Charles Armstrong explains:
Though he needs to demonstrate his toughness on Pyongyang to please his conservative base, given Hyundai’s record as South Korea’s largest corporate investor in the North, Lee would seem particularly well positioned to continue and deepen South Korea’s economic penetration of the DPRK. […] It remains to be seen whether the ideological or economically opportunistic side of Lee’s North Korea policy will win out (2008: 128).

Yet the relationship broke down completely. President Lee’s deep hostility towards the North manifested itself even before he officially assumed the presidency. For instance, the Presidential Transition Committee attempted to abolish the Ministry of Unification and merge it into the Ministry of Foreign Affairs and Trade (Snyder, 2009c). Though this plan was cancelled due to strong opposition from civic groups and opposition parties, this episode is regarded as an important indicator of the Lee regime’s view of inter-Korean relations not as a distinctive, inter-national problem but as a subset of foreign affairs (Toloraya, 2008).

As this episode evinces, it took little to figure out President Lee’s stance towards North Korea. Criticizing the liberal regimes for “coddling” North Korea with “unconditional” economic support,240 Lee proclaimed a new principle on North Korea policy: conditional reciprocity. This idea materialized in a policy called “Vision 3000: Denuclearization and Openness”, which was explained as “a strategic initiative that seeks to encourage North Korea to give up its nuclear weapons by clearly spelling out the benefits that would accrue from such a decision” (Cheong Wa Dae [Office of the

240 Despite the dynamics of the economic relations between the two Koreas during the liberal regimes – for instance, when military conflicts broke out in the Yellow Sea in 1999 and 2002 or the North conducted nuclear experiments in 2006, the South government disrupted the relations, though temporarily – not only South Korean conservatives but foreign experts consistently framed liberal policy toward North Korea as unconditional economic support (Snyder, 2009c).
Specifically, this plan says that the South will support the North in achieving an economic level of US$3,000 per capita GNP on the condition that it pursues denuclearization and opening. While the conservative government declared that it would pursue mutual benefits and common prosperity in its relationship with North Korea (*Ibid.*), it did not have any specific economic vision towards the North, how the South could benefit from economic engagement with the North. Simply put, this policy declares: abandon your nuclear weapon and open your country; then we will modernize you.241 This patronizing view, deriving from a deep mistrust and extreme animosity toward North Korea, has no doubt cooled inter-Korean relations, which have been further aggravated by two incidents—the sinking of the South Korean warship, the *Cheonan*, and North Korea’s shelling of South Korea’s Yeonpyeong Island in the Yellow Sea.242

Concomitantly, South Korean conservatives clamored for the imminence of reunification. Kim Jong Il’s stroke in August 2008 and reports about North Korea’s deepening economic crisis fueled strong doubts about the sustainability of the North Korean regime (Chellaney, 2010). Though this collapse scenario has repeatedly popped up since the North’s crisis in the 1990s, it was taken more seriously at this time by South Korean conservatives. Thus Vision 3000 is now off the table, replaced by “unification by absorption”. The WikiLeaks cables help us detail this position. In February 2010, South Korea’s then Vice-Minister for Foreign Affairs and Trade, Chun Yung-woo, told

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241 While Suh Jae Jean, president of Korea Institute for National Unification, claims that the Vision 3000 policy is not based on “the assumption that North Korea would first denuclearization [sic] and open, but rather is a policy to encourage these processes” (2009: 13), the Lee government has continued to link economic aid and cooperation with the denuclearization of the North (H. N. Kim, 2011). For instance, it declared that “without full denuclearization by the North, there will not be any expansion of the Gaeseong complex” (Ha, 2008: no page).

242 Immanuel Wallerstein notes that “The new president, Lee Myung-bak, vociferously repudiated the Sunshine Policy, and asserted a hostile policy stronger even than that of the United States” (2012: no page).
the U.S. Embassy officers that “The DPRK … had already collapsed economically and would collapse politically two to three years after the death of Kim Jong-il” (my emphasis). He further assured them that China would be “comfortable with a reunified Korea controlled by Seoul and anchored to the United States in a ‘benign alliance’—as long as Korea was not hostile towards China”. In a similar vein, President Lee said twice in public that “The unification [of the two Koreas] is near,” blatantly indicating his wish for the implosion of the North (S. Lee, 2012b). Favoring economic sanctions and pressures, the Lee government adopted the policy of just waiting for the North “to collapse” rather than “to change” (J. Kim, 2012). This waiting strategy entails making preparations for an abrupt unification. The government reassigned the budget for inter-Korean cooperation under the item funding research to deal with contingencies in North Korea (Y-C. Kim, 2011). Then on 15 August 2010, the President announced his introduction of a unification tax to finance the high cost of reunification, explaining: “Reunification will happen. It is therefore our duty to start thinking about real and substantive ways to prepare for reunification such as the adoption of a unification tax” (Lee Myung-bak, 2010a: no page). The Ministry of Unification promoted a new fundraising campaign for unification called the “unification jar” [hang-a-ree]. This project, intended to fund the costs of unification from donations, elicited criticism from the North that this jar is “actually aimed to raise money needed for the ‘unification under liberal democracy’” (Korea News Service, 2012).

These policies of South Korean conservatives clearly communicate their vision...
of North Korea as a geopolitical object of territorial claims, but one that will cost too much. Such territorial representations do not take into account the geoeconomic calculations of lands, labor power, and natural resources in the North: “Lee … views Nordpolitik mainly through prisms of politics, ideology, and security rather than geoeconomics” (Foster-Carter, 2012: no page). Thus, one liberal scholar criticizes that there is “a major contradiction in his proposal, proposing a unification tax while having burnt all the bridges with North Korea” (Harlan, 2010: no page). Actually the Lee government’s policy toward North Korea is more consistent than contradictory. We only need to recognize the links from the underlying vision of the North as an evil that must be conquered to the belief in its imminent collapse and a cost-oriented calculation about unification.

These disparities in the visions of North Korea are also manifested in the distinct interpretation of concepts, discourses, and subjectivities in economic development strategies. First, the discourse of “economic territory” surfaced when the Roh government actively promoted numerous free trade agreements (FTAs) across the globe. Moon-Soo Chung, Advisor to the President for Economic Policy, asserted the importance of expanding free trade agreements, in particular with the U.S. (KORUS FTA):

We might succeed or lose by opening, but there is no chance of success for the isolated or closed country. Under the climate of a rapidly spreading regionalism, if we postpone the FTA, we will surely fall behind in the orbit of international trade. … In the aspect of FTAs, we come late. Under that

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244 While the FTA strategy was first initiated under the Kim Dae Jung government, the Roh regime further advanced it. The first FTA with Chile was signed in February 2003 and has been in effect since April 2004. After that, the Roh government aimed to establish FTAs with big markets such as Japan, China, ASEAN, the U.S., the EU (Sohn and Koo, 2011: 445)
circumstance, the participatory government [the Roh administration] is trying to complete the free trade agreement with as many countries as possible. Considering the fact that we’ve completed only three FTAs with countries in minor economic blocs, such as Chile, we need to accelerate our efforts to accomplish more FTAs (my emphasis).  

Armstrong describes a strong aspiration of the Roh regime for economic liberalization as “South Korea’s commitment to market liberalization has been a constant at least since Kim Young Sam’s policy of ‘globalization’ or ‘segyewha’ in the mid-1990s, but the Roh administration’s enthusiasm for free trade, and particularly bilateral Free Trade Agreements, was unparalleled. Under Roh, FTAs were negotiated with forty-five countries in two years, no doubt a world record” (2008: 125, my emphasis). The liberal government defended the establishment of the KORUS FTA as an effective way to enlarge economic territory so that the export-oriented South Korean economy could use its export markets with fewer restrictions (The “free” in free trade agreements produces a particular discursive effect, of course). In this sense, the notion of ‘economic territory’ actually indicates economic space opened up by FTAs (Sohn and Koo, 2011). However, the use of ‘territory’ here creates an illusion that we acquire economic spaces over which we can exert an exclusive claim, like sovereign power over our own territory. As a result, this geoeconomic imaginary performs as a political discourse that justifies FTAs as an economic liberalization strategy and represses dissenting voices.  

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246 See Hundt (2005) and Doucette (2010) on the complexities that liberal regimes advanced neoliberalism in South Korea.
247 Woo maintained that the Roh regime coined the term ‘economic territory’ to recognize North Korea or the Yanbian prefecture of China as a sort of economic colony of South Korea (Woo and Ji, 2008: 290). That is, his idea is that economic territory is no different from colonies in the imperial era (Woo, 2008: 99). Though it is correct that the liberal government perceived and desired the
Roh regime took up the slogan, “we must expand economic territory with FTAs” (Y-T. Choi, 2012: no page) and “It is through FTAs that we can acquire an unlimited economic territory” (Woo, 2008: 97). The Roh government’s plan to promote an FTA with North Korea was also based on a geoeconomic imaginary of the North as an important path for the expansion of economic territory far beyond the peninsula—China, Russia, and even Europe (M. Kang, 2012).

While the new conservative government advocates a position encapsulated as “anything but Roh”, the key exception is FTA policy, which is not surprising considering that the KORUS FTA was one of few policies of the Roh regime that conservatives supported (along with the dispatch of troops to Iraq). Despite continuous controversy, the Lee administration concluded the KORUS FTA in December 2010. During his presidency, the FTAs with ASEAN, EU, and India went into effect, and more are under negotiation, for instance, with China, Australia, and Canada. In his speech on the 66th Anniversary of Liberation, 15 August 2011, President Lee proudly announces that:

What we have to do to survive as a nation is to venture into the global market. In this context, our core strategy is to secure free trade agreements. As our country has signed more FTAs than any other country in the world, the economic territory of our country is the largest in the world (my emphasis).\(^{248}\)

North as a geoconomic object, this term was more related to FTAs. Please refer to Wainwright and Kim (2008), M. Park (2009), and Hart-Landsberg (2011) on the struggles against the FTA policies in South Korea.\(^ {248}\) Refer to the website of the Office of the President (http://english.president.go.kr/pre_activity/speeches/speeches_view.php?uno=5487&board_no=E03&search_key=&search_value=&search_cate_code=&cur_page_no=5). However, the italicized sentence cannot be found here. The President himself articulated this sentence in his speech, and there is no omission in the Korean transcription (http://www.president.go.kr/kr/president/speech/speech_view.php?uno=558&article_no=3&board_no=P04&search_key=&search_value=&search_cate_code=&order_key1=1&order_key2=1&cur_page_no=1&cur_year=2011&cur_month=08). Then, why is this sentence left out only in the English transcription? Perhaps, it may be concerned that the announcement that South Korea has the largest
This claim is widely hailed as the great achievement of the Lee administration. Economic territory has become a hegemonic economic imaginary that helped consolidate his power base. The only place to which this imaginary is not applied is North Korea. The neoliberal vision implied in this economic imaginary, i.e., open to every corner of the globe, never bridges the DMZ. By contrast, Chung Dong-young, former liberal presidential candidate defeated by President Lee, pledged to expand economic territory through the development of the inter-Korean relationship and the extension of railways from South Korea to Europe via North Korea, Manchuria, and Siberia (S-J. Park, 2007).

This divergence between liberals and conservatives toward North Korea also emerges in President Lee’s economic project of resources diplomacy. Along with its FTA strategy, the Lee government stresses resource diplomacy as an imperative for a resource-scarce country that needs to maintain a stable energy supply for economic growth. The government widely propagated its accomplishments in securing overseas resources (mostly in Africa), but a series of corruption scandals and exaggerated

“economic territory” in the world will become an object of ridicule to the outside world. In other words, the governing powers in South Korea may recognize that the number of free trade agreements has nothing to do with the size of economic territory, or the notion of economic territory is groundless. In addition, President’s speech is not true. According to the calculation of economic territory (the proportion of the sum of its own Gross Domestic Product (GDP) and FTA partner countries’ GDP to the total GDP of the world) by one South Korean newspaper, South Korea has the third largest economic territory (60.9%) next to Chile (87.3%) and Mexico (71.6%) (S. Kim, 2012). Nevertheless, the government did not hesitate to include this statement about economic territory in the Presidential Speech and now circulates it across society. I argue that economic territory as a new economic imaginary produces the effect of concealing the beneficiaries or particular interests groups from a new accumulation strategy through economic liberalization, and mystify particular interests into general interests manipulating nationalist ideology.

249 Interestingly, South Korean media have widely disseminated the narrative of economic territory through editorials and special reports. However, there is no published paper in academia when I search through the two major academic databases in South Korea (Korean Studies Information Service System (http://kiss.kstudy.com/index.asp) and DBPIA (http://www.dbpia.co.kr/). This may reveal that the notion of economic territory has no analytical value.
achievements have been a serious blow to the Lee regime (Chun, 2010; Dong, 2011; Y-m. Kim, 2012). However, resource diplomacy is not only the preserve of the conservative government. The Roh government also sought various channels to secure energy and natural resources, and resource-affluent North Korea was an important target. Several joint resource development projects were implemented by combining South Korean capital with the North’s labor and resources. The South even suggested the establishment of a SEZ for inter-Korean joint resource development in Dancheon where magnesite abounds (K. Lee, 2006). Yet, as Snyder notes, “it is not yet clear how or whether President Lee’s early emphasis on ‘resource diplomacy’ may be applied to North Korea” (2008: no page). As in the case of economic territory, this doubt was resolved in no time. While they traveled to Africa for scores of hours for resource diplomacy, the Lee administration paid no attention to the resources across the DMZ. Instead, they worry that money from China’s resource development in the North is sustaining Kim Jong Il’s regime. This line of thought is consistently applied to other issues as well. For example, the South Korean embassy sent emails to South Korean tourists in Nepal, warning: “Please refrain from visiting North Korean restaurants that are becoming sources of funds for the Kim Jong-il regime. Anyone who has visited such restaurants will be subject to investigation on charges of violating the Inter-Korean Exchange and Cooperation Law and the National Security Law upon returning home” (Chosun Ilbo, 2011b: no page).250 One South Korean who has done business in North Korea for a long time showed the absurdness of the Lee administration’s North Korea policy. When

250 When I was in China in 2011, many South Koreans there told me that they also received this warning from the embassy. Meanwhile, North Koreans I met angrily condemned President Lee’s shameful and petty actions in meddling with eating issues.
the South government enforced the “5.24 measures” that suspended all inter-Korean economic exchange except the KIC, he asked why the government would adopt a policy that damaged the South’s numerous private firms doing business in the North. One government official answered that the goal was not to let even one dollar slip in North Korea. The businessman asked: “Then, more than 35 million dollars flow into the North every year via the KIC; are they not money but mere scraps of paper?” His question was met with silence (Y-I. Kim, 2011: no page).

Another South-South conflict arises in the conception of North Korean people. Liberals have constructed a representation corresponding to its geoeconomic calculation towards the North. Beyond the Cold War normative perspective, they view North Koreans through a neoliberal rationality as so much cheap, well-disciplined labor power, ready to benefit South Korean capital (Lim, 2005; I-p. Hong, 2011). The liberal intellectuals and politicians see the KIC as a training site where neoliberal subjectivity should be engendered and molded. They expect that North Korean laborers will learn about the market economy – for instance, the concepts of profit and productivity – and this will naturally bring about economic reform and opening in the North (Yoon, 2004; Heo, 2011). In this sense, for liberals, the KIC demonstrates that “establishing ‘market rule’ was never a matter of imposing, from above, a singular regulatory template. It has been about learning by doing (and by failing) within an evolving framework of market-oriented reform parameters and strategic objectives” (Peck et al., 2009: 107).

Conservative powers reject these ideas. They see that the money from inter-Korean economic cooperation has rewarded and sustained the Kim Jong Il regime that has harshly suppressed the North Korean people. For them the KIC has little to do with
the constitution of neoliberal subjects. Hence, it was the conservative media that criticized the North government for exploitation of labor power in the KIC because of lower wages and long working hours (C. Kang, 2006; K-J. Cho, 2011). Rather, conservatives view the North Korean people through the prism of human rights. These groups have never criticized the abuses of human rights that have occurred during the modern history of South Korea; indeed, they have been mostly complicit in them (W-S. Jeong, 2009; S-C. Choi, 2011). Ironically, conservative politicians who once suppressed democracy movements under military dictatorships in their own country now support the human rights of the North Korean people and demand democratization of the North. For example, Hyung-Keun Chung, former assemblyman and First Deputy Director of the Korean Central Intelligence Agency, was notorious for torturing anti-government activists. During the liberal regimes, he criticized the government’s North Korea policy and called for the improvement of human rights in North Korea (T-K. Kim, 2005).

Across the globe, the idea of human rights has provided grounds for military interventions, mostly of the West into Third World countries (Bricmont, 2006). More fundamentally, the rhetoric of human rights entails the construction of a particular form of subject. Žižek offers an insightful criticism of NATO’s intervention in Yugoslavia:

We have the ideological construction of the idea of subject-victim to whose aid NATO intervenes – not a political subject with a clear agenda, but a subject of helpless suffering … caught in the madness of a local clash that can only be pacified by the intervention of a benevolent foreign power. […] beneath this depoliticized, let’s-just-protect-human-rights rhetoric, there is an extremely violent gesture of reducing the other to the helpless victim.

251 While most liberal and progressive groups display positive attitudes towards the KIC, some left-wing groups share the criticisms of the conservatives (see e.g., M-H. Cho, 2006). The KIC has also figured in the U.S. policy debate, especially in terms of whether it financially supports the North regime (Nanto and Manyin, 2008).
The South Korean conservatives’ human rights offensive is in line with these practices. For example, joint action between South Korean and U.S. conservatives to adopt the North Korean Human Rights Act is seen as support for military sanctions on North Korea (Lim and Lee, 2004). In particular, the Lee government proposed several laws concerning North Korean human rights (e.g., laws to support civil groups in the South that engage in this issue), which are currently pending in the National Assembly (H-Y. Kim, 2008). The production of North Koreans as helpless subjects to be liberated from dictatorial rule serves to encourage and facilitate direct intervention by foreign powers, finally leading to unification by territorial absorption (Chosun Ilbo, 2002; Chung, 2008). Conservative groups preach the same gospel that horrible conditions exist in the camps along with massive violations of human rights in the North and that the only solution is the collapse of the regime (H. Hong, 2009).

Lastly, these political conflicts have reshaped the production of territory in North Korea. Since the return of conservative powers in 2008, the Mt. Kumgang SEZ has been closed, while the KIC is barely maintained, as noted in Chapter 4. The substantial flow of tourists and businessmen crossing the DMZ has been disrupted. The advance of de-bordering processes, which was improving the “three tong” problems – the poor

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252 Various anti-North Korea civic groups in South Korea such as the ‘Fighters for Free North Korea,’ ‘Committee for the Democratization of North Korea’ and ‘North Korea People's Liberation Front’ relate human rights in North Korea to regime change. In particular, Christian groups are especially active in the movement on human rights in North Korea. Many South Korean churches hold regular prayer ceremonies for human rights in North Korea (Shin, 2011). Robert Park, a Korean-American missionary who illegally crossed the border into North Korea in December 2009, said in an interview with the Reuters: “I am Christian, but I do have to say that this is not a legitimate government. We cannot talk to North Korea as if it is a legitimate government, but we need to liberate North Korea” (Herskovitz, 2009: no page, my emphasis).
conditions of passage (tonghaeng, 통행), communication (tongsin, 통신), and customs clearance procedures (tonggwan, 통관) – has been checked (Moon, 2007).

Geoeconomic de-bordering of “the most heavily armed border in the world” (Bush, 2005b)\textsuperscript{253} is again overshadowed by geopolitical imperatives. And as I will elaborate, these South-South conflicts have undergone a complicated evolution since China’s economic move into North Korea became conspicuous in the early 2000s.

III. Competitive Appropriation of the Discourse of “China’s colonization of North Korea”

Chinese influence over North Korea is an assumption [that is] strategically adopted by the US and South Korea.

S. Lee (2011b: no page)

Concerns about China’s increasing economic penetration into North Korea surfaced in South Korean media around 2004. Robert Kaplan again interprets this situation in terms of South Koreans’ narrow-minded economic calculation: “from the point of view of the average South Korean, the Chinese look to be offering a better deal [to North Korea] than the Americans, whose plan for a free and democratic unified peninsula would require South Korean taxpayers to pay much of the cost” (2006: no page). As usual, Kaplan is wrong; South Korea’s view of the relations between China

\textsuperscript{253} In his remarks to United States Troops at Osan of South Korea on 19 November 2005, President Bush Junior asserted that “The Republic of Korea is now a beacon of liberty that shines across the most heavily armed border in the world. It is a light reaching to a land shrouded in darkness” (2005b: no page). Yet in the Bush administration’s criticism of the KIC (Onishi, 2006), he aligned with South Korean conservatives, rejecting geoeconomic engagement with the North as a way to illuminate the “darkness”.

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and North Korea is more complicated. In pure economic terms, China’s growing investment in North Korea may reduce South Korea’s economic burdens. However, many South Koreans interpret rapidly growing economic ties between China and North Korea as China’s colonial or imperial ambition towards the North—a prize that should be ‘ours’. These views reflect territorial desires, either in geopolitical or geoeconomic terms, that are projected onto North Korea. As a result, this new situation has been developed as a discourse that I will refer to as “China’s colonization of North Korea” (alternatively, “North Korea’s becoming the fourth province of Northeast China”). This discourse has not been consistently deployed but differently appropriated to serve particular political objectives. The South-South conflict of visions towards North Korea has become articulated with competitive mobilization of the discourses on the relationship between China and North Korea. Each group holds different interpretations of the situation which reflect and strengthen its own political stance and position.

Nevertheless, a common assumption underlies both views, i.e., that China’s colonization of North Korea derives from the combination of two different discourses: the “China threat” and “powerless North Korea”. In short, the discourse signals that a powerful, expansive China is absorbing a weak, failed North Korea.  

Conservative newspapers began to highlight China’s economic occupation of North Korea in 2005. Nam Sung-wook (2005a), a conservative scholar and key

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254 Tim Beal relates the colonization discourse to the conservatives’ antipathy toward China: “The other aspect of the anti-China position is the opinion … which is most evident in right-wing papers such as the Chosun Ilbo, that North Korea is a ‘Chinese colony’” (2007: 19). The same newspaper also scorned Kim Jong Il’s visit to the Chinese embassy in March 2007. With the title “Juche [self-reliance], going to the Chinese embassy,” it claimed that North Korea’s juche is an empty slogan because it is impossible without China (I. Kang, 2007).

figure in the Lee government’s North Korea policy, claimed that the North Korean economy would be incorporated into China’s Northeastern economy. As a result, North Korea would become the fourth province of Northeast China (Nam, 2005b). Behind these concerns lie two criticisms of the previous liberal government: first, the Roh government neglected the U.S.-South Korea alliance and leaned toward China, so China looked down upon the South Korean government and freely penetrated into the Korean Peninsula; and second, trying to transform North Korea through economic aid and cooperation was futile (T-K. Kim, 2006; Hwang, 2009). These criticisms suggest that the discourse of China’s colonization of North Korea is organized with a particular political motive: to strengthen the U.S.-South Korea alliance and problematize any economic cooperation with North Korea.

A number of scholars, most of whom belonged to the liberal faction and supported inter-Korean economic cooperation, argued against these politically-oriented interpretations of the relationship between China and North Korea (M-C. Cho, 2005; J-H. Joo, 2006; J-O. Kim, 2006; S-R. Oh, 2006; H. Lee, 2006; D-M. Yoon, 2006). They criticized media reports for inflating Sino-North Korean economic cooperation into China’s dominance of the North Korean economy. Instead, they claimed that an expansion of economic relation between China and North Korea would encourage North Korea’s economic opening and, in the long run, expand the space of inter-Korean economic cooperation. T-K. Kim (2006), for instance, pointed out the contradictory

“At the site of China’s ‘Northeast Development Project’”.

256 For instance, one conservative newspaper criticized the South’s weaker influence upon the North economy than China, despite massive economic support (Chosun Ilbo, 2007).

257 Nevertheless, Nam (2005c) admitted that the measures that the South Korean government could adopt were too limited to tackle increasing economic ties between China and North Korea. The only advice he offered is to carefully observe the situation in close cooperation with the U.S. and Japan.
attitude of the conservative media: while worrying about China’s increasing economic power over North Korea, they opposed inter-Korean economic cooperation – the logical means to address this situation – as a “giveaway”.

To reject the “giveaways” discourse of the conservatives, the liberal factions also drew out a new geographic imaginary of North Korea as a “Blue Ocean” (uncontested market space) (Kim and Mauborgne, 2005; K. Lee, 2008). In short, North Korea is a new economic opportunity, and we, South Korea, can monopolize all the benefits.

A new frame of confrontation has been constructed since conservative powers regained the presidency in 2008. Positions have switched. Now the liberal groups advance a ‘colonization’ discourse. They blame the Lee government for rupturing the inter-Korean relationship, intensifying North Korea’s dependence on China. This trend has become more palpable after Chinese Premier Wen Jiabao’s visit to Pyongyang in October 2009. Liberal media and scholars criticize the conservative government for losing “our” national economic foundation to China (Hyundai Research Institute, 2009; Y-C. Kim, 2009a; 2009b; Kwon, 2009; E-C. Lim, 2009). The content of the discourse is substantially the same, but the logic underlying has changed. Instead of singling out an ambitious China as the major culprit, liberals ascribe China’s growing economic influence over North Korea to Lee’s failed North Korea policy. North Korea has no choice but to rely on China when international economic sanctions (and independent sanctions from the South) choke off its economy (E-C. Lim, 2009). In this narrative, on the other hand, there is another argument that this colonization discourse was strategically adopted by the liberal government in order to influence the Bush administration and the conservative opposition party, Grand National Party, both of which were highly critical of inter-Korean economic cooperation. For example, it was reported that a South Korean government official asked his U.S. partner that “The U.S. government should worry about whether just to stand by and watch China’s increasing influence to Panmunjom [the truce village in the DMZ], or to hold it back at the Yalu River [the border river between China and North Korea]” (Ahn et al., 2006: no page).

258 On the other hand, there is another argument that this colonization discourse was strategically adopted by the liberal government in order to influence the Bush administration and the conservative opposition party, Grand National Party, both of which were highly critical of inter-Korean economic cooperation. For example, it was reported that a South Korean government official asked his U.S. partner that “The U.S. government should worry about whether just to stand by and watch China’s increasing influence to Panmunjom [the truce village in the DMZ], or to hold it back at the Yalu River [the border river between China and North Korea]” (Ahn et al., 2006: no page).
China just walks into an empty space hollowed out by a disrupted relationship between the two Koreas. The geoeconomic fear that China will occupy the North’s vast natural resources and labor power, extending its economic power over the entire territory, resonates loudly: “If China occupies everything, there is no share for us” (Y-C. Kim, 2009b). When North Korea eagerly sought to attract investment from South Korea for the development of mineral extraction, the Lee government flatly refused. Now China has taken South Korea’s place (B. Hwang, 2010).259

Foreign media and experts have often supported this liberal argument. Newsweek evoked the necessity of a new approach to North Korea in the Lee administration: “By ending cooperation with the North, Seoul is giving up influence in the northern half of what it still claims as its own territory, yielding the field to a Beijing that can’t believe its luck” (2010: no page, my emphasis). In his interview with The New York Times, John Delury, associate director of the Center on U.S.-China Relations, charged conservative powers with giving North Korea to China: China’s economic dominance over North Korea is “the result of Lee Myung-bak’s decision to let the sunshine policy unravel, rather than a strategic plot by China to ‘colonize’ North Korea economically” (S-H. Choi, 2010: no page). In a similar vein, Mark Barry criticizes the South Korean conservative government for its policies of “not providing aid to the North without significant political concessions have helped push the North further into China’s grasp” (Barry, 2012: no page).

259 Like the conservative media, liberal media and scholars overstate the reality, for example, arguing that China had secured mining development rights in the North. Yet, as I discussed in Chapter 4, it is not true. In addition, it was reported that North and South Korea held two secret meetings in 2011 to discuss the joint development of rare earth resources in the western coast of North (E-j. Lee, 2012). However, there has been no further progress.
For their part, conservative media have mostly remained silent about this issue since the Lee regime took office in February 2008. At the beginning, conservative newspapers simply reported the facts about the joint resource development projects and special economic zones. But it could no longer overlook the rapid progress in Sino-DPRK economic relations since late 2009. Then their attitudes showed some new dynamics. First, they devalued the Sino-DPRK relationship. For instance, one editorialist wrote an article titled “When China will cut the line of North Korea,” asserting that China would eventually turn its back on the dictatorial Kim regime (Bang, 2011). Some newspapers were skeptical of North Korea’s economic strategy of depending solely on China’s aid (J-H. Kim, 2011; Dong Ilbo, 2012). H-J. Lee (2010) scoffs at China deluding itself in expecting that North Korea will be grateful for China’s support, asserting that the bilateral relationship is fragile. Second, a growing number of articles, especially since 2011, express concerns about China’s sweep of North Korea’s natural resources (Chae, 2011a; Chi, 2011b; Y-H. Kim, 2011; K-S. Choi, 2012). Nevertheless, not a single article in the conservative media criticizes the Lee government’s North Korea policy. They only vaguely state that “we should not overlook this situation” (S. Jeong, 2012: no page).

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260 An editorial writer from the Joongang Daily sees the North’s growing export of anthracite coal as an important symptom of economic crisis (C-H. Lee, 2011).
261 Kyung-Soo Choi, Director of North Korea’s Resources Research Institute, claims that “No one can prevent China from investing in the mines in North Korea. Yet a more serious concern lies in the fact China does not compete with any country to acquire these mines. It should not be allowed that our common national asset is handed over to China at giveaway prices” (2012: no page, my emphasis). Here we can detect a geographical imagination that resources in North Korea are shared with South Korea as an economic asset for the entire Korean nation.
262 Chi (2011c) suggests a multi-track approach in terms of medical, academic, and cultural cooperation rather than a one-track policy of pressure on the North. Kyung-Soo Choi above argues for applying the principle of “separation of politics from economics” only in the resource development sector (Chae, 2011b; 2012).
Despite these controversies, the Lee government still sticks to its position. In his speech to honor the March First Independence Movement in 2010, President Lee reaffirmed his government’s principle: “to make progress in South-North relations, the North has to change its thinking; it has to stop regarding the South as a mere entity for economic cooperation. To realize reconciliation and cooperation on the Korean Peninsula, peace has to be maintained first and foremost” (Lee Myung-bak, 2010b: no page). *Newsweek* translates this to mean that “expect nothing from us, unless you get serious about giving up nukes” (2010: no page). About Sino-North Korean economic relations, he rejects the claim that North Korea depends on China too much, and argues “if China helps North Korea, it will be a good thing” (J-B. Hwang, 2011). The conservative government grumbled that the liberal media overstated the situation and even labeled the colonization discourse as the “frame of the left wing” (M-H. Nam, 2010; Jung, 2011).

**IV. Conclusion**

The Sunshine Policy of the Kim Dae Jung government shook the long-standing Cold War structure in the Korean Peninsula. A new economic engagement with North Korea forged a new geopolitical order, complicating the politics in Northeast Asia. Yet despite numerous eulogies of Kim’s North Korea policy that won him the Nobel Peace Prize,\(^{263}\) we should be attentive to its underlying geoeconomic visions. As I noted, progressive scholars like Paik and Suh claim that that inter-Korean economic cooperation can serve as an alternative to the failed economic system in both Koreas—a failed

\(^{263}\) South Korean conservatives raised the suspicion that the government lobbied for this prize and blamed Kim for “buying” the prize (Song, 2004).
socialist economy in the North and deepening contradictions of neoliberalization in the South (Paik, 2006; Suh, 2006a; 2006b). They see that economic cooperation with North Korea can open up new conditions of possibility to curb the progress of neoliberalization. However, paradoxically, this suggests that the displacement of neoliberalism in the South can be facilitated by channeling it into the North in the name of modernization. This should lead us to ask: is it not China but South Korea who dreams of colonization of North Korea—either in the form of territorial absorption conceived by conservatives or as neoliberal integration by liberals?

Let me elaborate on how left-wing (‘progressive’) groups as well as the liberals in South Korea promote a neoliberal vision for North Korea. As we have already glimpsed, we can recognize two different instances of neoliberalism: a political-economic, hegemonic project and a set of government strategies for subjection (Clarke, 2008). While there is not always “a neat or automatic fit” between these two modes, according to Ferguson (2009: 182), inter-Korean economic cooperation demonstrates that these two different neoliberal moments are well-articulated. First, the liberals do not hide their desire to use North Korea as a spatial fix for South Korean surplus capital. Suh (2006b) argues that North Korea can serve as an outlet for surplus capital from South Korea’s huge real estate market by channeling it into productive investments such as infrastructure and industrial development in the North. In this regard, the discourse of “China’s colonization of North Korea” put forward by these groups conveys a fear of losing the opportunity for monopolistic appropriation of North Korea’s markets, labor power, and natural resources, or its territory in geoeconomic terms. This geographical imagination of North Korea as a “blue ocean of our economy” or “land of economic
opportunity” that leads beyond the peninsula into the continental economy is how liberals use the colonization discourse. Second, liberal intellectuals advocate inter-Korean economic cooperation, especially the KIC, because it fosters neoliberal governmentality and engenders a new subjectivity suitable for market society in North Korea (Foucault, 2008). For example, Se-Hyun Jeong, the former Minister of Unification in the Roh administration, noted that “The KIC is a sort of educational site to teach North Korea how to earn dollars and to learn about concepts such as ‘export competitiveness,’ just as we did in the Masan Free Export Zone [one of the first SEZs in South Korea for Japanese capital] in the 1970s” (2010: no page). In sum, though many critical intellectuals conceive economic cooperation with the North as a clear path away from neoliberalism, the visions and discourses that they employ towards North Korea are informed by neoliberal rationalities.

Some scholars have produced critical reflections on the underlying neoliberal logic of a geoeconomic approach to North Korea. Hyun Ok Park (2009) sees inter-Korean economic cooperation as part of a transition from territorial integration to market expansion. To her, a new social consensus among capital, social and civic groups, and the public in South Korea, undergirded by a strong nationalist discourse, has facilitated this change; it has also rendered it difficult to detect the logic of capital behind it. Inter-Korean economic cooperation with North Korea leads to an “unmediated identification of capitalist exchange with reconciliation and peace” (H. Park, 2009: 112), and, as a result,

These expressions or geoeconomic imaginaries are employed by the two contenders for the presidency from the opposition party. The former (a blue ocean) is from Kim Doo-kwan, the former governor of Gyeongsangnam-do (H-D. Park, 2012); and the latter is used by Moon Jae-in, a presidential candidate of the main opposition party, Democratic United, in his speech on 16 September 2012 (Moon, 2012).
it is viewed as a panacea for everything from geoeconomics – the hope to revive both South and North Korean economies – to geopolitics—the hope to achieve peace and reunification. In this sense, she criticizes the naïve and uncritical view of social movement groups which delink the discourse of national division and unification from their capitalist underpinnings (Ibid., 117). Moreover in her view, North Korea is also an accomplice in this neoliberal project (H. Park, 2004: 231-2). Thus, she asks: “When neoliberal reforms have emptied out the meaning of democracy in the economic space, will the capitalist dream for North Korea help to reconcile democratization and economic growth?” (H. Park, 2009: 115).

In a similar vein, Woo (2008) regards inter-Korean economic cooperation as a strategy of South Korean capital to penetrate into North Korea and concludes that South Korea is itself imperialist, seeking economic colonies. Sohn (2007) likewise contends that the current economic projects with North Korea are essentially a neoliberal accumulation strategy to overcome the crisis of overaccumulation in South Korea. Rather than rejecting inter-Korean economic cooperation itself, he problematizes economic cooperation in a market driven, neoliberal manner. In essence, I agree with these criticisms from the left wing that define economic cooperation with North Korea as one of a neoliberal accumulation strategy. In the past, I was more supportive of inter-Korean economic cooperation, regarding it as a crucial step towards dismantling the divisional structure of the Korean peninsula. I interpreted the geopolitical imperatives

265 In similar context, David Harvey argues that imperialisms in the plural should be understood as “specific spatial and geographical strategies on the part of nation states or collections of nation states designed to solve the fundamental underlying contradictions of capitalism” and he contends that the South Korean state, in this sense, increasingly employs certain imperial practices (Toscano, 2007: 1128-9).
of South Korean conservatives as their desire to sustain peninsular division in defense of their own vested interests. However my research on inter-Korean relations and Sino-North Korean relations rebuts this idea. Rather it reveals that both liberals and conservatives in South Korea desire North Korea as a sort of colony, albeit in different forms. In this sense, left-wing critics above, H. Park, Woo, and Sohn, provide keen insight. Nevertheless, I would register some points of dissent.

Their criticisms frame inter-Korean economic cooperation mostly in geoeconomic terms and disregard how it plays out in geopolitical terms. For instance, H. Park’s narrative is filled with only geoeconomic scripts, with no sense of the dialectic between geoeconomic and geopolitical imperatives. These critiques are also blind to the political contestations between the conservatives and liberals around China’s increasing economic influence upon North Korea. H. Park argues that “in representing capitalist exchange as the mechanism of peacemaking in Asia by alleviating military tension, the unification’s goals of establishing decolonization, independent national sovereignty, and social justice and equality are disremembered; and unification is only understood as a quantity market expansion that measures the progress of peace” (2009: 116). This narrative explicitly shows that these scholars conceive of a smooth and linear transition to the geoeconomic script of unification. However, there has never been any consensus around this narrative in South Korean politics. On this point, Woo contends that the difference between liberal and conservative positions consists in which comes first: economic penetration or territorial absorption. For Woo, this is only a tactical issue from the point of view of capital (Woo, 2008: 121). I disagree. We cannot fully account for the complicated geopolitical economy of the Korean peninsula with this
economic logic, which reminds Gramsci’s critique of economism. This requires us to consider the nature of neoliberalization “as a politically (re)constructed, nonlinear, and indeed mongrel phenomenon” (Peck et al., 2009: 104-5).

Neoliberalism never exist in a static and pure form (Brenner and Theodore, 2002; Peck and Tickell, 2002; Castree, 2006; Larner, 2003; 2009; Lee and Wainwright, 2010; Jessop, 2013). Rather it materializes in variegated forms and facets, each with a flexible and evolutionary character (Clarke, 2009; Peck et al., 2009). Therefore, the consequences of neoliberalization cannot be pre-determined by any single and fixed principle because neoliberal moments “are each also—viscerally and strategically—political moments” (Peck, 2010: 106). This understanding can help to answer the question why conservatives and liberals in South Korea, who convey similar neoliberal orientations in economic development policies and strategies, present competing and conflicting attitudes towards North Korea and Sino-DPKR economic relations.

These political conflicts reveal the flexible nature of neoliberalism which has been articulated with other political projects (Larner, 2003). The liberals’ neoliberal vision covers the Korean Peninsula and closely connects their neoliberal ideas and practices with relations with North Korea. North Korea becomes the object of development relatively free from the idea of being a politico-military target. Meanwhile, neoliberal logic mobilized by conservatives are working within the southern territory (and towards the outside world), but do not extend to the North. North Korea has become appropriated through a neoliberal frame by liberals and even progressives who have identified unification as a sort of revolution: in a word, reunification as the disintegration of the division system will involve the rupture of the existing social
structure which is so full of contradictions. However, to conservatives, North Korea remains within the politico-military realm as an object of territorial and ideological absorption.

The presidential election of South Korea in December 2012 only extended these conflicts. To put the conclusion first, Park Geun-hye, a daughter of former military dictator Park Chung-hee, won the presidency as a candidate for the conservative party, President Lee Myung-bak’s governing Saenuri Party. Though she pledged to turn confrontation with North Korea into conversation, she still sticks to the same principle with President Lee—to prioritize the resolution of the North Korean nuclear issue first, followed by inter-Korean exchange and cooperation (J. Choi, 2012; Y-M. Lee, 2012).

On the other hand, Moon Jae-in, a candidate of the liberal factions and the former chief presidential secretary under the Roh administration, promised to bring back the Nordpolitik of the liberal regimes, i.e., to promote a geoeconomic approach to North Korea. Even South Korea’s Bill Gates Ahn Cheol-soo, whom was deemed as a “new voice in South Korean politics” (Lee and Gladstone, 2012: no page), but dropped out of the presidential race in support of Moon, presented nothing new in his North Korea policy. Before announcing that he would run for the presidency, Ahn published a book to communicate his ideas on South Korean politics and society, called “Ahn Cheol-soo’s Thoughts”. In this bestseller, he opines on North Korea. 266 Here I cite the translation of his comments on North Korea by Korea Real Time of The Wall Street Journal. The quotation shows how South Korean liberal elites imagine and desire North Korea

266 It broke the sales record of Steve Jobs written by Walter Isaacson (NB: both books are associated with software moguls),
North Korea is a problem for us to solve, but at the same time it could also be a present for our future. When peaceful economic cooperation with the North is activated, our domestic market will expand. North Korea could possibly be a source of growth momentum since the [South] Korean economy is currently stagnant. We can take advantage of North Korea’s underground resources, tourist attractions and human resources, and a new way could open up for building a North-East Asia economic zone or for a land route from Busan to Paris. In fact, currently South Korea is much like an island blocked by North Korea. The transportation of export goods or raw materials will become easier when we get connected to the continent. This could be an environment where our economy can jump to a higher level. If South and North gradually narrow the gap through economic cooperation, like how Germany lowered unification costs by cooperation, Korea can also reduce unification costs. […] Even if the international community imposes economic sanctions, I don’t think North Korea will be isolated since it has China’s support. Isolation can instead accelerate subordination of the North’s economy to China. […] There seem to exist conflicting perspectives that see unification as either an incident or a gradual process. The Lee administration’s perspective is the one that sees it as an incident. Since he brought up the issue of unification costs, it seems that he thinks unification will suddenly come one day. I agree with the view that sees it as a process. As economic exchanges progress, North and South will become more dependent on each other. The Kaesong complex is a good example. I think we can reach unification and peace through such cooperation (my emphasis).

It is no surprise that this line of thought on North Korea does not show any difference from those of liberal politicians—e.g., President Kim and Roh; his so-called new political imagination seems to fail to produce a novel vision toward the North.

The election of President Lee Myung-bak in 2008 set back the geopolitical order in Northeast Asia to the time of Cold War. While bilateral relations between South Korea and the U.S. have strengthened, the relationship between South Korea and

268 President Obama terms the US-ROK relations as “the linchpin of not only security for the Republic of Korea and the United States but also for the Pacific as a whole” (Katz and Cha, 2012: 57).
China has reached its lowest point since 1992 when both countries established diplomatic relations (Sutter, 2012: 201). The election of conservative Park Geun-hye may impart to us that geopolitical visions of North Korea (e.g., concern that economic engagement with the North would finance its military development) still outweighs the geoeconomic rationale to highlight envisioned economic benefits of inter-Korean exchanges and cooperation. Whether the new president will facilitate reengagement with the North or sustain President Lee’s hardline policy will not only affect the way North Korea produces and reproduces its territory, but also reshape political-economic landscapes around the Korean peninsula.
Chapter 7:

Conclusion

Figure 7.1: The Junction of China, North Korea, and Russia

Source: Photo taken by the author on September 11, 2010
Consider Figure 7.1, a photo was taken in Fangchuan, China, where three countries – North Korea, Russia, and China – border one another. The bridge over the Tumen River is called the “Friendship Bridge” between Khasan, Russia (left-upper side of the bridge) and Sonbong, North Korea (right side of the bridge). The Tumen River flows into the East Sea that can barely be seen beyond the mountains. This bridge also marks the borderline between China and Russia. Thus, Chinese territory does not reach the East Sea, less than ten miles away. China built a watchtower called “Wanghaige” (望海阁) at the site I took this photo. Wanghaige basically means the lookout tower to watch the sea. Yet, the Chinese character Wang (望) has two different meanings; it can mean “gaze” or “look towards”, but it can also mean “hope” or “expect”. In this sense, this watchtower also manifests the long-cherished wish of the Chinese for access to the East Sea—the territory lost to Russia after its defeat in the Second Opium War of 1860. In this sense, the notion that China seeks “colonization” of this space and beyond could be imagined. But as this dissertation has shown, there is a stronger understanding.

The recent boost in cross-border economic activities is focusing global attention on this long-forgotten land. China and North Korea are developing cross-border infrastructure projects across the Tumen River. Russia and North Korea recently renovated the railroad between Khasan and Rajin. Also, the South Korean conservative government agreed to build a natural-gas pipeline with Russia from Siberia to South Korea via North Korea (albeit without consulting the North government). Thus, a long-time geopolitical hotspot is being swayed by new geoeconomic flows. The South’s concerns about China’s expanding power in the region are coupled with a rosy vision of Northeast Asia as a new economic pivot in the global economy. This hopeful prospect
has a history, one that has been gradually promoted by the long-time lingering, imagined geography of this region via the Tumen River Development Project.

An illusion of geoeconomic imaginary

Since the early 1990s – the era of neoliberal globalization – cross-border economic regions have emerged as a new paradigmatic space for economic development. A new catchword – a “borderless” world – has been touted by neoliberal gurus such as Kenichi Ohmae, and propagated across the globe for regional development. A new normative idea has facilitated this shift: the cross-border region is an open system, therefore it is good; nation-state-territory, by constrast, is closed and bad. However, Northeast Asia, though comprised of major economic powers such as China and Japan and rising ones like Russia and South Korea, has not yet brought out any substantial form of cross-border regional development, let alone regional economic blocs such as the ASEAN and the EU. While these countries actively pursue an open-economy strategy, they have not signed any free trade agreement with the neighboring countries in the region. (Though the China-Japan-South Korea Free Trade Agreement is currently under negotiation, few expect an early and smooth conclusion considering the complex geopolitical issues like territorial disputes that must be settled.)

However, this does not suggest that there has been no plan or effort to work together. In the early 1990s, to align with the global drift towards the promotion of cross-border regionalism, Northeast Asia jumped on the bandwagon of geoeconomic remaking of region with the launching of the “Tumen River Area Development
It envisioned the long-time marginalized border region in the photo above as a new regional economic space, an international transportation and logistics hub (Tsuji, 2004). In 2005, this development project was renamed the “Greater Tumen Initiative” (GTI), encompassing a wider region called the “Greater Tumen Region”—the three Northeast provinces and Inner Mongolia (China), the Rason Economic and Trade Zone (North Korea), Eastern provinces (Mongolia), Eastern port cities (South Korea) and part of the Primorsky Territory (Russia)” (The Tumen Secretariat, 2005: no page; see Figure 7.2 below). This project promotes its importance as follows:

Regional cooperation is a vital part of the development process and a building block for effective participation in world trade and capital markets. For the Greater Tumen Region, which partly consists of small and remote areas of large countries, economic cooperation is an effective way to avoid marginalization. … *Most importantly, enhanced economic cooperation in Northeast Asia helps improve political relations and stability*, in turn vital elements for investment and economic growth (my emphasis).  

This geoeconomic reconfiguration of the region, initiated by the UNDP and further boosted by various political and economic groups within the region, entails the working of particular spatial imaginaries such as hubs, gateways, and corridors—to create a “new gateway to the Pacific Rim” (Freeman, 2010: 152). What is distinct for this vision of this region is a marked emphasis on the impacts of geoeconomic restructuring on geopolitical conditions, as the quotation above suggests.

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269 The Tumen River development project was not the first effort for regional cooperation in Northeast Asia. Imperial Japan designed a new regional formation called the “Greater East Asia Co-Prosperity Sphere” in the late 1930s, which is regarded as “the exact equation of regionalism with imperialism” (Hughes, 2000: 9). For this reason, the plan, which might awaken memories of Japanese imperialism to other Asian countries, made Japan reluctant to promote regional economic cooperation (Terada, 2003: 258).

270 From the official website of the GTI (http://www.tumenprogramme.org).
Figure 7.2: The Greater Tumen Region

Redraw the map from http://www.tumenprogramme.org.
The theory implicit is that geoeconomic engagement will heal geopolitical wounds; geoeconomic hope will dispel geopolitical fear.

Nonetheless, this new neoliberal vision has not made noticeable progress. Currently, the GTI project is narrowly maintained by concerned local governments, while central governments in the region show less interest (Hughes, 2000: 25; Tsuji, 2004: 18-9). Instead, each central government conceives and fosters a similar but distinct version of a regional development strategy and imaginaries. As I discussed earlier, the Chinese central government recently approved the Chang-Ji-Tu Project. At the same time, North Korea is trying to capitalize on its locational advantage through the development of the Tumen River region with the Rason SEZ at the center, dubbing this area the “Golden Triangle” (Oh, 2011). And, with their geoeconomic strategy called the “Northern Economy”, South Korean liberals also envision this space as a key link between the Korean peninsula and the continent (Seo, 2005). While China and North Korea are now developing this project together, South Korea’s geoeconomic strategy has stalled due to deterioration of the inter-Korean relationship. These plans or strategies are mostly compatible with each other and seem to be congruous with the GTI. Nevertheless, little progress has been made. It shows that regional development in this area has evolved into a sort of geoeconomic competition to secure locational advantages first, rather than to follow the ideal template in the form of equal cooperation.

As a number of political geographers have already pointed out (Ó Tuathail, 1999; Sparke, 2000; Sparke et al., 2004), cross-border regional development never involves a simple, linear transition into a new economic space, free of tensions. Rather, beneath this idealistic vision lie geoeconomic conflicts and competitions which reveal the naiveté
of proposals that recast geopolitics in highly conflicted regions into geoeconomic opportunity—in other words, to transform geopolitical shackles into geoeconomic networks (Cheong, 2012). This imagined geography entails the naturalization of the idea of development as actively incorporating the region into global capitalist networks: “the regional cooperation fostered by GTI continues to be a vital building block for effective participation in world trade and capital markets” (The Tumen Secretariat, 2007: no page). Finally, this geoeconomic imaginary is continuously cross-cut and intersected by imperial imagination and calculation, like the way in which South Korea views the North. No less problematic is the belief that this new regionalization can simply address, if not erase, geopolitics and postcolonial histories. It seems obvious from the current situation in the region that the formation of alternative economic space without due respect to territorial dynamics may be a pipe dream.

To claim that this new regionalism presents a falsified vision does not imply that we need to preserve the traditional triad structure, nation-state-territory. We cannot

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272 More recently, we can witness an interesting countermoving trend. In his book, The Revenge of Geography, Robert Kaplan, a prominent geopolitical journalist, calls attention to the importance of geography, which has been discounted in the “borderless world”. The subtitle of this book, “What the map tells us about coming conflicts and the battle against fate” explicitly reveals a sort of resurgence of geographical determinism: geography as a map, stage or context that informs, if not determines, human activities (Kaplan, 2012: 29). Why geography now? He confesses his own error: “I wish to argue for a modest acceptance of fate, secured ultimately in the facts of geography, in order to curb excessive zeal in foreign policy, a zeal of which I myself have been guilty” (Ibid.,: 36). That is, Western or America foreign policy has been hampered because it has neglected very basic facts on the ground. Yet, his argument presents a problem similar to the regionalism above: its effect is to obscure the political-economic forces at work underneath geography.

For instance, he attributes Saddam Hussein’s tyranny to “itself geographically determined” (Ibid.,: 35). This statement, with a blind eye to Iraq’s colonial and postcolonial histories and even the U.S. government’s support of the Hussein regime, not only renders the Iraq problem pre-destined but also subtly legitimizes the U.S.’s military engagement. This line of argument persists. About the DMZ that bisects the Korean peninsula, Kaplan describes it as “an arbitrary border of no geographical logic that divides an ethnic nation at the spot where two opposing armies happened to come to rest” (Ibid.,: xviii). Yes. It is an arbitrary border, but not drawn by Koreans’ own will but by two U.S. Colonels, Dean Rusk and Charles Bonesteel (Oberdorfer, 2001: 6). Imperial power relations at work in the
simply disregard the forces that sustain and reproduce the existing spatial order. It is not enough to call into question this geoeconomic imaginary. Unraveling the geopolitical-economic forces implicated in territorial dynamics should be preceded by imagining and remaking an alternative political space.

*     *     *

The space produced by the State must be termed *political* due to its specific features and goals. The State provides the *relations* (that is, the social relations of production) with a calibrated spatial *support*.

Lefebvre (2009 [1978]: 225; emphasis in original)

Both the geoeconomic imaginary of cross-border regionalism and geographical determinism brush aside one very important truth: territory is political. The geopolitical imperative is not simply dissipated by geoeconomic calculation, and production of territory is affected by political-economic dynamics as much as physical features such as mountains and rivers. The way that these physical conditions, which Kaplan stresses, are viewed and imagined is no less important. In this dissertation, I have tried to elucidate some of political-economic forces at work in the territorialization in Northeast peninsula are never found in Kaplan’s description. Accordingly, it is not that there is “no geographical logic” in the DMZ but that foreign powers have enforced and inscribed their own geographical logic into the Korean peninsula. In this sense, Kaplan’s nuanced version of geographical determinism masks the imperial logic that has consistently and deeply penetrated the geopolitical economy of Northeast Asia. To Kaplan, no imperial power can be blamed for colonial and postcolonial sufferings in the region. Geography should be culpable. However, this logic is only applied to Western powers. He does not hesitate to label the expansion of Chinese power “imperial”, which is again ascribed to its own geography (Kaplan, 2012: 199-200). The long chapter on the rise of China faithfully serves to consolidate the “China threat” discourse and facilitate the return of the U.S. to Asia: “the very fact of Chinese economic power – increasingly accompanied by military power – will lead to a pivotal degree of tension in the years ahead … the United States … still seek to prevent China becoming the regional hegemon over much of the Eastern Hemisphere” (*Ibid.*: 227). This static and deterministic view perpetuates and reinforces an orientalist representation of Asia—against aggressive China, other Asian countries are in need of the U.S.’s intervention and protection. Northeast Asia should, Kaplan argues, “accept … fate” (*Ibid.*: 36)
These geopolitical-economic relations are neither fixed nor permanent, but, on the other hand, cannot be reduced to contingency. As Lefebvre points out:

"State space [espace étatique] ... lacks the same chaotic features as the space generated by 'private' interest. On the contrary, the aim is to make it appear homogeneous, the same throughout, organized according to a rationality of the identical and the repetitive that allows the State to introduce its presence, control, and surveillance in the most isolated corners" (2009[1978]: 227; emphasis in original).

Such aspects of territorialization are also attributable to the working of geopolitical-economic forces and imperatives. In this sense, we can grasp relatively consistent and enduring modes of territorial dynamics in political-economic terms (though I capture only part of their complicated, multiple dynamics here). I have emphasized three different articulations of geopolitical and geoeconomic logic in the production of territory in Northeast Asia: “security first, economy next”; “improvement of security through economy”; and “political conflicts between security and economy”. However, these couplings are not always stable and persistent (therefore neither pre-determined nor unchanging). For instance, as I examined in Chapter 5, the Chinese central government’s attempt to improve geopolitical security in the border regions through geoeconomic means is not welcomed (and sometimes resisted or deferred) by provincial governments which have little interest in economic engagement with North Korea. This testifies that power relations shape how these articulations are forged and contested. And territorialization can be always productive and variegated.

In Figure 7.3a, the left side of the fence road is the Hwanggumphyong SEZ of North Korea and the right is Dandong, China. The display boards in the photo below (Figure 7.3b), which stand in front of the Hwanggumphyong SEZ says “China and North
Korea with good-neighborly friendship jointly promote economic prosperity. The military and locals cooperate and build a harmonious border together”. This represents the transformation of the Sino-North Korean border from a geopolitical space into a security/economy nexus (Coleman, 2005).

These photos demonstrate that the border between China and North Korea is bending. Chinese capital is flowing into North Korean territory and taking advantage of this open space. Then, as South Koreans demand, is North Korea really becoming China’s colony? My analysis here shows that the answer is no. Yet, paradoxically, South Koreans’ rising tide of concern testifies to South Korea’s own colonial desire towards the North. More problematic is that this discourse of China’s colonization of North Korea produces political effects that veil and distort present geopolitical conditions. It leads to continuation of imperial logic towards the North and shifts responsibility for regional tensions on China. This narrative imposes a false clarity on the highly complicated situation in this region. Wainwright (2008: 283) claims that “we should be able to conceive of colonial power as the simultaneous extension of territorial and capitalist social relations” (Wainwright, 2008: 283). In this regard, it is not China but South Korean liberals and conservatives who competitively unfurl their geographical imaginations towards the North.
Figure 7.3a: The Border between China and North Korea at the Yalu River

Figure 7.3b: The Display Boards in the Hwanggumphyong SEZ

Source: Photos taken by the author on September 6, 2011
We can also recognize that unlike the taken-for-granted presumption of many outside observers, the territory of North Korea is neither stable nor fixed. North Korea’s own territorial logic “security first, economy next” is deeply engrained in and has strongly affected its territorial imaginations and practices. This underlying logic determines its unique territorial dynamics, and new economic spaces springing up in the border regions attest to this logic. It results from geopolitical and geoeconomic calculations dictated by “security first, economy next”, not from arbitrary decisions or inevitable choices. The imperative for economic development provides a decisive moment for the North Korean state to remake its territory into a geoeconomically calculable space. Yet, this is consistently constrained by a stronger security imperative. Without understanding North Korea’s permanent insecurity, we cannot understand its political-economic dynamics. In other words, North Korea’s geopolitical-economic imperative produces particular patterns of production of territory. In addition, various forces from across the borders affect its territory. This accounts for the vibrant dynamics of the territorial formations in North Korea.

Nevertheless, groundless speculation about North Korea is still rampant among the Western watchers who make a fuss with superficial facts. The appearance of Mickey Mouse in musical performances in North Korea is hotly debated: does it imply that North Korea’s will reform and open? The North’s varied features and dynamic changes are usually filtered through two different yes-or-no questions: Is it reforming or

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273 Charles K. Park explains North Korea’s permanent anxiety of geopolitical security by comparing Korean War memories: “The Korean War is forgotten in the US, a footnote in South Korea, but a way of life in North Korea … In short, North Korea is a fortress state in siege, partly self-imposed and partly externally imposed” (2013: no page).

274 As I discussed in Chapter 3, we should note that the peninsula division is the fundamental condition for the North’s territory dynamics (see also Lee et al., under review).
not? Is it collapsing or not? These questions are actually interlinked, at least in one way. A “no” answer for the first question is usually connected to a “yes” answer for the second. For example, “North Korea cannot change or reform. Generally, they point to the impossibility of reform in North Korea. … Actually, reform is not possible until power is passed from the Kim Dynasty. Reform will not come until the regime collapses” (C. Park, 2013: no page; my emphasis). Regardless of the author’s intentions, such accounts of North Korea fail to reflect on its deeper political, postcolonial conditions. Similarly, the cursory view of one Western journalist about North Korea’s satellite launch – “Considering that last month North Korea sent a rocket into space, a pattern emerges: big spending on photo-worthy exploits while the people starve” (McCarthy, 2013: no page) – is another testament to ignorance of the North’s history and geography. This epistemological position obscures a more substantial approach to North Korea.

A sophisticated understanding of geopolitical economy in Northeast Asia is more necessary than ever. All Northeast Asian countries changed leadership in 2012. North Korea’s young leader, Kim Jong Eun – the grandson of North Korea’s founder, Kim Il Sung, and the son of Kim Jong Il – faces the challenge of leading and rebuilding the poverty-stricken country. China’s fifth-generation leader, Xi Jinping, must address China’s internal contradictions (widening socio-economic inequalities and ecological problems) and confront the U.S. “pivot” to (or “rebalancing” toward) Asia. Pro-U.S. conservative powers took office in both South Korea and Japan. And Russian President Vladimir Putin, who stresses the development of Siberia, resumed his presidency in May 2012 after a four-year hiatus. Geopolitical strains in the region – from growing

275 Considering the aggressive connotations of the term ‘pivot’, the U.S. government recently renamed it as a “rebalancing” toward Asia (Moon and Plott, 2012).
territorial disputes over Pacific islands to the longstanding military tension in the peninsula – are increasingly intertwined with geoeconomic competition between the U.S. and China. The U.S.’s Pivot to Asia is embodied into a new economic formation in the Asia-Pacific region, ‘the Trans-Pacific Partnership’ (TPP). To counterbalance this move, China is actively pursuing free trade agreements with its neighboring countries, like the China-Japan-South Korea FTA. Thus, Asia – and especially Northeast Asia – is now on the frontlines of hegemonic struggles. Under such circumstances, we need to challenge and dispel lingering stereotypes regarding territory and territorialization that still disrupt our understanding of political-economic dynamics in Northeast Asia.

Cross-border regionalism has been deemed as progressive, effective, and even normative in the era of global economy; it replaces the old-fashioned, nation-state-territory structure. However, as I have pointed out, this imaginary simply erases postcolonial histories and ignores political-economic injustices and inequalities without resolving them. For instance, it is necessary to contemplate Kevin Gray’s claim that “Meanwhile, with a new leader installed in Pyongyang and in the context of a rapidly changing East Asia, the massive US military base in downtown Seoul is testimony that the ROK [South Korea] remains a semi-sovereign state, its destiny decided outside its borders” (2013: 101). South Korea’s state is not “semi-sovereign,” as suggested here, but rather a peculiar state such that its sovereignty – its exceptionality – is often decided both outside of and because of its borders (Lee et al., under review).

Therefore, a new geographical imagination is now called for, one that transcends the capitalist order with its contradictions and crises and state-dominated political structure. This is only possible when the illusions dictated by the capitalist imperative –
the cross-border regional economy as an ideal and alternative vision for geopolitically volatile Northeast Asia and a revived form of geographical (or territorial) determinism – are shattered. Only then could we transform the existing geopolitical-economic order embedded in this region. We will need a powerful imaginative engagement to recognize and untie the complex knots of postcolonial and political-economic conditions in Northeast Asia. This epistemological work can help us to avoid a catastrophic disruption and open the possibility of a new regional order.
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# Appendix: North Korea-South Korea-China relations in the Post-World War Era

<table>
<thead>
<tr>
<th>Timeline</th>
<th>South Korea</th>
<th>North Korea</th>
<th>China</th>
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<tr>
<td>August 1945</td>
<td>The liberation of Korea from Japanese rule and the division of the Korean peninsula</td>
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<tr>
<td>1948</td>
<td>The founding of the Democratic People’s Republic of Korea (North Korea) and the Republic of Korea (South Korea)</td>
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<td>The founding of the People’s Republic of China</td>
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<td>October 1949</td>
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<td>1950~ 1953</td>
<td>The Korean War</td>
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<td>July 1961</td>
<td>The signing of the Sino-North Korean Mutual Aid and Cooperation Friendship Treaty</td>
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<td>Since 1978</td>
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<td>Economic reform and opening-up under Deng Xiaoping</td>
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<td>December 1991</td>
<td>The establishment of the first special economic zone in Rajin and Sonbong</td>
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<td>August 1992</td>
<td>The establishment of diplomatic relations with China</td>
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<td>The establishment of diplomatic relations with South Korea</td>
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<td>July 1994</td>
<td>The death of Kim Il Sung</td>
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<td>1994-1998</td>
<td>Great floods and famine called the “Arduous March”</td>
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<td>February 1998</td>
<td>The first regime change from conservative to liberal powers and the launch of “sunshine policy”</td>
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<td>September 1998</td>
<td>The official inauguration of Kim Jong Il as chairman of the National Defense Commission</td>
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<td>June 2000</td>
<td>The first summit meeting between the two Koreas</td>
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<td>2000-2001</td>
<td>The resumption of top-level exchange visits (Kim Jong Il’s visit to Beijing and Jiang Zemin’s return visit to Pyongyang)</td>
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<td>2002</td>
<td>The establishment of Mt. Kumgang and Kaesong as special economic zones between South and North Korea</td>
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<td>July 2002</td>
<td>The introduction of the 7.1 Economic Management Improvement Measures</td>
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<td>September 2002</td>
<td>The establishment of the Sinuiju Special Administrative Zone</td>
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<td>November 2002</td>
<td>The ascendance of the fourth generation of leadership (Hu Jintao and Wen Jiabao)</td>
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<td>January 2003</td>
<td>The withdrawal from the Nuclear Nonproliferation Treaty (NPT)</td>
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<td>Since August 2003</td>
<td>The Six-Party Talks on the Korean Peninsula nuclear issue</td>
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<td>October 2003</td>
<td>The announcement of the “Revitalize the Northeast” plan</td>
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<td>October 2006</td>
<td>The first nuclear experiment</td>
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<td>October 2007</td>
<td>The second summit meeting between the two Koreas</td>
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<td>February 2008</td>
<td>The return of conservative leadership with the election of Lee Myung-bak</td>
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<td>July 2008</td>
<td>The closure of the Mt. Kumgang Tourism Zone after the shooting of a South Korean tourist</td>
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<td>May 2009</td>
<td>The second nuclear experiment</td>
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<td>October 2009</td>
<td>Chinese Premier Wen Jiabao’s visit to Pyongyang and the signing of various economic cooperation agreements</td>
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<td>2009</td>
<td>The central government’s approval of the Liaoning Project (July) and Chang-Ji-Tu Project (November)</td>
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<td>2010</td>
<td>The escalation of inter-Korean military tensions—the sinking of the South Korean warship Cheonan (March) and North Korea’s shelling of Yeonpyeong Island in the Yellow Sea (November)</td>
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<td>May 2010</td>
<td>The South’s enforcement of the “5.24 measures” that suspended all inter-Korean economic exchange except for the KIC</td>
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<td>2010-2011</td>
<td>Kim Jong Il’s four visits to China (Beijing and northeast provinces)</td>
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<td>June 2011</td>
<td>The ground-breaking ceremonies for the joint development of two special economic zones in North Korea’s border region—the Rason Economic and Trade Zone and the Hwanggumphyong-Wihwa Islands Economic Zone</td>
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<td>December 2011</td>
<td>The death of Kim Jong Il</td>
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<td>2012</td>
<td>Leadership changes throughout the region—Park Geun-hye for South, Kim Jong Eun for North and Xi Jinping for China</td>
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<td>February 2013</td>
<td>The third nuclear experiment</td>
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<td>April 2013</td>
<td>The suspension of the KIC</td>
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