

## Developments on the Korean peninsula

### Introduction

- 7.1 The focus of this inquiry was not limited to Australia's relations with the RoK. The Committee also examined developments on the Korean peninsula as they related to the DPRK.
- 7.2 Investigating issues which involve the DPRK can be problematic. Events unfold regularly and information can be scarce. As a result, this chapter will endeavour to give a general overview of the following issues:
- the DPRK in world affairs;
  - RoK-DPRK links;
  - humanitarian aid in the DPRK; and
  - the Australia-DPRK relationship;
- 7.3 Unfortunately, the DPRK chose not to accept the Committee's invitation to a public hearing. As a result, the Committee has been unable to include the DPRK's perspective on issues covered in this chapter which were not covered by their submission.

## The Democratic People's Republic of Korea in world affairs

- 7.4 Since 1945, the DPRK has been a communist country run by two leaders, firstly Kim Il-Sung and, following his death, his son Kim Jong-Il. Both men have isolated the country from the world while focusing on a massive armed forces build-up designed to protect their regime and defend the North from its perceived threat of Southern invasion. The consequences of sustaining such a large military has been the near total failure of the DPRK economy to the point where systemic poverty amongst the population is the norm and the danger of famine is ever-present.
- 7.5 The DPRK traditionally depended on its allies, the Soviet Union and China for support. The collapse of the Soviet Union and a more distant stance taken by China in relation to the DPRK has meant that, in recent years, the DPRK has allegedly turned to activities such as drug smuggling, counterfeiting and the exportation of ballistic missiles to supplement its income.<sup>1</sup>
- 7.6 It is questionable whether the regime of Kim Jong-Il will collapse in the near future. The Committee was advised by US Ambassador Wendy Sherman that Kim Jong-Il has 'cemented' his tie with the DPRK military and that he is 'fundamentally in control.'<sup>2</sup> However, journalist and author Mr Jasper Becker believes that the regime is not 'particularly stable' due to a number of alleged assassination attempts and reports of family infighting over succession.<sup>3</sup>
- 7.7 Of more concern to the international community is the DPRK's development of a nuclear weapons capability. In 1989, the DPRK shut down its nuclear reactor but it was never known what it did with its irradiated fuel rods. Some believed that the shut down was a clear signal that the DPRK was attempting to extract plutonium from the rods and build nuclear weapons. Since that time, intelligence agencies have been striving to ascertain first the existence and then the extent of the DPRK's nuclear weapons program.
- 7.8 There has also been speculation that the DPRK has a highly enriched uranium program (nuclear weapons can be made from plutonium or highly enriched uranium). Speculation has been fuelled by testaments

---

1 <<http://www.atimes.com/atimes/korea/HA18Dg01.html>>, 14 March 2006.

2 Exhibit 18, *Transcript of Teleconference 13 February 2006*, p. 1.

3 Exhibit 18, *Transcript of Teleconference 13 February 2006*, p. 14.

made by defectors, US intelligence assessments and DPRK officials who, in 2002, declared to a US delegation that the country had an enrichment program; an acknowledgement that was later rescinded.<sup>4</sup>

7.9 Concerns over the DPRK's nuclear weapons capability has resulted in three separate rounds of engagement between the international community and the DPRK:

- 1991 – the US agreed to remove its nuclear weapons from the RoK and as a result, both Koreas agreed to neither possess nor host nuclear weapons, construct enrichment or reprocessing capacity and to conduct reciprocal inspections;
- 1993/94 – the DPRK withdrew from the Nuclear Non-Proliferation Treaty sparking a chain of events which culminated in the Agreed Framework whereby the DPRK agreed to freeze its known nuclear facilities in exchange for US assurances and international energy aid; and
- 2002 – during meetings with US officials DPRK officials announced that the DPRK was developing a highly enriched uranium program. This announcement led to the instigation of the six-party talks between the DPRK, US, the RoK, China, Japan and Russia, which are currently ongoing.

## Refugee issues

7.10 The United Nations High Commissioner for Refugees (UNHCR) estimated that in 2003 there were approximately 100,000 DPRK citizens in China. This is half the number that was estimated to be in China at the peak of the DPRK famine in the late 1990's.<sup>5</sup> The fluctuating number of border crossers is an interesting aspect of this situation. It is reflective of the fact that there is regular movement in both directions across the Chinese/DPRK border.<sup>6</sup>

7.11 A significant number of DPRK citizens attempt to leave the country either in search of food or to flee political persecution.<sup>7</sup> China is

---

4 Dr Ron Huisken, Research School of Pacific and Asian Studies, *Submission No. 11, Vol. 1*, p. 115.

5 James D. Seymour, *China: Background Paper on the Situation of North Koreans in China*, UNHCR, January 2005, p. 16.

6 James D. Seymour, *China: Background Paper on the Situation of North Koreans in China*, UNHCR, January 2005, p. 15.

7 James D. Seymour, *China: Background Paper on the Situation of North Koreans in China*, UNHCR, January 2005, p. 10.

generally their preferred destination as the border crossing is by land and therefore easier than trying to reach the RoK by sea. A few choose to cross into Russia.<sup>8</sup>

- 7.12 China does not consider DPRK border crossers to be refugees, rather illegal immigrants.<sup>9</sup> This distinction has allowed China to handle the situation as it sees fit thereby avoiding adherence to the UN treaty on refugees, to which it is a signatory.<sup>10</sup>
- 7.13 Although regular border crossings have rarely led to intervention in the past – approximately 10 percent are forcibly repatriated<sup>11</sup> – a report commissioned by the UNHCR indicates that China ‘now appears to see the number of immigrants as more than can be absorbed.’<sup>12</sup>
- 7.14 China responded by strengthening border security in the autumn of 2004. The same report suggests that this was in order to ‘prevent North Korean troops from escaping into China.’<sup>13</sup>
- 7.15 This leads to real concerns about the fate of DPRK border crossers repatriated by China. The Committee was particularly concerned about the consequences of being sent back to the DPRK.<sup>14</sup> US Ambassador Sherman advised the Committee that ‘there is plenty of evidence that there are labour camps and prison camps and that people are dealt with very harshly.’<sup>15</sup>
- 7.16 The UNHCR commissioned report does note, however, that the official line in Pyongyang is that people who go to China in search of food are not to be considered criminals and therefore subject to relatively minor punishment. Those who are deemed to have left for political reasons face much harsher consequences.<sup>16</sup>
- 

8 James D. Seymour, *China: Background Paper on the Situation of North Koreans in China*, UNHCR, January 2005, pp. 14-24.

9 James D. Seymour, *China: Background Paper on the Situation of North Koreans in China*, UNHCR, January 2005, p. 12.

10 Mr Jasper Becker, *Transcript 13 February 2006*, p. 16.

11 James D. Seymour, *China: Background Paper on the Situation of North Koreans in China*, UNHCR, January 2005, p. 26.

12 James D. Seymour, *China: Background Paper on the Situation of North Koreans in China*, UNHCR, January 2005, p. 9.

13 James D. Seymour, *China: Background Paper on the Situation of North Koreans in China*, UNHCR, January 2005, p. 9.

14 The Committee, *Transcript 13 February 2006*, p. 4.

15 Ambassador Wendy Sherman, *Transcript 13 February 2006*, p. 4.

16 James D. Seymour, *China: Background Paper on the Situation of North Koreans in China*, UNHCR, January 2005, p. 27.

## Committee comment

- 7.17 The Committee has serious concerns about the fate of DPRK border crossers into China who are repatriated by the Chinese authorities. The Committee urges the Commonwealth Government to encourage China to recognise DPRK border crossers as refugees, thereby ensuring that they are subject to the UN treaty on refugees.

## Inter-Korean links

### The Sunshine Policy and the Policy of Peace and Prosperity

- 7.18 The RoK Government inter-Korean policy is focused on the need to maintain peace and stability on the peninsula, while promoting the expansion of inter-Korean co-operation.<sup>17</sup> This policy, first named the 'Sunshine Policy' by President Kim Dae-jung, is now firmly entrenched under President Roh Moo-hyun's 'Policy of Peace and Prosperity'.
- 7.19 In its submission to the Committee, the RoK Government clearly laid out the basis of the Policy of Peace and Prosperity, stating that:
- The priority goal of the Policy of Peace and Prosperity is to achieve stable inter-Korean relations based on peaceful co-existence, reconciliation and cooperation ...<sup>18</sup>
- 7.20 The RoK's Ambassador told the Committee that the RoK Government believed that the pursuit of the Policy of Peace and Prosperity 'was having some positive impact on the security situation on the peninsula.' The RoK was confident that its policy may have an impact on the resolution of the nuclear issue as well.<sup>19</sup>
- 7.21 Reconciliation between the RoK and the DPRK is progressing through a program of briefly reuniting families divided between north and south at Mt Kumgang, in the DPRK.
- 7.22 Economic cooperation has been moving forward on three fronts:
- development of the Kaesong Industrial Zone;

---

17 Embassy of the RoK, *Submission No. 18, Vol. 1*, pp. 224–5.

18 Embassy of the Republic of Korea, *Submission No. 18, Vol. 1*, p. 225.

19 Ambassador Sang-hoon Cho, *Transcript 31 August 2005*, p. 23.

- the Mt Kumgang tourism project; and
- the re-connection of inter-Korean railways and roads.<sup>20</sup>

### Kaesong Industrial Zone

- 7.23 The Kaesong Industrial Zone was designed to provide an influx of RoK investment money into DPRK manufacturing expertises while utilising the DPRK's low cost labour pool.<sup>21</sup>
- 7.24 The RoK Government advised the Committee that there were currently fifteen companies operating in the zone but the project was moving at a slow pace.<sup>22</sup> The DPRK submission corroborated RoK comments in this regard, noting that both governments had agreed to 'to actively cooperate in accelerating the Kaesong Industrial Zone.'<sup>23</sup>

### Mt Kumgang Tourism Project

- 7.25 Mt Kumgang is a sacred location for Koreans and is reputed to be of great beauty. Hyundai Asan organises tourist trips to the mountain and maintains a tourism complex there. Visitors to Mt Kumgang have been steadily increasing, so much so, that Hyundai has secured the business rights to the project for the next fifty years and has committed to investing millions of dollars into the area.<sup>24</sup>

### Re-connection of inter-Korean railways and roads

- 7.26 The opening of roads and railways between north and south signifies the gradually changing nature of the RoK-DPRK relationship. As the RoK Government noted in its submission to the Committee, 'inter-Korean transport connections have brought a fundamental change to the character of the Demilitarized Zone.'<sup>25</sup> Border crossings, once a rarity, now occur on a regular basis.

---

20 Embassy of the DPRK, *Submission No. 34, Vol. 2*, p. 467-8.

21 Embassy of the RoK, *Submission No. 18, Vol. 1*, p. 299.

22 Embassy of the RoK, *Submission No. 18, Vol. 1*, p. 299.

23 Embassy of the DPRK, *Submission No. 34, Vol. 2*, p. 467.

24 Embassy of the RoK, *Submission No. 18, Vol. 1*, p. 299.

25 Embassy of the RoK, *Submission No. 18, Vol. 1*, p. 299.

## Committee comment

- 7.27 The Committee notes that negotiators of the ASEAN–RoK free trade agreement have recently agreed in principle to the inclusion of products from the Kaesong Industrial Zone.<sup>26</sup> This decision highlights the potential of the zone to increase RoK–DPRK cooperation, which is an important aspect of peaceful co-existence.
- 7.28 The RoK Embassy submission noted that the west coast railway link between the RoK and the DPRK remains dormant following a breakdown in inter-Korean dialogue.<sup>27</sup> This is reflective of the challenges inherent in inter-Korean cooperation and the fact that although cooperation is taking place, it is happening at a very gradual pace.

## Humanitarian aid

- 7.29 The need for humanitarian aid in the DPRK is substantial. Food shortages in particular have led to past famines and continued malnutrition amongst the population. Humanitarian assistance provided to the DPRK by Australia is distributed by the Australian Agency for International Development (AusAid) to non-government organisations (NGOs) operating in the DPRK.
- 7.30 In 2005, the DPRK government announced an end to its food crisis and consequently closed the UN World Food Program in the DPRK. International NGOs were also required to withdraw their staff from the DPRK by the end of 2005. During the period in which this report was drafted, NGOs were negotiating with DPRK Government agencies to ascertain the scope of this announcement in hope that their programs would continue in some way.
- 7.31 The following organisations provided information to the Committee of their humanitarian work in the DPRK:
- AusAid;
  - Australian Red Cross; and
  - Caritas Australia.

---

26 *Korea Policy Review*, January 2006, p. 29.

27 Embassy of the RoK, *Submission No. 18, Vol. 1*, p. 299.

## AusAid

- 7.32 Australia does not provide aid directly to the DPRK Government. It does, however, provide assistance via AusAid through multilateral channels including:
- World Food Program;
  - UNICEF;
  - World Health Organisation; and
  - Federation of the Red Cross.
- 7.33 Since 1994, the monetary value of humanitarian aid supplied to organisations such as these by the Commonwealth Government has totalled almost \$74 million.<sup>28</sup> This money has been focused primarily on alleviating food shortages in the DPRK.<sup>29</sup>
- 7.34 When queried about the level of assistance AusAid provides NGOs, the Australian Red Cross (ARC) noted that 'at the moment there is not a significant amount of funding for Australian agencies for the DPRK.'<sup>30</sup>
- 7.35 The ARC did qualify that statement by noting that whenever humanitarian disasters arose, such as the Ryongchon train disaster in 2004, AusAid assistance was forthcoming and that dialogue between the ARC and AusAid was 'extremely positive.'<sup>31</sup>

## The Australian Red Cross

- 7.36 In its submission to the Committee, the ARC outlined the humanitarian situation in the DPRK, noting a series of problems facing the country including an energy crisis, ongoing food shortages, and a lack of health and social service resources. The ARC concluded by stating that the 'humanitarian situation in the DPRK remains serious' and is being compounded by the absence of an acceptable resolution of the nuclear issue.<sup>32</sup>
- 7.37 The ARC works in conjunction with its counterpart the DPRK Red Cross and the International Federation of the Red Cross. Information

---

28 DFAT, *Submission No. 21, Vol. 1*, p. 294.

29 Mr Robin Taylor, *Transcript 31 August 2005*, p. 5.

30 Mr Nathan Rabe, *Transcript 21 September 2005*, p. 9.

31 Mr Nathan Rabe, *Transcript 21 September 2005*, p. 9.

32 ARC, *Submission No. 10, Vol. 1*, pp. 68-9.



provided to the Committee by the ARC focused primarily on the work of the DPRK Red Cross in addressing humanitarian concerns in the DPRK.

## DPRK Red Cross

7.38 With support from the International Federation of the Red Cross, the DPRK Red Cross provides a range of services to the DPRK community including:

- emergency relief;
- long-term health programs;
- disaster preparedness programs; and
- response and capacity building programs.<sup>33</sup>

7.39 The Committee was interested to note that the DPRK Red Cross is a well-accepted and active participant in DPRK society. The Committee assumed that local participation in organisations such as the Red Cross would not have been encouraged by the DPRK government, given the restrictive nature of the DPRK regime. However, the Committee was advised that:

There is a long tradition of Koreans participating in the DPRK Red Cross; it is considered to be almost a sign of social belonging ... It is a mainstream organisation [in the DPRK] ... with branches throughout all the provinces ...<sup>34</sup>

7.40 The Committee was further informed that the Red Cross youth program in the DPRK has about 300 000 members.<sup>35</sup>

7.41 The ARC believed that community acceptance and a wide membership base gives the DPRK Red Cross a unique status in the country and was the organisation best able to get access to vulnerable people.<sup>36</sup> For example, after the 2004 Ryongchon train disaster, the DPRK Red Cross was allowed to operate very close to the Chinese border in areas aid workers had previously been unable to access.<sup>37</sup>

---

33 ARC, *Submission No. 10, Vol. 1*, p. 69.

34 Mr Nathan Rabe, *Transcript 21 September 2005*, p. 4.

35 Mr Nathan Rabe, *Transcript 21 September 2005*, p. 5.

36 Mr Nathan Rabe, *Transcript 21 September 2005*, p. 4.

37 Mr Nathan Rabe, *Transcript 21 September 2005*, p. 6.

## The Australian Red Cross' recommendations

- 7.42 As noted, the Commonwealth Government only provides aid to the DPRK through multi-lateral humanitarian agencies. This decision has been made in response to ongoing concerns regarding the DPRK's nuclear weapons capability.
- 7.43 The ARC voiced its concern to the Committee about the Commonwealth Government's decision to provide aid in this manner. The ARC believed that the declared end of the food crisis effectively closed the only avenue through which government aid could be channelled.
- 7.44 The ARC recommended that the Commonwealth Government reassess its decision to only supply aid through multilateral humanitarian agencies. Such a decision, the ARC believed, would ensure continued support for the people of the DPRK regardless of political circumstances.<sup>38</sup>
- 7.45 The ARC also recommended that the Commonwealth Government:
- commit to multi-year funding for the DPRK Red Cross humanitarian program; and
  - fund Australian technical personnel supporting Red Cross activities.<sup>39</sup>

## Caritas Australia

- 7.46 Caritas Australia (The Catholic Agency for Overseas Aid and Development) is linked to the Caritas International Network. Caritas provides humanitarian assistance to countries around the world and has provided over 30 million to humanitarian programs in the DPRK. Caritas Australia's contribution accounts for one million dollars of that total.<sup>40</sup>
- 7.47 Like the ARC, Caritas noted current humanitarian issues facing the DPRK. Chronic food insecurity, poor nutrition (especially amongst children) and a lack of social services and community infrastructure were cited as serious problems. Caritas also highlighted the need to expand assistance beyond immediate food concerns to encompass

---

38 ARC, *Submission No. 10, Vol. 1*, pp. 72-3.

39 ARC, *Submission No. 10, Vol. 1*, p. 73.

40 Ms Margaret McCafferty, *Transcript 20 September 2005*, p. 73.

long-term development programs and the provision of technical assistance.<sup>41</sup>

- 7.48 The challenge of expanding the scope for assistance lies in the current political environment surrounding the DPRK. As Caritas pointed out to the Committee, Australian humanitarian assistance is presently linked to the six-party talks and the stipulation that assistance will only be provided through multi-lateral humanitarian agencies.
- 7.49 Caritas echoed the ARC's call for the Commonwealth Government to sever the link between aid and the nuclear issue. This, Caritas believed, would counter the DPRK's closure of the World Food Program and allow aid to flow through other channels. For example, Caritas suggested that as a signatory to the Millennium Development Goals, it may be possible to engage the DPRK through the UN Development Program as a means of implementing a national development strategy for the DPRK.<sup>42</sup>

### Committee comment

- 7.50 The Committee recognises that the issue is complex, but believes there is a need to send a clear signal to the DPRK regime that its pursuit of a nuclear weapons capability is unacceptable. The Committee is, however, aware that there exists the potential for Commonwealth Government humanitarian aid to the DPRK to be compromised.
- 7.51 The Committee believes that the Commonwealth Government should continue to distribute funds through AusAid and also other appropriate channels.

## Australia's relations with the Democratic People's Republic of Korea

### Commonwealth Government engagement

- 7.52 In 1973, the Commonwealth Government recognised the DPRK. A year later the two countries established formal diplomatic relations. In 1975, relations were severed at the behest of the DPRK and were not officially renewed until May 2000. In 2002, the DPRK opened an

---

41 Ms Margaret McCafferty, *Transcript 20 September 2005*, p. 74.

42 Ms Margaret McCafferty, *Transcript 20 September 2005*, p. 75.

embassy in Canberra. Australia has chosen, however, to defer the opening of an Australian embassy in Pyongyang until negotiations over the DPRK's nuclear program are resolved.<sup>43</sup>

- 7.53 The DPRK's nuclear weapons capability is the focus of the ongoing six-party talks. Although Australia is not a participant in the negotiation process, the Commonwealth Government has actively encouraged the DPRK to 'make substantive progress toward a peaceful resolution of the nuclear issue' through the six-party process.<sup>44</sup>
- 7.54 Australia's Foreign Minister, Mr Alexander Downer MP, carried this message to Pyongyang in 2004 and reiterated the international community's concern over the DPRK's nuclear weapons program. In the same year, Mr Downer sent a senior officials delegation to the DPRK and Dr Alan Thomas, Australia's Ambassador-designate. Dr Thomas was instructed to withhold presenting his credentials for one year in response to the nuclear issue.<sup>45</sup>
- 7.55 The Commonwealth Government has also actively engaged other governments that have an interest in the North Korean nuclear issue. DFAT advised the Committee that when visiting countries such as China, the Prime Minister, Mr John Howard MP, and other Commonwealth Government ministers always make a point of discussing North Korea. In the case of the Chinese, the Commonwealth Government continues to encourage China to maintain its role in the six-party talks.<sup>46</sup>
- 7.56 Australia's efforts in this regard have been well received by the RoK, which stated in a submission that 'Australia's consistent effort to encourage North Korean leaders to reform and open up will serve as an impetus for change.'<sup>47</sup>

---

43 DFAT, *Submission No. 21, Vol. 1*, pp. 292-3.

44 DFAT, *Submission No. 21, Vol. 1*, p. 293.

45 DFAT, *Submission No. 21, Vol. 1*, p. 293.

46 Mr Peter Baxter, *Transcript 31 August 2005*, p. 14.

47 Embassy of the Republic of Korea, *Submission No. 18, Vol. 1*, p. 226.

## Scientific collaboration

7.57 There has been a limited amount of scientific exchange between Australia and the DPRK over the years. The following activities were brought to the attention of the Committee:

- exchange between the Australian Academy of Technological Sciences and Engineering (ATSE) and a group of four researchers from the DPRK in 2001;
- research training by two DPRK scientists at La Trobe University in 2003; and
- training provided to North Korean senior administrators and research scientists by the Australian Centre for International Agricultural Research.

7.58 The ATSE informed the Committee that its exchange program provided an opportunity for the DPRK delegation to:

- see Australia's capabilities in the fields of science, engineering and technology;
- meet and develop links with senior Australians working in these fields; and
- explore the opportunity for collaboration.

The ATSE believes that the exchange was successful and that opportunities for future collaboration exist.<sup>48</sup>

7.59 The DPRK Embassy, in a submission provided to the Committee, agreed. It noted the DPRK's appreciation for providing opportunities in scientific exchange and stated that:

The DPRK sees the potential for greater scientific collaboration in terms of industrial and agricultural scientific research. The DPRK sincerely wishes the continuation of such scientific collaboration and exchanges in this field.<sup>49</sup>

---

48 Australian Academy of Technological Sciences and Engineering, *Submission No. 8, Vol. 1*, p. 60.

49 Embassy of The Democratic People's Republic of Korea, *Submission No. 34, Vol. 2*, p. 467.

## Committee comment

- 7.60 The Committee supports Commonwealth Government efforts to engage the DPRK over its nuclear weapons program and supports the efforts of the countries involved in the six-party talks.
- 7.61 The Committee believes there is merit in a suggestion made by the International Crisis Group (ICG) which calls on the Commonwealth Government to provide training programs for North Koreans at Australian academic institutions and promote trade and investment in the DPRK. Such activities, ICG suggests, would do little to support the regime, but may strengthen the DPRK's economy thereby creating internal pressure for political change.<sup>50</sup>

Senator Alan Ferguson

Chair

June 2006

---

50 ICG, *Submission No. 2, Vol. 1*, p. 14.