

Russia's Korean Peninsula Policy

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The Soviet Union and the Post-Soviet Russia are frequently described as “allies of North Korea”. However, this description is at best misleading, at worst wrong. Relations between Pyongyang have never been easy or particularly close.

It's true that the North Korean state was created in the years 1945-48 under the auspices of the Soviet military, being a product of the Soviet social engineering, for the first years of its existence it essentially remained a pro-Soviet satellite regime. However Kim Il Sung, an able and charismatic guerrilla commander from Manchuria, who was selected to lead the Soviet client state had different ideas about the future of his realm. He was not going to be a Soviet puppet (or for that matter anyone's puppet). He may have been a good Communist but he probably was a better nationalist, and in his worldview Nationalism had more weight than Communism.

So when in the 1950s an opportunity availed itself, Kim Il Sung began to distance North Korea from the Soviet Union. This complicated – but ultimately successful – manoeuvre was made possible, above all, by the Sino-Soviet schism that began in the 1950s. It also helped that the Soviet leadership became less willing to follow the heavy handed approach of the Stalinist era in dealing with its former satellite regimes. Using the new international environment, Kim Il Sung in the 1950s was able to outsmart both Soviet and Chinese politicians and eventually secured for his regime a nearly unique position in the communist bloc. By skilfully manoeuvring between Moscow and Beijing Kim Il Sung insured that both Communist sponsors provided him with vital economic and military aid but were unable to extract from him any meaningful political concessions.

This dangerous diplomatic game was played by Kim Il Sung with great skill, and his success caused a great annoyance among leaders of the Soviet Union as well as among the Soviet public. From the late 1960s, North Korea was probably the least popular Communist regime in the USSR. Nearly all significant ideological and political groupings which then existed the USSR shared dislike for Kim Il

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Sung and his policies. Party officials and bureaucrats did not like Kim Il Sung since they saw him as an unreliable and manipulative political ally who was unwilling to consider the Soviet interests, and wasted the Soviet aid on misconceived or ambition-boosting projects. For the re-emerging Russian nationalists he was an ungrateful leader, whilst for liberals, the Kim Il Sung regime remained the most extreme embodiment of all the brutal practices and inefficient structures they saw in their own country. Everybody was repelled by Pyongyang's veiled nationalism and, especially, by Kim Il Sung's personality cult.

These negative feelings were reciprocated by Pyongyang. North Korean leaders were not happy about the Soviet policy and ideology, and did much to restrict the Soviet influence in their country. They saw it above all as a possible source of ideological contamination Kim Il Sung never accepted a more liberal, less repressive version of Communism which resulted from the death of Stalin and rise of a new set of leaders. For Pyongyang, the post-Stalin Soviet Union remained a harbinger of both ideological revisionism and great power chauvinism. North Korean leaders were afraid that through excessive interactions with Soviet citizens and culture North Koreans would come into contact with alien and dangerous ideas. At the same time they tended to see the Soviet Union as a bullying and chauvinistic power which sought to control and use its ideological allies when it suited Soviet interests.

In spite of this mutual dislike both governments were at pains to maintain the image of unity and fraternity. After all, in spite of all differences and even outright hostility, they needed one another. For North Korea, the Soviet Union was a major and sometimes the only source of vital economic aid. As the internal economic situation steadily deteriorated this aid became increasingly important, even though the North Korean government never admitted the importance of it.

For the Soviet Union, North Korea had a great value as a strategic buffer state that protected strategically vital parts of the Russian Far East and as a useful bulwark against the threat of American attack. It also helped that North Korea tied down US military forces in Korea which otherwise could have been posted in Europe or in other areas of the world where they might have posed a more direct threat to the Soviet Union. At the same time, from the early 1960s the Soviet Union was willing to go to great lengths to prevent other Communist regimes from siding with China. In a sense the Soviet aid that was provided to North Korea was a bribe: even though Soviet diplomats understood that they had no real way to drag North

Korea firmly to the Soviet side in the dispute, they still believed that it made sense to pay Pyongyang to remain neutral in the feud.

In spite of the perceived (or real) need to keep North Korea afloat for the sake of assorted geostrategic interests, the Soviet Union never saw it as a close ally. In the late 1980s when Perestroika realigned Soviet thinking in the area of geopolitics; the Soviet leadership did not think twice when it decided to write North Korea off.

In the new world that began to emerge in the late 1980s, the United States was not seen as a rival anymore. On the contrary, the majority of the Soviet public and many of the politicians of post-Communist Russia believed naively that the United States would do everything possible to help Russia to overcome the difficulties associated with economic and political transformation whilst keeping its international superpower status. The Sino-Soviet split also ceased to play a major role in Soviet political calculations and by 1989 Moscow's relations with China were becoming cordial again. Therefore further support of North Korea became unnecessary.

To a very large extent the decision to halt aid to North Korea was driven not only by disgust with the North Korean regime which widely seen as Stalinism gone mad but also driven by some practical considerations. In the early 1990s few people in Russia believed that the North Korean regime was destined for a long life. Back then most experts predicted that the regime would last for 3-4 years at most. Communist governments were collapsing everywhere and the North Korean regime appeared to be the least rational, the most bizarre and inefficient of all of these regimes. Therefore it was only logical to expect that would follow the destiny of Ceausescu's Romania and Honecker's East Germany.

Kim Il-sung died a peaceful death in 1994, and the widely expected violent collapse of his regime never happened, but even this non-event produced some reasonably good literature in Russia. Lev Vershinin, a historian and writer, authored *Endgame*, a novel that described a violent collapse of an imaginary communist dictatorship. The country of the novel had features that reminded readers of Romania, Cuba and North Korea at the same time. Even geographic names were deliberately mixed against all laws of linguistic history, so that the capital of this imaginary country had the Korean-sounding name of Taedongan and the place of the Stalinists' doomed last stand was called Munch'on in the novel. Around the same time, Igor Irteniev, arguably the most popular Russian satirical poet of the 1990s, mockingly wrote of an event many people then expected to take place soon: *"I still cannot sleep without a sedative / in the dangerous darkness / I keep imagine*

what happens to Kim Il-sung / in the blood-stained hands of the executioners."²

So, North Korea came to be seen as both troublesome and doomed, and the old policy of aid was discontinued. The dramatic reduction of aid began even before the collapse of the Soviet Union, but escalated after 1992. The volume of trade between North Korea and the Soviet Union in 1990 was \$2.1 billion, four years later the trade had plummeted to paltry \$140 million, and remained at this level since then.

By the mid-1990s one could notice a gradual change in the Russian attitude towards North Korea, this change was driven by two different trends. First of all, Russia's own transition to post-Communist society was not as smooth and successful as most people once hoped for. The expectations of a post-Communist era of prosperity were dashed. Around 1990 a majority of the Soviet population expected that Russia being "liberated from the Communist yoke" would almost immediately become a country whose standards of living would be comparable to that of the nations of Western Europe and the United States. Needless to say these hopes were utterly naïve, but when the Russian economy began its downward spiral which continued until the late 1990s, many people began to reconsider their earlier attitudes to the outside world. North Korea was still seen as worthy of a great deal of criticism but this criticism was becoming less pronounced than it had been before.

The growth of anti-American sentiment also contributed towards this change. The United States ceased to be seen as a potential ally and selfless protector of democracy and prosperity worldwide. On the contrary, the Russian public began to perceive it as a cunning predator that was taking advantage of Russia's weakness and encroaching on Russia's legitimate sphere of influence (the Russian public believed and still believes that more or less all territories that used to belong to the Soviet Union constitute Russia's legitimate sphere of influence). In this new situation all anti-American forces began to win sympathy in Russia and North Korea with its exceptionally belligerent anti-American rhetoric was no exception.

Another reason that made Russian policy makers a bit softer on Pyongyang was the remarkable resilience that the North Korean regime demonstrated in the 1990s. The disruption of aid produced an economy cataclysm and a famine. However, the hereditary dictatorship of the Kim family survived the crisis and remained in

² Irtenev, Igor. Riad dopushchenij [A number of assumptions]. Moscow, *Nezavisimaia gazeta*, 1998, p.154.

control, much to everybody's surprise. Therefore Russia's attitude to North Korea began to change. From the late 1990s there was a growing sense that the North Korean regime was likely to remain viable for the considerable future. It was also understood that in the long run its existence might serve Russian interests to a certain degree.

For a majority of the educated post-Soviet Russian public, the North Korean state remained a near perfect example of a brutal and inefficient dictatorship, but from the mid-1990s in Russian academic articles the critique of North Korea was hushed, and augmented with critique of alleged Western insensibilities in dealing with this very peculiar society. The earlier policy of ignoring North Korea was frequently criticized as "unproductive" and "short-sighted".³

It was against such a backdrop that contacts between North Korea and Russia began to grow.

These changes became more pronounced under President Putin who clearly stated that a "strong and self-confident Russia" is his major foreign policy goal. In February 2000, the DPRK and Russian Federation signed the Treaty on Friendship, Cooperation, Good Neighborliness which replaced the 1961 Treaty. Unlike the 1961 agreement, the 2000 Treaty did not stipulate military alliance between the two countries, but the Treaty still had special importance because it signified a revival of more positive stance in regard to North Korea.

More significantly, in July 2000 Vladimir Putin visited Pyongyang himself, becoming the first Russian or Soviet head of state to ever visit North Korea. Paradoxically enough, in the Soviet era no General Secretary ever bothered to come to Pyongyang, all rhetoric of "friendship" and "alliance" notwithstanding. Kim Jong Il also paid two visits to Russia. In August 2001, he crossed the entire Russia by train, coming to Moscow and Petersburg all way from Pyongyang. This prolonged and rather unusual trip caused some stirs in parts of Siberia, since it led to a serious disruption of normal traffic at an important railway line, but it was nonetheless full of deep symbolism (and also, diplomats privately insist, contributes towards changes in the Dear General's perception of post-Communist Russia). In August 2002, Kim Jong Il came to Russia again, this time limiting his trip to Far Eastern region, where he nonetheless held a summit with President Putin.

³ Such opinions were expressed many times. See, for example, remarks to this effect made by a senior diplomat and scholar: Georgyi Toloraya. *Koreiskii poluostrov i Rossiia* [Korean Peninsula and Russia], *Mezhdunarodnaya Zhizn*, December 2002.

So what are the major goals of Russian policy towards North Korea?

If one looks at the situation from the purely economic point of view, it is difficult to deny that currently Russia has no significant economic interests in North Korea. Actually, it hardly had any commercial interests there at all.

In 2008 the total volume of North Korea's foreign trade reached \$4.5 billion (if trade between inter-Korean trade is excluded). In the same year North Korean-Russian trade amounted to merely \$140 million, in other words trade with Russia constituted merely 2.9% of North Korea's total trade volume. This stands in great contrast to the late 1980s where trade between the two sides sometimes amounted to as much as half of North Korea's total volume of trade. It's true that Russia is now the fourth largest of North Korea's trade partners (after China, South Korea and the EU); however one should not forget this is a very distant fourth.⁴ The structure of the trade also reflects marginality of North Korea. The lion's share of Russia's exports consists of the oil (some 85%).

It's also remarkable that there was also no change in the total volume of trade in the last fifteen years. Since 1994 trade volume has fluctuated around the \$150-200 million mark, without showing any signs of increasing.

The North Korean debt remained an issue in the relations between the two countries. This debt, which approximates US\$ 8.8 billion, is unlikely to be repaid any time soon. The ideas of restructuring are discussed briefly, but without many chances to succeed.⁵

It's often suggested that North Korea, especially its mineral wealth might be of interest to Russia. Indeed over the last 10 years a number of Russian mining companies have sent survey groups to North Korea. For resource hungry China North Korea may well be an attractive prospect but for Russia which has all of Siberia at its disposal it is not that attractive. Most of these trips produced very similar conclusions. While there are moderate quantities of reasonable quality minerals, exploration and development of these resources would not be cost effective for these companies because it would require prohibitively expensive investments (largely because of the almost complete lack of decent infrastructure). For the same amount of money, investment in Russia proper would be more cost

⁴ 2009년 북한 대외경제 전망. 서울: 대외경제정책연구원, 2009.

⁵ For some review of the current (sorry) state of trade between two countries, see: Nemov A.F. Osnovnye problem vo vzaimootnosheniiah Rossiiskoi Federatsii i KNDR [The major problems in the relations between Russian Federation and DPRK]. *In Russia and Korea*. Moscow: Russkaia panorama, 2008.

effective where there are many unutilised mineral deposits and where political risks whilst not completely absent are much lower than in North Korea.

Not unsurprisingly, Russian business professes little interest in the other major commodity North Korea possesses – a good supply of a relatively skilled but low wage labour force. Russian companies have not done any major outsourcing to North Korea, and they are not likely to do it in foreseeable future. This is partially because they have access to a sufficient supply of cheap labour in Russia proper and but largely because the type of manufacturing that is currently being done in Russia does not outsource well.

When Russian businesses need North Korean labour, they'd rather use it in Russia proper. Indeed, the ongoing trade in labour might be the only truly successful joint economic project of two countries. The persistent labour shortages at the Russian Far East have always compelled the local administration to look for additional sources of labour elsewhere, so from the late 1960s a large number of North Korean loggers have been sent to Russia. Nowadays, there are about ten thousand North Korean workers who are employed by various companies in Russian Far East.⁶

To put it simply, as long as the economy is concerned, North Korea has almost nothing to offer Russia and is unable to pay for Russian exports. Russian companies have little interest in North Korea and they are unlikely to change their attitude in the foreseeable future. This situation is well expressed by the long term stagnation of the trade between Russia and North Korea which stands in such stark contrast to the booming Sino-North Korean trade. It would only be a minor exaggeration to say that 20:1 difference in these volumes (\$2.8 billion and \$0.13 billion, respectively) reflects the difference in economic value which interaction with North Korea presents to its two major neighbours.

From the Russian point of view, North Korea might have role to play as a transit route for Russian trade. It is not incidental that all three major North Korean economic projects that have been discussed in Russia are of the same nature; all of these projects are about the use of North Korea for transit. These three projects are a trans-Korean railway, a trans-Korean pipeline and a high-voltage electricity supply line.

⁶ For more details on this arrangement and North Korean workers in Russia, see: Zabrovskaja L.V. KNDR-Rossia-RK: obmen trudovymi resursami [DPRK-Russia-RK: exchange of labor resources]. *Demoscope*, №333-334, 19 May 2008

All of these projects (especially the railway connection plan) have been widely discussed, however on closer inspection the situation with these projects is far more complex than it might appear from reading the upbeat newspaper reports. Sufficed to say there has been talk of a railway connection since the late 1990s, we are now at the end of 2010, but there has been no development of the project in the last decade. It's true that the Russian state-run railway company did some surveys and even opened its own office in North Korea; however this limited activity is a far cry from actually starting a project. The situation with the pipeline and power grid proposals are essentially the same: much talk but little action.

There are good reasons behind these delays. All of projects are potentially economically valuable but benefits do not appear that large when the unfavourable combination of high political risks and high costs are taken into account as well. None of these projects is cheap, all require billions of US dollars to be invested before they will yield any economic results.

A good example of difficulties with the transit projects is the story of the proposed trans-Korean railway which will connect Koreans and Russian railway networks. The talks about this project began in 1997-98 and intensified in 2000, after the chain of summits between the leaders of North Korea, South Korea and Russia. From 2001 onwards Russian delegations frequent both Seoul and Pyongyang discussing the project which, they insist, will be highly profitable. Russian Vice Minister of Railways Alexander Tselko, while visiting Seoul in 2001, said :”So far, it costs \$1,344 to send a 20-foot container from Pusan to Hamburg, Germany, via the Trans-China Railway (TCR). However, it only costs \$889 from Khasan to Hamburg, thus saving about \$400”.⁷

G.D.Tolaraya, a prominent Russian academic and senior diplomat, wrote about this project: “From the geopolitical point of view, such project is very efficient. It will give an opportunity to create a Euroasian land bridge, “correct” the balance of Russian policy in East Asia where its relations with China and Japan are dominant, strengthen [Russia’s] positions in Asia and decrease the tensions in a neighbouring region”.⁸

All this sounds good, but a better look indicates that problems with the railway

⁷ *Korea Times*, 12 February 2001. These figures have been repeated many times since then.

⁸ Toloraia G.D. Mezhdunarodnye infrastrukturnye proekty i pozitsii Rossii v Vostochnoi Azii, na primere Koreiskogo poluoostrova [International infrastructure building projects and Russia’s position in East Asia, the case study of the Korean peninsula]. KoRusForum, March 2007. Retrieved at <http://www.korusforum.org/PHP/STV.php?stid=14>

project are manifold. To start with, the North Korean leaders are not happy about letting South Korean cargo trains regularly pass the North Korean railway stations. Obviously, they are afraid that a sheer sight of these trains will tell North Korean populace about the size and sophistication of South Korean economy. Another political opposition to the project comes from the port city of Vladivostok whose authorities do not want to lose traffic to the proposed railway link.

However, the major problem is the large cost of the project. In order to make the project viable, one has to completely rebuild the North Korean railway network which is not only badly run, but based on the completely outdated technology from the 1950s, if not 1930s. Some prospecting, recently undertaken by the Russian engineers, leaves no doubt that the North Korean railway cannot handle any increase in traffic without a thorough technical modernization. According to the official estimates, the reconstruction will cost at least 2.5 billion dollars.⁹

However, one must remember though that these estimates were produced by the Russian state railway company itself who has a vested interest in underestimating these costs. If we also keep in mind that in most cases the cost of large infrastructural projects tends to be much higher than initial estimates (and also remember that the above cited estimates were produced almost 15 years ago) we can extrapolate that the likely cost will probably be closer to \$4-5 billion, if not more. The state-run Russian railway company or Russian businesses in general are not going to spend this kind of money in North Korea, not least because this kind of money could produce far better results if spent elsewhere.

Another much talked cooperation project is a pipe line which should connect Russian gas fields and customers in South Korea, with possible involvement of North Koreans as subsidized consumers.¹⁰ The problems are the same: large investments are necessary while both political stability of the region and eventual profitability of the project remain rather uncertain. Like the case of the railway project, Russian businesses might undertake something if backed by the government funds and/or guarantees, but this is not likely to happen in foreseeable future.

Perhaps, the most viable project is that of an electricity supply line. It might either be used as a part of complicated three-party agreements, or just pass through North Korea, supplying Russian-produced electricity to the South. Compared to the

⁹ *Stroitelniaia gazeta*, 19 January 2007; *Naeil sinimun*, 28 May 2007

¹⁰ One of the early proposals of this kind, see: Selig S. Harrison. Gas Pipelines and the North Korean Nuclear Crisis. *Foreign Service Journal*, December 2003.

railway or pipeline, such a project is cheaper, but still costs money and will require a certain level of political stability in the area.

The situation is made more complex by the presence of large political risks. Indeed, if railway construction (or for that matter pipeline and/or electrical grid construction) starts in earnest, it will mean that investors become hostages of the unstable and unpredictable political situation. Once money is invested it will be almost impossible to take the money back, so investors will become dependent entirely on the good favour of the North Korean government (as well as on the absence of risky moves from Washington). If the previous experience of interaction with the North Korean regime is any guide, we might expect that as soon as the North Korean government will realize that investors have no way back, Pyongyang will change conditions in numerous ways, perhaps demanding increases in the amount of money to be paid for the right of transit. The idea of fair game and 'pacta sunt servanda' (agreements must be kept) are rather alien to North Korean leaders. Taking into account the scale of investment, a decision to move forward in such environment is clearly too risky.

Therefore Russians' economic interest in cooperation with North Korea can be described at best as attempts to keep their foot in the door. On the one hand, Russia does not abandon these projects; they recognise that these projects would be very beneficial in the long run. However at the same time Russian business is not going to commit itself and start investing heavily right now.

Of course Russian business would be more willing to invest in North Korea had they been given an unequivocal guarantee from the Russian state. However this is not going to happen, the Russian government is not going to support such an undertaking.

At first glance this Russian passivity seems strange – after all, in the long run these projects are clearly conducive for Russian interests. However one must keep in mind that post-Soviet Russia is very different from its predecessor, the USSR, in some important regards. Unlike the Soviet Union, Russia is not as willing to invest money in projects motivated by geopolitical interest and prestige alone.

Therefore it makes sense to have a look at the purely political priorities of Russia in this region. Talking purely in terms of the political dimensions of Russia's North Korea policy, one has to keep in mind that Russia is different from the Soviet Union. The Soviet Union used to be a superpower which had real or perceived interests in every corner of the globe. It was also quite willing to invest heavily into

the foreign policy, often spending money purely to boost one's prestige. This is not the case with post-communist Russia. It is not a superpower, and it is remarkably economical when it comes to the foreign policy issues. As Dmitry Trenin, an acute observer of the Russian foreign policy, remarked recently: "[Russia] does not see foreign policy as an activity where money are spent. It does not want to spend money, it sees foreign policy as a way to attract money from outside into Russia".¹¹

Russian foreign policy nowadays has a clear hierarchy of geopolitical priorities. Above all, the major Russian interest relates to those countries which once were parts of the Soviet Union. These regions are known as the 'Near Abroad' in Russia, and they take up the bulk of Russian foreign policy makers' concerns. Of somewhat lesser importance are relations with the European Union and the United States. The United States is seen as a potential rival, a country that constitutes or at least could constitute a serious threat to Russia and/or its vital economic and political interests. The third area of interest is China; the approach toward China is remarkably ambivalent. Sometimes China is seen as a valuable economic partner which is compatible with the peculiarities of Russia's economy. China also wins a great deal of sympathy because of its anti-American stance, and is often seen as a potential counterweight against US global hegemony. Concurrently Russian policy makers and the general public feel a great deal of unease about the fast growth of the Chinese military and its political clout. Very often China is seen as a potential challenge if not outright threat.

However, areas which outside areas out of these four major regions – former-Soviet Union, EU, US and China – are seen as marginal and do not attract much attention of Russian policy makers. Like it or not, but the Korean peninsula is perceived as one of these politically marginal regions.

So, what does Russia want in the area? In a nutshell, Russia pursues three major goals which form a clear hierarchy. First, Russia needs a stable Korean peninsula; Second, it would prefer a divided peninsula; and third it would prefer a denuclearised Korean peninsula. At first glance, Russia's goals on the Korean peninsula are surprisingly similar to those of China. This is indeed the case, but the overall value attached to the Korean peninsula in Moscow is much lower than the value attached to this area by Beijing.

Stability seems to be the overriding goal of Russian policy in the area. It's

¹¹ Dmitry Trenin. *Rossija i novaja Vostochnaja Evropa* [Russia and New East Europe]. Lecture delivered on the 31st of March, 2010. Retrieved at <http://www.polit.ru/lectures/2010/04/22/trenin.html>

assumed that any crisis in North Korea is not conducive to Russian interests especially because any crisis is likely to lead to a significant increase in American and/or Chinese influence in the area. This is exactly the reason why Russia is not enthusiastic about Korean unification.

It seems highly probable that a possible collapse of the North Korean regime might lead to one of two scenarios: either a South Korean lead unification (which is likely to end with the creation of state aligned with the United States) or Chinese intervention (emergence of a Chinese controlled puppet regime in North Korea). Both outcomes are not particularly desirable from Russia's point of view, since in both cases Russia's actual or potential rivals will increase their influence in areas near vulnerable parts of Russian territory.

Russia is not anti-unification *per se*, but in current circumstances it judges that only conceivable scenario by which unification will occur is "unification by absorption", with the pro-American South absorbing its enfeebled, poorer Northern brother. This unification scenario makes it very likely that the state that would emerge on Russia's eastern borders would be pro-American, and this outcome is not welcomed by the Russian policy planners.

Understandably enough, Russian diplomats and official scholars are not too forthcoming with such statements, but sometimes they can be frank. For example, in 2009 a prominent and perceptive Russian analyst wrote: "Our interests [in the Korean peninsula] will not be well served by the increase of influence of either US or China, as well as by the growth of the confrontation between them. The significant unfavourable changes in the balance of power can be avoided by status quo maintenance, including preservation of the DPRK's independence (irrespective of its social structure)".¹²

Therefore, Russia prefers status quo maintained. But it is equally important to realize that – unlike China and, potentially, South Korea – Russia is not going to commit too much resources to North Korea. Russian diplomats might be ready to greet their North Korean counterparts with broad smiles, but are not willing to provide Pyongyang with much of material substance. This disinclination partially reflects the above-mentioned unwillingness of present-day Russia to spend money on foreign policy, and partially is related to the marginality of Korean issue among the Russian policy objectives.

¹² Георгий Толорая, Владимир Хрусталеv. Будущее Северной Кореи: стоит ли ждать конца? *Индекс Безопасности* № 1 (88), стр.100.

Somewhat surprisingly, the nuclear proliferation is not a major concern to present-day Russia. It is not a welcomed development, to be sure, but Russian politicians and diplomats do not excessively worry about this problem since they do not believe that nuclear proliferation presents a grave and immediate danger to their country's national interest. This approach dominates the Russian attitude to the Six-party talks. While opposed to nuclear North Korea, Moscow is not ready to put too much pressure on Pyongyang, since such pressure might lead to domestic crisis within North Korea.

This was confirmed by the recent *Cheonan* affair. The conclusions of the Russian investigation team were indecisive, and predictably so. Has Russia chosen to support the official South Korean finding, it would seriously damage its relations with North Korea (and its potential to remain a significant player, since Russia's major advantage is Pyongyang's willingness to accept it as a mediator). At the same time, it would not help to improve its relations with Seoul, since such relations are primarily of commercial nature and essentially consist of mutually profitable trade which unlikely to suffer in case of minor political tensions. At the same time, an open rejection of South Korea's version, being too provocative, was unlikely. So, Russian reaction was predictably nebulous.

In regard to the future of North Korea, most Russian scholars express hopes that sooner or later North Korea would emulate China and launch slow market-style reforms.¹³ However, they stress that such reforms would be impossible as long as Pyongyang does not feel itself secure enough, so on the current stage aid and cooperation are the only way to create environment which would be conducive to such reforms.

However, one should not exaggerate the level of Russia's commitment to maintaining the status quo: after all, the Korean issue in general is not that important to Moscow. On top of that, possible Korean unification will raise the possibility of profitable projects like the aforementioned "three big projects", which are likely to become viable in a post-unification Korean peninsula or perhaps even in a peninsula whose northern part is controlled by China. These economic benefits may help to compensate for the bitterness (a rather mild one) that is likely to be felt in Moscow

¹³ See, for example, an article by Konstantin Asmolov, a Korean affairs specialist and historian from the major Moscow think tank: Konstantin Asmolov. North Korea: Stalinism, Stagnation, or Creeping Reform? *Far Eastern Affairs*. Jul-Sep 2005. Actually, a senior Russian diplomat, lifelong Korea specialist, Georgy Bulychev. A Long-term Strategy for North Korea. *Japan Focus*, February 2005. Retrieved at: <http://japanfocus.org/products/details/2030>.

over the loss of the status quo.

Conclusion

Therefore when it comes to the North Korean question Russia is a relatively minor but not all together insignificant player. Apart from the transit projects of which the railway connection project seems to be the most important and beneficial, Russia does not have much economic interest in North Korea because North Korea has neither the money to pay for Russian exports nor economic prospects for investment. In the general scheme of things North Korea is not seen as a strategically vital part of Russia's Geopolitical interests; therefore it is not likely that Russia will attempt to expend many resources to maintain the status quo.

While the current situation creates a lot of tension and troubles Moscow, all conceivable scenarios of change lead to situations which will be even less conducive for Russia's interest than the present one. Obviously a US dominated unified Korea or a Chinese dominated Northern state is worrisome to Russia. Therefore Russia seeks to continue negotiations, not because they are likely to produce any significant change in the situation but precisely because such negotiations are likely to enable the perpetuation of the status quo (and also because participation in such negotiations increases Russian political clout) .

At the same time one should not overestimate the significance of the North Korean question to Russia. North Korea in particular remains marginal to Russian interest and Russian grand strategy. Trade and other forms of the economic interaction between two countries are nearly absent. Both likely alternatives to the status quo (a US-dominated unified Korea or Korea divided between ROK and a pro-Chinese client state in the North) whilst not being conducive to Russian long-term interests does not constitute a geopolitical disaster. Russia can easily live with either situation.