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THE QUIET GAME: SANCTIONS STALEMATE AGAINST NORTH KOREA

by

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June 2023

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THE QUIET GAME: SANCTIONS STALEMATE AGAINST NORTH KOREA

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ABSTRACT

North Korea (DPRK) remains the target of the strictest economic sanctions regime in United Nations Security Council history; despite this, there has been no concrete progress toward the goal of eliminating the DPRK nuclear weapons program. Through the lenses of historical analysis and sanctions scholarship, this thesis examines the potential causal factors that make the DPRK uniquely resilient in the face of these sanctions. In the game of economic sanctions, there are three players: the senders, the targets, and the sanctions-busting “black knights.” The thesis examines the characteristics of each of these players, as well as the rules of the game—characteristics of the sanction regime itself—with the goal of improving the efficacy of sanctions as tools of economic statecraft against North Korea’s nuclear program. Kim’s authoritarian selectorate demonstrates a capacity for redirecting sanctions impacts to the populace, as well as a wide variety of sanctions impact evasion techniques—to include smuggling, cybercrime, and cryptocurrency mining. Analysis shows that factors relating to both the game itself and the UN-led coalition of senders may have some detrimental impacts on sanctions effectiveness. However, the thesis concludes that it is primarily North Korea's unique blend of strategy and structure—and the support of China in the role of the “black knight”—that render even the most extreme bout of UN sanctions ineffective in changing the behavior of the hermit kingdom.

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TABLE OF CONTENTS

I.	INTRODUCTION.....	1
A.	MAJOR RESEARCH QUESTION.....	1
B.	SIGNIFICANCE OF THE RESEARCH QUESTION.....	2
C.	LITERATURE REVIEW	3
	1. Defining Economic Sanctions: The Name of the Game.....	4
	2. Measuring Sanctions Success: Capture or Control?	5
	3. Causes of Sanctions Success and Failure: How to Win (or Lose)	8
	4. Sanctions in the Case of North Korea: The Game So Far	15
D.	POTENTIAL EXPLANATIONS AND HYPOTHESES	16
	1. Characteristics of the Sanctions Regime against North Korea	16
	2. Sanctions Sender Characteristics	17
	3. North Korea as the Target	17
	4. China as the Black Knight	18
	5. Summary of Hypotheses and Potential Factors	18
E.	RESEARCH DESIGN.....	19
F.	THESIS OVERVIEW AND CHAPTER OUTLINE.....	20
II.	STALEMATE: BACKGROUND AND HISTORY OF SANCTIONS AGAINST NORTH KOREA	21
A.	INTRODUCTION.....	21
B.	THE MATCH: SANCTIONS AS TOOLS OF ECONOMIC STATECRAFT AGAINST NORTH KOREA	21
C.	SETTING THE BOARD: TIMELINE OF POST-COLD WAR STATECRAFT.....	22
D.	THE GAME BEGINS: SANCTIONS IN NORTH KOREA’S NUCLEAR AGE	25
	1. Round One: 2006–2009.....	28
	2. Round Two: 2009–2013	29
	3. Round Three: 2013–2016	30
	4. Round Four: 2016	30
	5. Round Five: 2016–2017	32
	6. Round Six: 2017	32
	7. Round Seven: 2017.....	33
	8. Round Eight: 2017-Present	33

E.	STALEMATE: SANCTIONS HAVE EFFECTS, BUT ARE NOT EFFECTIVE	34
F.	CONCLUSION	39
III.	THE WHITE CASTLE AND THE RULES OF THE GAME	41
A.	INTRODUCTION.....	41
B.	THE RULES OF THE GAME: CHARACTERISTICS OF THE SANCTIONS REGIME AGAINST THE DPRK	41
1.	Hypothesis 1a: The Sanctions Program Structure Is Ineffective.....	41
2.	Hypothesis 1b: The Purpose of Sanctions Is Unclear	44
C.	THE WHITE CASTLE: CHARACTERISTICS OF THE SENDERS OF SANCTIONS AGAINST THE DPRK	45
1.	Hypothesis 2a: Senders Lack Motivation to Reverse DPRK Behavior.....	46
2.	Hypothesis 2b: Senders Lack Legitimacy	47
3.	Hypothesis 2c: Senders Lack Credibility.....	50
4.	Conclusion	51
IV.	THE RED KING AND THE BLACK KNIGHT	53
A.	INTRODUCTION.....	53
B.	THE RED KING: CHARACTERISTICS OF THE TARGET STATE	53
1.	Hypothesis 3a: North Korea Is Sufficiently Motivated	53
2.	Hypothesis 3b: Authoritarian Regimes Are Particularly Resistant.....	56
3.	Hypothesis 3c: The Kim Regime Excels at Sanctions Evasion	64
C.	THE BLACK KNIGHT: CHARACTERISTICS OF CHINA AS A SANCTIONS-BUSTING THIRD PARTY	71
1.	Hypothesis 4: China Acts as the Black Knight.....	72
2.	Conclusion	79
V.	CHECK AND MATE: CONCLUSION AND POLICY RECOMMENDATIONS.....	81
A.	RULES OF THE GAME: IMPACTS OF SANCTIONS DESIGN....	82
B.	THE WHITE CASTLE: IMPACTS OF SENDER CHARACTERISTICS.....	82
C.	THE RED KING: IMPACTS OF TARGET CHARACTERISTICS.....	82

D.	THE BLACK KNIGHT: IMPACTS OF CHINA’S INFLUENCE	83
E.	CONCLUSION, IMPLICATIONS, POLICY RECOMMENDATIONS.....	83
	LIST OF REFERENCES	85
	INITIAL DISTRIBUTION LIST	93

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LIST OF FIGURES

Figure 1.	Layered Sanctions by Form and Episode.....	27
Figure 2.	Assessment of Statecraft and Sanctions’ Effectiveness by Episode.	35
Figure 3.	Assessment of Sanctions and Overall Statecraft Effectiveness against North Korea across All Eight Episodes.	36
Figure 4.	DPRK International Trade Contraction under Sanctions, 2005–2020.....	37
Figure 5.	North Korean GDP Contraction under UN Sanctions, 2005–2021.	38
Figure 6.	Estimated Volume of Petroleum Deliveries to North Korea in 2020.	66
Figure 7.	Estimated North Korean Trade and UN Sanctions, 2005–2020.	77

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LIST OF TABLES

Table 1.	Purposes of Economic Sanctions in Existing Literature.....	6
Table 2.	Hypotheses and Potential Factors regarding Sanctions Ineffectiveness against the North Korean Nuclear Program.....	19
Table 3.	Assessments of Hypotheses regarding Sanctions Ineffectiveness against the North Korean Nuclear Program.....	81

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LIST OF ACRONYMS AND ABBREVIATIONS

AIS	automated information system
ATM	automated teller machine
BDA	Banco Delta Asia
CCP	Chinese Communist Party
CVID	complete, verifiable, irreversible dismantlement
DoS	denial of service
DPRK	Democratic People’s Republic of Korea
GDP	gross domestic product
HSEO	Hufbauer, Schott, Elliott, and Oegg
IAEA	International Atomic Energy Agency
INDOPACOM	Indo-Pacific Command
IP	internet protocol
NATO	North Atlantic Treaty Organization
NGO	non-government organization
NPT	non-proliferation treaty
ROK	Republic of Korea
STS	ship-to-ship
THAAD	Terminal High-Altitude Air Defense
TSC	Targeted Sanctions Consortium
UN	United Nations
UNSC	United Nations Security Council
UNSCR	United Nations Security Council Resolution
WPK	Workers’ Party of Korea

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I. INTRODUCTION

A. MAJOR RESEARCH QUESTION

The global wars of the early twentieth century saw the development of a new weapon, intended to deter aggression and help usher in a new world order of peace and international stability. This weapon had the power to cause widespread devastation and end lives on a massive scale, with potential after-effects that could continue to impact victim states for decades. It need not be wielded by a soldier or army, and could be brandished from behind a desk with relative impunity. For all these reasons, it remains a primary tool of coercion and deterrence used by great powers to this day. A realist might associate this description with the advent of nuclear weapons; however, a liberal proponent of the UN-led international order will instantly recognize its identity: international sanctions, the “economic weapon.”¹

Sanctions have been used throughout the twentieth and twenty-first centuries to further interstate political agendas and achieve policy goals. These programs are attractive due to their potential to influence the policy and behavior of other nations without resorting to costly and unsavory conflicts. However, there is some disagreement among scholars regarding the effectiveness of this weapon. The aim of the sender is to coerce policy change in the target state; in order to achieve this outcome, the impacts of the economic sanctions regime in the target state must outweigh the benefits of adherence to the undesired behavior. However, in many cases—most notably, that of North Korea—sanctions have failed to evoke the desired change in target state behavior.

Why haven’t economic sanctions been effective against the DPRK? How has such a potent economic and political weapon failed to achieve any concrete or permanent progress toward the ultimate goal of complete and irreversible dismantlement of the North Korean nuclear program despite nearly two decades of constant levying? This thesis aims

¹ Nicholas Mulder, *The Economic Weapon: The Rise of Sanctions as a Tool of Modern War* (New Haven, London, UK: Yale University Press, 2022), 2.

to identify and examine the specific factors that have limited the effectiveness of economic sanctions as a means to curtail the Kim regime's nuclear weapons program.

The main goal of this thesis is not to assess whether the existing sanctions regimes against North Korea can be deemed successful. Despite minor changes in state behavior throughout the period under sanctions beginning in 2006, there has been no concrete progress toward the goal of eliminating the DPRK nuclear weapons program; therefore, the outcome of interest in this study can be defined as the failure of economic sanctions against North Korea to elicit any change in the state's undesirable behavior. The overarching goal is to identify and assess the causal variables that have contributed to this outcome—both domestic North Korean factors and factors related to the sanctions regime, sanctions senders, and third parties—in order to improve the efficacy of sanctions as tools of economic statecraft against North Korea's nuclear weapons program.

B. SIGNIFICANCE OF THE RESEARCH QUESTION

The Democratic People's Republic of Korea remains one of the world's foremost political and economic enigmas. Despite over seventy years of failed state planning, decades of famine, and near-complete isolation from the world economy, the Kim regime continues not only to exist, but also to pose a unique, multi-faceted threat to the established international order and the security of both regional and global actors. North Korea's emergence as a *de facto* nuclear power raises three primary security concerns for the international community. The first and most obvious concern is the potential for North Korea to launch nuclear strikes against South Korea, Japan, UN-associated targets within the INDOPACOM region, or potentially even the continental United States. Kim's unpredictability makes North Korean intentions notoriously difficult to discern, and the demonstrated belligerence of the DPRK forces potential adversaries to err on the side of caution and assume a willingness to use these weapons in anger. The second is that North Korea's history of belligerence and proliferation raise concerns about the possibility of nuclear weapons and/or components making their way to other rogue states, violent extremist organizations, and other non-state actors. Finally, the presence of nuclear weapons on the Korean peninsula has the potential to trigger an East Asian arms race, as

neighboring South Korea and Japan weigh the possibility of pursuing their own nuclear programs.² This last concern is of primary importance to China, as any action on the part of the DPRK that prompts Japan or South Korea to strengthen their defenses gives rise to a security dilemma in which China's own interests are inherently threatened.³

By shedding light on the causal variables that could explain sanctions' lack of success in North Korea, the thesis will aim to distill policy recommendations for the development, imposition, and enforcement of current and future sanctions and inducement programs against the DPRK. It will also assess the overall potential for sanctions to achieve U.S. and UN policy goals in the DPRK case.

C. LITERATURE REVIEW

Since its inception in the early twentieth century, and over the past three decades in particular, the "economic weapon" has been touted as a more financially and morally desirable alternative to using military force to achieve international political objectives.⁴ Advocates of the use of sanctions claim that they are inherently more civil and less violent than military force, but just as politically effective; the reality is that sanctions carry great potential for social and economic devastation.⁵ There is some debate amongst scholars and decision makers pertaining to the exact definition of the term "sanctions" and their effectiveness in inducing change in target state behaviors. The literature review addresses competing arguments over what falls under the umbrella of sanctions and how their success

² Joseph R. Detrani, "Denuclearization of North Korea Is Possible," 38 North, February 1, 2021, <https://www.38north.org/2021/02/denuclearization-of-north-korea-is-possible/>.

³ United States Institute of Peace, *China's Role in North Korea Nuclear and Peace Negotiations: USIP Senior Study Group Final Report*. (Washington, DC: United States Institute of Peace, 2019), 5, https://www.usip.org/sites/default/files/2019-04/chinas_role_in_north_korea_nuclear_and_peace_negotiations.pdf.

⁴ Mulder, *The Economic Weapon*, 1–3.

⁵ Mulder, *The Economic Weapon*; Daniel W. Drezner, "Sanctions Sometimes Smart: Targeted Sanctions in Theory and Practice: Sanctions Sometimes Smart," *International Studies Review* 13, no. 1 (March 2011): 97, <https://doi.org/10.1111/j.1468-2486.2010.01001.x>. As an example of the destructive power of sanctions, Mulder highlights that the regime imposed against Saddam Hussein's Iraq in the early 1990s had massive repercussions, many of which are still being felt today. Although it failed to bring about a coup or regime change, the comprehensive sanctions regime incurred tremendous costs; in addition to the \$250 billion in lost oil revenue, the regime led to an extended humanitarian crisis and caused an estimated 227,000 deaths.

is measured. This section also extracts and organizes the various potential causal factors that affect sanctions' effectiveness in general, as well as in regard to the current U.S. and UN sanctions regimes against North Korea.

1. Defining Economic Sanctions: The Name of the Game

The debate over sanctions effectiveness extends far beyond the singular case of North Korea; in fact, scholarly arguments begin with the definition of the term itself. Pape argues that economic sanctions should be distinguished from two other forms of economic statecraft—economic warfare and trade wars—based on their different desired effects on target states.⁶ According to Pape, the term sanctions only refers to attempts to “lower the aggregate economic welfare of a target state by reducing international trade in order to coerce the target government to change its political behavior,” whereas economic warfare aims to degrade military build-up and spending, and trade wars are waged purely to coerce favorable trade conditions between established trade partners.⁷ By this definition, economic statecraft leveraged in pursuit of purely economic or military goals falls outside the realm of *sanctions*. Pape asserts that keeping these categories separate allows scholars to isolate and clearly identify the conditions under which sanctions alone can effect target state behaviors “without resorting to military force.”⁸

Baldwin and Hufbauer, Schott, Elliott, and Oegg (HSEO) argue that Pape's definition is too narrow and sets the bar too high for most cases to be deemed successful; these scholars favor incorporating the various tools of economic statecraft—including Pape's three categories, as well as the concept of *inducements* or “positive sanctions”—together under the umbrella of “sanctions.”⁹ In order to provide a more comprehensive

⁶ Robert A. Pape, “Why Economic Sanctions Do Not Work,” *International Security* 22, no. 2 (October 1997): 90–136, <https://doi.org/10.1162/isec.22.2.90>.

⁷ Pape, 93–94.

⁸ Pape, 94.

⁹ David A. Baldwin and Ethan B. Kapstein, *Economic Statecraft*, New edition (Princeton, NJ: Princeton University Press, 2020); Gary Clyde Hufbauer et al., *Economic Sanctions Reconsidered*, 3rd ed. (Washington, DC: Peterson Institute for International Economics, 2007).

analysis, this thesis will adopt Baldwin and HSEO's use of the terms "sanctions" and "sanctions regime" to describe the set of economic tools leveraged against North Korea.

2. Measuring Sanctions Success: Capture or Control?

To measure the degree of success or failure of a given sanctions regime, one must first determine the benchmark for success. Two schools of thought prevail here. In one, Pape and others argue that sanctions' success can be measured by any negative impact on the gross domestic product (GDP) of the target state.¹⁰ In the other, Baldwin, HSEO, and others posit that the true measure of sanctions' effectiveness is more complex than simple financial impacts; rather, the target state must exhibit a change in the undesirable policy or behavior.¹¹ This need not be a wholesale reversal of policy; any change in the targeted behavior can be considered a success, regardless of the actual costs imposed on the target state.¹² Baldwin goes further; he claims that the proper question when addressing the effectiveness of economic sanctions is one of *utility*—that is, the intersection of effectiveness and cost—when compared with the alternative of military force.¹³

This thesis aligns with the latter school by considering policy change to be the better measure of sanctions' effectiveness; however, economic impacts will be taken account when examining the Kim regime's threshold for resistance to international pressure and capability to evade and/or blunt financial and resource hardships.

To assess success, the ultimate goal of a sanctions regime must be considered. Baldwin identifies six primary motivations for sender states, as depicted in Table 1. The first two—political coercion and economic coercion—align with Pape's categories of sanctions and trade wars, respectively, and both authors label the third category as

¹⁰ Pape, "Why Economic Sanctions Do Not Work," 93.

¹¹ Baldwin and Kapstein, *Economic Statecraft*, 17; Hufbauer et al., *Economic Sanctions Reconsidered*, 32–33.

¹² This naturally gives rise to a causal conundrum: if the sanctions regime inflicts no net costs on the target state, but a policy change is observed, how can the change be attributed to the efforts of the sanctions sender? Likewise, if a decline in GDP is observed, how can causality be assessed over coincidence?

¹³ David A. Baldwin and Robert A. Pape, "Evaluating Economic Sanctions," *International Security* 23, no. 2 (October 1998): 194, <https://doi.org/10.1162/isec.23.2.189>.

economic warfare. Baldwin’s last three categories—rallying domestic support, demonstrating resolve internationally, and seeking retribution—have no counterparts in the limited scope of Pape’s argument.

Table 1. Purposes of Economic Sanctions in Existing Literature.

Pape ^a	Baldwin ^b	TSC ^c	Nossal ^d	Goals
Economic Sanctions	Political Coercion	Coercion	Compulsion	Coercion
Trade Wars ^e	Economic Coercion			
Economic Warfare ^e	Economic Warfare	Constraint	Deterrence	Constraint
-	Domestic Signaling	Signaling	-	Signaling
-	International Signaling		-	
-	Retribution	-	Retribution	Retribution

a Pape, “Why Economic Sanctions Do Not Work.”

b Baldwin and Kapstein, *Economic Statecraft*.

c Hufbauer et al., *Economic Sanctions Reconsidered*.

d Kim Richard Nossal, “International Sanctions as International Punishment,” *International Organization* 43, no. 2 (1989): 301–22, <https://doi.org/10.1017/S0020818300032926>.

e Not considered to fall under the umbrella of economic sanctions.

The Targeted Sanctions Consortium (TSC) database—which is maintained by Biersteker, Hudakova, and Tourinho via the Geneva Graduate Institute Targeted Sanctions Initiative project—is a comprehensive repository of data on UN targeted sanctions imposed since the end of the Cold War, from 1991 to the present.¹⁴ Within the TSC database, Biersteker et al. identify three purposes for imposing sanctions: to coerce, constrain, and

¹⁴ Thomas Biersteker, “Global Governance Centre: Targeted Sanctions Initiative,” Geneva Graduate Institute, 2022, <https://www.graduateinstitute.ch/research-centres/global-governance-centre/targeted-sanctions-initiative>; Thomas Biersteker, Zuzana Hudakova, and Marcos Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions,” UN SanctionsApp, August 2020, <https://unsanctionsapp.com>.

signal.¹⁵ Baldwin’s political and economic coercion categories—and by extension, Pape’s sanctions and trade wars—collectively fall under the first TSC purpose category of *coercion*. Biersteker et al. agree with the assignment of economic warfare to its own category, which they refer to as *constraint*. Baldwin’s domestic rallying and demonstration of international resolve fall under the third TSC purpose of *signaling*. Baldwin’s final motivation of retribution falls outside of the purposes stated by the TSC database.¹⁶

Nossal proposes an alternative set of motives for sender states: compulsion, deterrence, and retribution. He argues that the first two motivations are “rational,” in the sense that success is measured in terms of behavioral change. Retribution, however, is a “non-rational” motivation, which focuses on doing harm to the target state in order to punish its perceived transgressions. Nossal criticizes scholars who claim that sanctions don’t work if they fail to change states’ behavior. He claims that if the goal is simply “doing some harm” to the target state in retribution for its undesirable behavior, sanctions can’t help but work—that is, as long as they actually succeed in inflicting some degree of harm on the target.¹⁷ Therefore, in terms of observable impacts, the idea of retribution as a driver for sanctions aligns neatly with Pape’s earlier description of success as effect on target GDP.¹⁸

It is important to separate the methods of a given sanctions regime—whether *coercion*, *constraint*, *signaling* or *retribution*—from the actual resulting outcome. *Signaling* is present in every UN-imposed sanctions regime and is generally considered successful regardless of policy outcome as a natural product of enforcement in the

¹⁵ Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions”; Biersteker, “Targeted Sanctions Initiative.”

¹⁶ Pape, “Why Economic Sanctions Do Not Work,” 94; Baldwin and Kapstein, *Economic Statecraft*, 32; Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions.”

¹⁷ Kim Richard Nossal, “International Sanctions as International Punishment,” *International Organization* 43, no. 2 (1989): 301–22, <https://doi.org/10.1017/S0020818300032926>.

¹⁸ Pape, “Why Economic Sanctions Do Not Work”; Margaret P Doxey, *International Sanctions in Contemporary Perspective* (London, UK: Palgrave Macmillan UK, 1987), 42, <https://public.ebookcentral.proquest.com/choice/PublicFullRecord.aspx?p=6860669>. Contrastingly, Doxey makes the argument that policy makers may protect themselves from accusations of failure by claiming that previously imposed sanctions were intended as nothing more than punishment, with the goal of inflicting pain rather than ensuring compliance.

international realm. In contrast, successful *constraint* may not ultimately elicit policy reversal. This thesis will consider behavioral change in a target state to be the true measure of sanctions success, and will assess the efficacy of economic sanctions against North Korea in terms of actual policy change.

3. Causes of Sanctions Success and Failure: How to Win (or Lose)

There is no shortage of scholarly literature on the topic of sanctions' effectiveness, and nothing approaching a consensus regarding the causal variables that lead to success or failure of a given sanctions regime. Given the complex nature of the issue, it stands to reason that these myriad factors should not be considered in a vacuum, but rather viewed as interconnected pieces of a puzzle. These factors can be extracted from the literature and sorted into four broad categories: the sanctions regime itself, the sender state(s) and/or institutions, the target state, and the so-called "black knight" sanctions-busting third parties.

a. Sanctions Regime

The constraints on North Korea' behavior—including all manner of statecraft, but specifically referring to sanctions in the scope of this thesis—define the *rules of the game*. Three sets of primary potential causal factors can be derived from the particulars of the sanction regime itself: the form of sanctions imposed, the purpose of those sanctions, and the specificity of the target.

(1) Form of the Sanctions Regime

UN sanctions have generally limited the export of products or resources from the target state in order to inflict economic hardship due to isolation from the world economy. The form of the sanctions regime will vary according to the target and desired outcome: in order to effectively coerce or constrain the target state, the sender must ensure that the list of sanctioned goods and/or resources is designed to inflict hardship in the proper sectors of the target economy. Working backward from the desired end state, senders should determine the center of gravity—that is, the tangible or intangible source of strength that

allows the target to continue the policy in question. Through further analysis of the critical capabilities, requirements, and vulnerabilities of this center of gravity, senders can ensure that the list of sanctioned goods and/or resources is designed to maximize hardship inflicted and ensure that the program targets the proper sectors of the economy.

According to Peksen, higher economic costs, especially when imposed suddenly rather than in a gradual manner, tend to be more effective in the long run.¹⁹ The most commonly imposed combination of UN sanctions—used in 58% of cases, according to Biersteker et al.—involves asset freezes, travel bans, and arms embargoes.²⁰ Sectoral restrictions of specific industries, such as dual-use goods and arms-related materiel, have been increasingly popular due to their perceived effectiveness in blunting the capacity of specific target industries and organizations.²¹

(2) Specificity of Target

Drezner describes targeted smart sanctions as “the precision guided munitions of economic statecraft,” and explains that scholars and policy makers across the board consider the use of smart sanctions to be a best-practice due to their ability to avoid causing undue harm to the general populace of the target state. Peksen and Biersteker et al. explain that this attitude has become the norm over the past two decades, leading to the increasingly common use of highly targeted sanctions—such as asset freezes, travel bans, individual financial restrictions, and sectoral sanctions on specific industries.²² However, Drezner warns against reliance solely on these so-called “smart sanctions,” as their focus on a single causal process that can be blocked, blunted, or evaded may erode or destroy their effectiveness. He instead argues that general sanctions open multiple causal pathways for sanctions effectiveness in addition to elite dissatisfaction, ranging from mass unrest to

¹⁹ Peksen, 639; Hufbauer et al., *Economic Sanctions Reconsidered*.

²⁰ Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions.”

²¹ Peksen, “When Do Imposed Economic Sanctions Work?,” 639.

²² Peksen, 639; Hufbauer et al., *Economic Sanctions Reconsidered*.

complete regime change.²³ TSC data appears to support this claim, as targeted sanctions measures since 1991 have only seen success in 22% of cases, compared with the overall success rate of roughly 34%.²⁴

(3) Purpose of the Sanctions Regime

As outlined in the previous section, this thesis identifies four types of sanctions goals: the three TSC categories of *coercion*, *constraint*, and *signaling*, as well as a fourth category of *retribution*, derived from Nossal. According to Biersteker et al., coercion is the most difficult goal to achieve, with success in only 11% and mixed results in another 11% of UN sanctions episodes since 1991.²⁵ Constraint attempts were more effective over the same period, with 24% success and 15% mixed results.²⁶ Signaling attempts were the most effective, with 29% success and 29% mixed results.²⁷

While Pape asserts that the stated goal must be met in order for the sanctions regime to be considered successful, Baldwin and HSEO claim that any change in policy resulting from the imposition of sanctions can be counted as at least a partial success.²⁸ Peksen further assesses that the success-failure mindset may blind scholars to the possibility of *negative success*, wherein the policy changes from a so-called successful sanctions regime have negative long term or secondary effects.²⁹

Signaling seems to have a symbiotic relationship with the congruence of effort among sanctions senders. Peksen and HSEO emphasize that in both multinational and

²³ Drezner, “Sanctions Sometimes Smart.”

²⁴ Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions”; Hufbauer et al., *Economic Sanctions Reconsidered*.

²⁵ Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions.”

²⁶ Biersteker, Hudakova, and Tourinho.

²⁷ Dursun Peksen, “When Do Imposed Economic Sanctions Work? A Critical Review of the Sanctions Effectiveness Literature,” *Defence and Peace Economics* 30, no. 6 (September 19, 2019): 641, <https://doi.org/10.1080/10242694.2019.1625250>.

²⁸ Baldwin and Pape, “Evaluating Economic Sanctions,” 191; Hufbauer et al., *Economic Sanctions Reconsidered*.

²⁹ Peksen, “When Do Imposed Economic Sanctions Work?,” 641.

institutional sanctions regimes, the reputational costs of failing to support sanctions enforcement may impact allies' decision-making calculus as much as their own interests.³⁰ Brzoska assesses that the most congruent and effective sanctions regimes are often comprised of unilateral regimes layered on top of those imposed by the UN, rather than simple, loose coalitions of like-minded states without an organizational backbone.³¹

b. Senders

The sender state(s) and/or international institution imposing the sanctions regime serve as a direct juxtaposition to the sanctions-busting *black knights*; as such, I refer to these enforcers of international norms collectively as the *white castle*. The literature identifies three main characteristics of that can impact sanctions' effectiveness: the motivation of senders to bring about a change in the target's behavior through sanctions, the perceived legitimacy and authority of the sender to impose and enforce those sanctions, and the credibility of the threat of escalation should the target fail to abide by the provisions of the sanction regime.

(1) Motivation to Reverse Behavior or Policy

Senders must be willing to take on the burden of sanctions enforcement, to include the potential escalation in the event of continued noncompliance by the target state, and must weigh the costs of actual implementation versus the perceived benefits. The more extreme and/or potentially harmful the target policy, the more likely the sender will remain sufficiently motivated to expend time and resources to reverse the behavior in question. As tools of economic statecraft, sanctions grant sender states—and by extension, changing administrations within those states—substantial leeway and flexibility in designing regimes that are sufficiently threatening to elicit behavioral responses from target states.³² Economic sanctions provide the benefit of allowing sender states to act against this

³⁰ Peksen, 637; Hufbauer et al., *Economic Sanctions Reconsidered*.

³¹ Michael Brzoska, "International Sanctions Before and Beyond UN Sanctions," *International Affairs* 91, no. 6 (November 2015): 1339, <https://doi.org/10.1111/1468-2346.12449>.

³² Drezner, "Sanctions Sometimes Smart," 99; Hufbauer et al., *Economic Sanctions Reconsidered*.

undesirable behavior without having to justify military action to the domestic and international audiences.

(2) Perceived Legitimacy

According to Brzoska, the legitimacy of sanctions imposed unilaterally or regionally may be called into question on the grounds of potential humanitarian issues. Likewise, unilateral sanctions may be perceived as undermining the effectiveness of those imposed by United Nations Security Council Resolutions (UNSCR).³³ Brzoska hypothesizes that additional unilateral sanctions layered on top of UN regimes may increase effectiveness by addressing areas not covered by the original regime, and by signaling the willingness of powerful signatories to take the programs seriously.³⁴ However, he also assesses that governments skeptical of the legitimacy of these additional sanctions may be more hesitant to support the UN regimes in conjunction with those imposed by individual powers. The backing of a supranational entity also evokes popular international support and often includes mechanisms by which to monitor enforcement and disincentivize or punish free-riding or sanctions-busting.³⁵

(3) Level of Credibility

Peksen and Drezner agree that sanctions regimes imposed or supported by international institutions such as the United Nations are more effective in achieving behavioral change than those imposed unilaterally or by unofficial coalitions. However, the specific security and economic interests of individual states will rarely align perfectly—even among close partners—and geostrategic or political sensitivities have the potential to limit a sender's willingness to escalate enforcement to include the application of military force.³⁶ As posited by both Drezner and HSEO, economic sanctions tend to be more

³³ Brzoska, "International Sanctions Before and Beyond UN Sanctions," 1345.

³⁴ Brzoska, 1346.

³⁵ Peksen, "When Do Imposed Economic Sanctions Work?," 637.

³⁶ Peksen, 637; Daniel W. Drezner, "Bargaining, Enforcement, and Multilateral Sanctions: When Is Cooperation Counterproductive?," *International Organization* 54, no. 1 (2000): 73–102, <https://doi.org/10.1162/002081800551127>.

effective—and less costly to the sender—as deterrent threats than they are in actual practice.³⁷ In their signaling efforts, senders must strike a balance between preference for non-military coercion and willingness to take military action in response to violations.

c. Targets

The sanctions literature identifies three characteristics of the target state that are most likely to impact sanctions' effectiveness: the target state's motivation to continue the undesirable policy or behavior, the target state's regime type, and the target's domestic capacity to blunt, evade, or redirect the effects of the sanctions regime. I refer to the target states as *red kings*; in this case, North Korea's history as a belligerent rogue actor make the title particularly fitting.

(1) Motivation to Continue Behavior or Policy

Peksen, Drezner, and HSEO all concur that sanctions are generally more effective when the sanctioned behavior or policy of the target state is less salient to the state's economic and/or security interests.³⁸ This seems to be a natural assumption: the costs of enduring sanctions will often outweigh the motivation to keep a political prisoner or continue an undesirable trade policy, but the demand for regime change might easily outweigh any economic impacts.

(2) Regime Type

Drezner and HSEO assert that sanctions work better as a tool of coercion and constraint against democratic states.³⁹ Peksen describes how autocratic leaders often redirect the scarce resources restricted by the sanctions regime toward their supporters and away from political rivals, further strengthening the regime's hold on domestic power. Autocratic states with a strong coercive capacity and repressive tools are more likely to be successful in resisting the impacts of sanctions than personalistic regimes without a strong

³⁷ Drezner, "Sanctions Sometimes Smart," 99; Hufbauer et al., *Economic Sanctions Reconsidered*.

³⁸ Peksen, "When Do Imposed Economic Sanctions Work?," 638; Drezner, "Sanctions Sometimes Smart," 99; Hufbauer et al., *Economic Sanctions Reconsidered*.

³⁹ Hufbauer et al., *Economic Sanctions Reconsidered*; Drezner, "Sanctions Sometimes Smart," 99.

coercive or military apparatus.⁴⁰ Peksen further posits that a perceived direct attack on the backbone of the regime might have the reverse effect, triggering a rally-round-the-flag response and increasing domestic support for the target administration.⁴¹

(3) Ability to Compensate for Sanctions Effects

States targeted by international sanctions have exhibited a wide variety of tactics and techniques for evading or blunting economic impacts. The realm of maritime shipping provides myriad opportunities for the import and export of illicit cargo: sanctions evaders will often use tactics such as repainting ship hull markings, spoofing automated information system (AIS) transmissions with false data, and engaging in ship-to-ship transfers on the high seas rather than in busy ports where their transactions may be observed and prosecuted.⁴² Park posits that the presence of sanctions may inadvertently strengthen the illicit procurement capabilities of the target state, forcing the target regime to develop additional avenues for circumventing economic or resource impacts.⁴³

Target states may also attempt to circumvent sanctions by engaging in financial obfuscation, moving funds through multiple layers of front and shell companies in order to hide their true origin and maintain access to the U.S. dollar-backed financial system. In addition, the inherent anonymity of some cryptocurrencies allows sanctions evaders to move funds and avoid seizure of assets. Hacking and state-sponsored cryptocurrency theft are rapidly becoming a staple tactic among sanctions target states.⁴⁴

⁴⁰ Peksen, “When Do Imposed Economic Sanctions Work?,” 638.

⁴¹ Peksen, 638.

⁴² “Schemes and Subversion: How Targets of Sanctions Undermine and Evade Sanctions Regimes” (Washington, D.C., June 16, 2021), 7–8, <https://www.congress.gov/117/chrg/CHRG-117hhr45357/CHRG-117hhr45357.pdf>; King Mallory, *North Korean Sanctions Evasion Techniques*, RR-A1537-1 (Sant Monica, CA: RAND Corporation, 2021); James Byrne et al., *Black Gold: Exposing North Korea’s Oil Procurement Networks* (Washington, DC: Center for Advanced Defense Studies, Royal United Services Institute, 2021), <https://static1.squarespace.com/static/566ef8b4d8af107232d5358a/t/60585d4086d5b30f0a7f1a5f/1616403804571/BLACK+GOLD.pdf>.

⁴³ John S. Park, “The Key to the North Korean Targeted Sanctions Puzzle,” *The Washington Quarterly* 37, no. 3 (July 3, 2014): 203–4, <https://doi.org/10.1080/0163660X.2014.978444>.

⁴⁴ “Schemes and Subversion,” 7–15.

d. *Black Knights*

The final potential causal factor is the presence of a third-party state or states engaging in sanctions-busting behavior. These “black knights”—a term coined by Hufbauer et al.—have not only sufficient motivation to support the target and reject the sanctions regime, but also sufficient capacity to blunt the effects of the sanctions regime on the target state.⁴⁵

States do not exist in a vacuum: geography and the natural course of interaction with external actors may give rise to instances wherein a proximate third party possesses the capability—through influence or material intervention—to affect the outcome of an imposed sanctions regime. The motivations of the sanctions-busting state may be political or economic—or both, as in the case of China and North Korea—but in either case, the black knight has a vested interest in the continued survival of the target regime. Black knights have the capacity to support a target state by providing resources and alternative trade possibilities that allow the target to cost-effectively replace those resources denied by the sanctioning organization. These third parties may also provide aid to target states to directly counter economic impacts from the sanctions regime, further disincentivizing capitulation.⁴⁶ HSEO note that this type of activity has the potential to completely undermine a sanctions regime, rendering success effectively impossible.⁴⁷

4. *Sanctions in the Case of North Korea: The Game So Far*

Sanctions against the DPRK have been primarily guided by the UNSCR, with many signatories also maintaining unilateral sanctions on top of those outlined in the UNSCR, including the U.S., Japan, Korea, and the European Union.⁴⁸ Enforcement operations are mandated by the UNSC and conducted by sender states individually and in multilateral

⁴⁵ Hufbauer et al., *Economic Sanctions Reconsidered*, 8.

⁴⁶ Bryan R. Early, *Busted Sanctions: Explaining Why Economic Sanctions Fail* (Stanford, CA: Stanford University Press, 2015), 18.

⁴⁷ Hufbauer et al., *Economic Sanctions Reconsidered*, 60.

⁴⁸ Brzoska, “International Sanctions Before and Beyond UN Sanctions”; Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions.”

partnerships.⁴⁹ This regime has consisted of eight episodes, including the current round imposed in 2017. Since 2006, the sanctions regime has prohibited the import of arms and luxury goods and has included travel bans and asset freezes against certain individuals and entities. Later rounds introduced financial restrictions, port entry bans, and bunkering bans—prohibitions against provision of fuel supplies, and other servicing—for vessels under reasonable suspicion of sanctions violations. The seventh and eighth rounds, imposed by UNSCR 2375 and 2397, added bans on ship-to-ship transfers of outbound coal and inbound petroleum products designed to more directly affect the DPRK nuclear program and impose expanded economic hardship. The TSC’s assessment of the effectiveness of sanctions against North Korea over time presents mixed results. Despite the constant imposition of harsher and wider-reaching sanctions since 2006, overall effectiveness has remained lackluster.⁵⁰

D. POTENTIAL EXPLANATIONS AND HYPOTHESES

This study focuses on the sanctions regime against the DPRK that was first imposed in 2006, with emphasis on the most recent round implemented in 2017. The aim of this research is to identify the particular factors that undermine the effectiveness of economic sanctions in changing North Korean behavior. Based on the literature reviewed above, this thesis organizes the factors that potentially affect the efficacy of the sanctions regime against North Korea into four groups: sanctions regime factors, target state factors, sender state or institution factors, and sanctions-busting *black knight* factors. The thesis assesses a total of nine hypotheses, distributed across these groups, to determine which factors affected sanctions efficacy in the case of North Korea, and the weight of their contribution.

1. Characteristics of the Sanctions Regime Against North Korea

- **Hypothesis 1a: The sanctions program structure is ineffective.**

Economic sanctions effectiveness against North Korea has been limited

⁴⁹ Byrne et al., *Black Gold*.

⁵⁰ Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions.”

due to the structure of the sanctions regime, to include the types of goods and services restricted—e.g., the import of petroleum products and the export of coal and other mineral resources—and/or the overly specific nature of the sanctions’ targets.

- **Hypothesis 1b: The purpose of sanctions is unclear.** Economic sanctions against North Korea have been ineffective due to the misalignment of stated purposes within the sanctions regime by sender signatories, who may seek to inflict economic hardship for its own sake rather than to elicit policy change in the target state.

2. Sanctions Sender Characteristics

- **Hypothesis 2a: Senders lack motivation to reverse DPRK behavior.** Senders of sanctions against the North Korean nuclear program lack sufficient motivation to seek policy change, as the mere existence of a nuclear-armed DPRK is not sufficiently threatening to justify the costs of sanctions enforcement.
- **Hypotheses 2b: Senders lack legitimacy.** The international community does not recognize the legitimacy of the UN sanctions regime, and signatories do not feel justified to engage in effective enforcement operations either unilaterally or multilaterally.
- **Hypothesis 2c: Senders lack credibility.** Senders of sanctions against the North Korean nuclear program lack the capacity and/or political freedom of maneuver to credibly threaten military escalation against the Kim regime for sanction violations.

3. North Korea as the Target

- **Hypothesis 3a: The Kim regime is sufficiently motivated.** The Kim regime possesses sufficient motivation to maintain its nuclear weapons

program despite the increasing burden of international sanctions and the potential for negative repercussions on the general population.

- **Hypothesis 3b: Authoritarian regimes are particularly resistant.** The authoritarian nature of the Kim regime—specifically, its ability to compel the population to bear economic hardships—poses challenges to sanctions effectiveness.
- **Hypothesis 3c: The Kim regime excels at sanctions evasion.** North Korea has developed methods to evade and redirect the effects of economic sanctions, to include illicit smuggling and cyber activity.

4. China as the Black Knight

- **Hypothesis 4: China as the *black knight*.** China has acted—and will continue to act—as a sanctions-busting *black knight*, driven by its historical relationship with North Korea and the utility of the DPRK as a physical buffer against Western-backed military expansion.

5. Summary of Hypotheses and Potential Factors

Table 2 presents a summary of the nine hypotheses addressed in this thesis, along with major potential contributing factors.

Table 2. Hypotheses and Potential Factors regarding Sanctions’ Ineffectiveness against the North Korean Nuclear Program.

Hypothesis		Potential Factors
	1a. Structure of Sanctions	Type of goods sanctioned Specific targets
	1b. Misalignment of Purpose	Signaling of purpose Congruence of sender efforts
	2a. Sender Motivation	Individual administrations Cost vs. benefits of enforcement
	2b. Sender Legitimacy	Level of sanctions’ legitimacy Potential humanitarian impacts
	2c. Sender Credibility	Senders’ willingness to escalate Political sensitivities of military action
	3a. North Korean Motivation	Regime security and deterrence Sovereignty, power, and legitimacy
	3b. Authoritarian Resistance	Repression of the populace Information and narrative control Selectorate isolation Placation of the populace
	3c. North Korean Evasion	State-sponsored smuggling Illicit cyber activity Legitimate cryptocurrency operations
	4. China as the Black Knight	Non-enforcement of sanctions Economic Support Legitimation of DPRK as a nuclear state

E. RESEARCH DESIGN

Using North Korea as a single case study, this thesis will examine each of the factors outlined above in order to determine the effects of each of the potential causal variables in limiting the success of the UN sanctions regime. The thesis achieves this primarily by examining case-specific metadata from the TSC sanctions database—including specific parameters of the North Korean case and assessments of efficacy—against the factors extracted from the main body of sanctions-related literature.

Additionally, the thesis will derive background information from secondary-source case histories, current events, and existing academic analysis of this case in order to assess which particular aspects of the Kim regime have impacted the efficacy of UN-led sanctions in curtailing the DPRK nuclear program.

F. THESIS OVERVIEW AND CHAPTER OUTLINE

This thesis is organized into five chapters. Following this introductory chapter, Chapter II provides a history of UN and unilateral sanctions efforts against the North Korean nuclear program, touching briefly on the embargoes of the Korean War and the Export Administration Act of 1979, but focusing primarily on the last three decades since the development of the Agreed Framework in the early 1990s. The next two chapters analyze the various interrelated causal factors which affect the efficacy of these sanctions regimes against North Korea. Chapter III examines the potential causal variables tied to the sanctions regime itself, as well as those stemming from the particulars of the sending state or institution. Chapter IV examines the potential explanations for sanction ineffectiveness that can be attributed to North Korean domestic factors; this chapter also investigates China's potential to serve in the role of North Korea's sanctions-busting *black knight*. The final chapter will draw conclusions from this web of factors in context.

II. STALEMATE: BACKGROUND AND HISTORY OF SANCTIONS AGAINST NORTH KOREA

A. INTRODUCTION

Denuclearization via the UN sanctions regime has been the name of the game for the U.S. and North Korea for nearly two decades. UN and unilateral sanctions efforts have aimed to curtail the North Korean nuclear weapons program since its inception. However, this is not the first match between these players; the U.S. has been playing the economic sanctions game against North Korea since the start of the Korean War, long before nuclear proliferation became the primary concern. At the onset of the conflict the U.S. imposed a total export embargo against North Korea, followed by the Trade Agreement Extension Act of 1951, which severely restricted tariff terms for North Korean exports to the United States. Further admonishment and sanctions would follow nearly three decades later, when the U.S. labeled the DPRK as a state sponsor of terrorism following the 1987 bombing of a South Korean passenger flight. This chapter begins with a brief summary of the factors that motivate the international community curtail North Korea's nuclear ambitions. Next, the chapter provides an examination of the pertinent formative historical events of the post-cold war era that set the stage for both the nuclear program and the sanctions regime against it, including the development of the Agreed Framework of 1994 and the period of famine that crippled the country in the mid-1990s. The primary focus of the chapter will be the timeline covering the period from 2006 to the present: North Korea's "nuclear age." Finally, the chapter concludes with an examination of North Korea's historical economic trends.

B. THE MATCH: SANCTIONS AS TOOLS OF ECONOMIC STATECRAFT AGAINST NORTH KOREA

The inherent secrecy and isolation of the hermit kingdom present additional layers of uncertainty regarding Kim's intentions, and the presence of nuclear weapons on the peninsula increases the potential severity of a crisis. As with any assessment of North Korean threats, capabilities, or motivations, there is a limit to the granularity and accuracy with which other states may predict Pyongyang's responses to unrelated stimuli, such as

health care or climate change-induced stressors. These impacts are unlikely to have first-order repercussions on the region at large, but any threat to North Korean domestic control and stability of the Kim regime has the potential to trigger nuclear escalation and exacerbate underlying tensions in the region.⁵¹ The most serious threat to the United States and the broader international community is the potential for misinterpretation of DPRK domestic reactions and mitigation operations as aggressive changes in strategic policy. Given the tightly interwoven nature of the Indo-Pacific security community, any miscalculation may lead to dangerous changes in force posture.⁵² If the regime feels that such damage to its infrastructure, reputation, or internal power dynamics gives the appearance of weakness to its neighbors, it may attempt to demonstrate resolve by increasing production of nuclear weapons or engaging in provocative exercises and missile launches, which in turn have the potential to prompt preemptive action from South Korea, Japan, or even China.⁵³ The UN sanctions program has attempted to mitigate this uncertainty by eliminating the key factor in any potential escalation: North Korean nuclear weapons program.

C. SETTING THE BOARD: TIMELINE OF POST-COLD WAR STATECRAFT

The DPRK maintains a philosophy of so-called “self-reliance,” eschewing foreign trade and international aid in favor of domestic production and promoting an image of international aid, and only with the narrative that environmental circumstances have forced Kim’s hand. The devastating famine of the 1990s serves as the prime historical example; while the famine was predicated by unprecedented rainfall and massive floods, the hardship was exacerbated by government obstinance and indifference to the suffering of the general populace. It was during this period of famine that the Kim regime began seeking to bolster

⁵¹ Catherine Dill et al., *Converging Crises in North Korea: Security, Stability & Climate Change* (Washington, DC: Council on Strategic Risks, 2021), 8.

⁵² Dill et al., 7.

⁵³ Dill et al., 9.

its legitimacy and security through an indigenous nuclear weapons program as an “ultimate equalizer.”⁵⁴

Following the collapse of the Soviet Union in 1991, Kim Il Sung’s North Korea suddenly found itself without an external benefactor. The shortcomings of the Kim regime’s system of *juche* self-reliance and decades of input-intensive farming practices quickly caught up to the isolated state, and it entered a period of unprecedented famine.⁵⁵ The extreme food shortages lasted for years, and beginning in 1995, extreme flooding and droughts exacerbated the devastation. The state’s rationing system collapsed, ultimately leading to rampant deforestation as citizens cleared forests for fuel, food, and potential arable land. All told, an estimated 600,000–1,000,000 North Koreans died as a result of this famine period, and the social and medical repercussions are still felt today.

The Kim regime never took responsibility for its role in the death toll. Only after the rains began in 1995 did the state even acknowledge that there was a food shortage problem, which it blamed exclusively on environmental factors.⁵⁶ Rather than address the systemic causes and take on economic reforms to mitigate the damage, the state focused on treating the symptoms over the disease. The regime labeled the period as “the Arduous March,” and political propaganda of the time encouraged citizens to eat only two meals per day and cultivate potatoes over rice and corn. Any foreign aid that made its way to the country was redirected to the military and the political elites. Despite the catastrophic failure of the food distribution system and the clear prioritization of the military and elite selectorate over the common citizen, many North Koreans rationalized away any feelings

⁵⁴ Victor D. Cha, *The Impossible State: North Korea, Past and Future* (New York, NY: Ecco, 2013), 111.

⁵⁵ Michael J. Seth, “North Korea’s 1990s Famine in Historical Perspective,” *Education About Asia* 16, no. 3 (2011): 24–28.

⁵⁶ Benjamin Katzeff Silberstein, “Let Them Eat Potatoes: Communism, Famine and the Case of North Korea,” *North Korean Review* 17, no. 2 (Fall 2021): 34–55, <https://doi.org/10.2307/NKR/17.2./NKR.17.2.34>.

of resentment toward the regime, which actually helped the autocratic state maintain control of a starving, but zealously loyal populace.⁵⁷

Throughout the post-Cold War period, the U.S. and UN sought to dissuade the Kim regime from its nuclear ambitions through multiple forms of statecraft, including diplomacy, sanctions, and inducements. In the early 1990s, it appeared as though North Korea would comply with the international regulations set forth in the Nuclear Non-Proliferation Treaty (NPT). However, despite its initial approval of the International Atomic Energy Agency's (IAEA) safeguard agreement, Pyongyang consistently attempted to circumvent inspection. In 1993, North Korea threatened to withdraw from the NPT; through bilateral talks, the U.S. was able to convince Kim Jong Il to adhere to the treaty.⁵⁸

In 1994, the United States adopted the Agreed Framework accord, a system of economic inducements provided in exchange for North Korean denuclearization. The strategy of utilizing inducements rather than sanctions, despite a historical penchant for the latter—and an acute sensitivity to public perception of appeasement—baffled many scholars of international relations.⁵⁹ Nonetheless, regional actors followed suit, most notably South Korea with the advent of its Sunshine policy in 1998, which significantly increased economic aid and trade with North Korea. This agreement would be short-lived, however, as North Korea failed to prove that it had abided by the conditions of the framework. By 2003, the DPRK had ejected the IAEA inspectors, reopened its nuclear reactor, and withdrawn from the NPT.

In an attempt to bring North Korea back to the denuclearization negotiation table through multilateral diplomacy, the United States brokered the Six Party talks in Beijing alongside both Koreas, as well as regional stakeholders China, Japan, and Russia. Initially,

⁵⁷ Sandra Fahy, *Marching Through Suffering: Loss and Survival in North Korea*, Contemporary Asia in the World (New York, NY: Columbia University Press, 2015); Stephan Haggard and Marcus Noland, *Hard Target: Sanctions, Inducements, and the Case of North Korea*, Studies in Asian Security (Stanford, California: Stanford University press, 2017).

⁵⁸ Arms Control Association, “Chronology of U.S.-North Korea Nuclear and Missile Diplomacy” (Arms Control Association, April 2022), <https://www.armscontrol.org/factsheets/dprkchron#1991>.

⁵⁹ Boris Brekhov, “Rewards versus Sanctions in International Relations: A Game-Theoretic Analysis of Bluffing,” *International Interactions* 48, no. 1 (January 2, 2022): 76, <https://doi.org/10.1080/03050629.2021.1983565>.

the talks showed little promise, as the U.S. refused to rescind its demand for an immediate cessation of the North Korea nuclear program. After a few tense rounds with little progress, the U.S. relaxed its position to allow for a gradual slowing of the program with the ultimate goal of complete, verifiable and irreversible dismantlement (CVID).

Once again, Pyongyang agreed to denuclearization in exchange for inducements, this time in the form of economic aid, energy assistance, and security guarantees. The Joint Statement signed in September 2005 appeared to pave the way toward a peaceful resolution to the Korean Conflict, signifying North Korea's willingness to commit to a peace treaty with South Korea to officially end the war after half a century under a ceasefire agreement. This document clearly established a roadmap of North Korea's obligations and the resulting inducements.⁶⁰

In a clear case of uncoordinated policy decisions, the U.S. simultaneously identified Banco Delta Asia (BDA) in Macao as the Kim regime's "primary money laundering concern," ordering the freeze of several North Korean accounts and implementing a new round of unilateral financial sanctions under the newly implemented Patriot Act.⁶¹ Viewing these actions as directly contradicting the agreements codified in the Joint Statement, North Korea immediately reversed its position, condemned the new sanctions, and withdrew from the Six Party Talks.⁶²

D. THE GAME BEGINS: SANCTIONS IN NORTH KOREA'S NUCLEAR AGE

North Korea has engaged in a total of six nuclear tests since 2006, each with a more powerful yield than the last. Each of these tests was immediately followed by at least one episode in the increasingly strict ongoing sanctions regime, for a total of eight episodes to date. The targets of the sanctions program were initially narrow in scope in order to avoid unnecessary repercussions to the North Korean people, aimed primarily at the political elite

⁶⁰ Christopher R. Hill, "The Elusive Vision of a Non-Nuclear North Korea," *The Washington Quarterly* 36, no. 2 (April 2013): 12, <https://doi.org/10.1080/0163660X.2013.791078>.

⁶¹ Hill, 13.

⁶² Hill, 12.

and the military. As depicted in Figure 1, subsequent rounds layered increasingly severe sanctions, including broad financial sector restrictions, commodity import and export prohibitions, and port entry bans and bunkering bans for vessels under reasonable suspicion of violating sanctions.

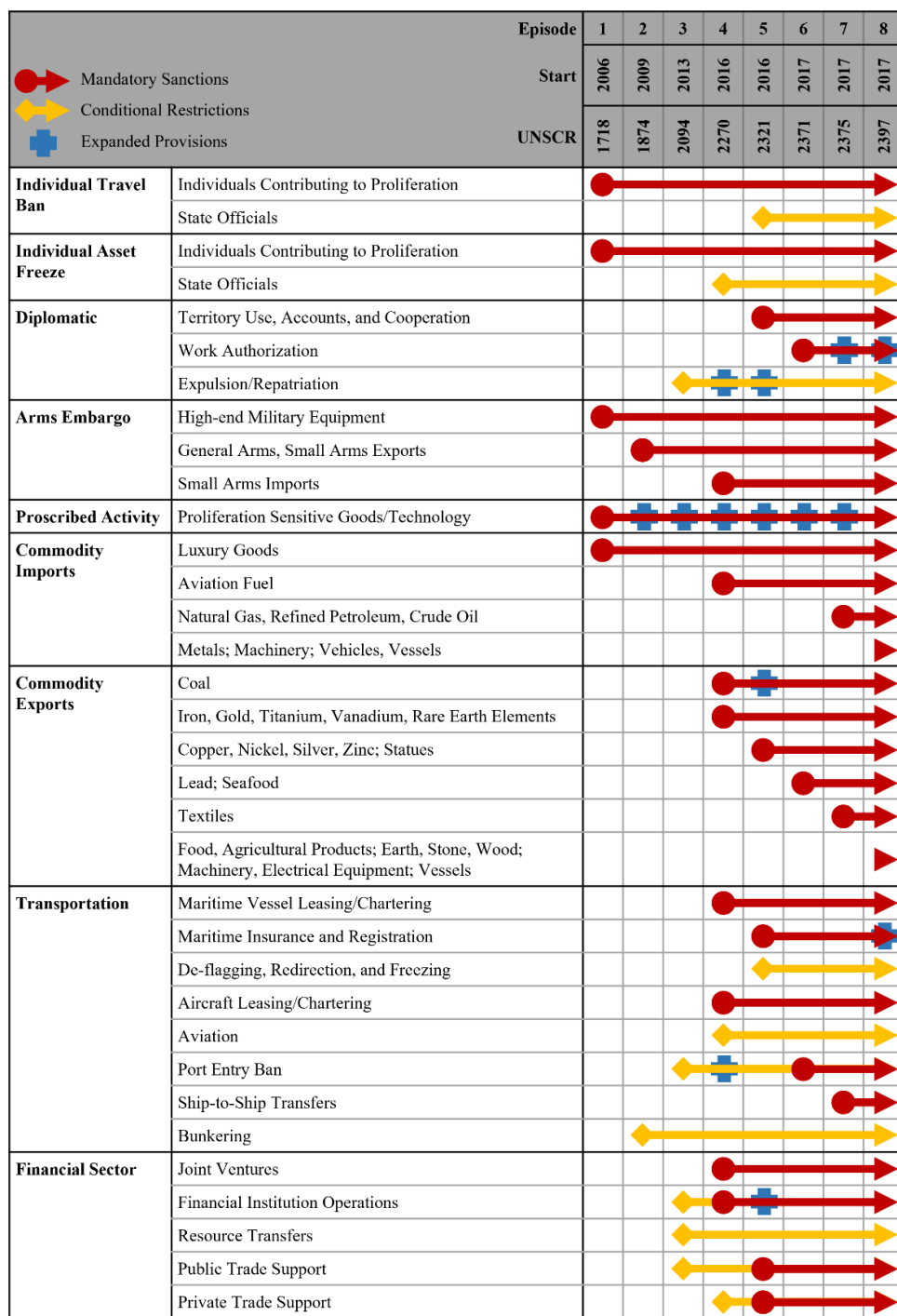


Figure 1. Layered Sanctions by Form and Episode.⁶³

⁶³ Adapted from Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions.”

For each of the eight episodes, the TSC has conducted assessments of overall statecraft effectiveness and the specific impact of sanctions in bringing about the desired policy change. The TSC also provides an effectiveness rating for its three identified sanctions purposes: *coercion*, *constraint*, and *signaling*. The chapter's conclusion summarizes those findings.

1. Round One: 2006–2009

On 9 October 2006, North Korean state media announced that it had successfully conducted its first nuclear weapons test. The detonation—estimated to be between one and two kilotons—was executed at an underground test site near P'unggye-ri village. The North Korean Foreign Ministry issued statements condemning the sanctions regime and accusing the U.S. of forcing the DPRK's hand, while at the same time reiterating Kim's commitment to a "no first use" policy. The UNSC unanimously passed UNSCR 1718 on 13 October 2006, imposing a set of sanctions specifically prohibiting the import and export of high-end military equipment and proliferation-sensitive goods and technology. Additionally, the UNSCR included provisions banning the import of luxury goods into North Korea, as well as asset freezes travel bans for individuals deemed to be contributing to nuclear proliferation.⁶⁴ This episode was initially considered to be effective, with North Korea returning to the Six-Party Talks and shutting down its main nuclear reactor plant. However, negotiations broke down in 2008 and North Korea subsequently resumed all sanctioned programs.⁶⁵

⁶⁴ Marcus Noland, "The (Non-) Impact of UN Sanctions on North Korea," *Asia Policy* 7, no. 1 (2009): 63, <https://doi.org/10.1353/asp.2009.0047>; Biersteker, Hudakova, and Tourinho, "UN SanctionsApp: An Interactive Database of UN Sanctions"; United Nations Security Council, "Resolution 1718, Non-Proliferation/Democratic People's Republic of Korea, S/RES/1718" (2006), [https://undocs.org/S/RES/1718\(2006\)](https://undocs.org/S/RES/1718(2006)).

⁶⁵ Arms Control Association, "Chronology of U.S.-North Korea Nuclear and Missile Diplomacy"; Council on Foreign Relations, "Timeline: North Korean Nuclear Negotiations" (Council on Foreign Relations, June 25, 2019), <https://www.cfr.org/timeline/north-korean-nuclear-negotiations>; Biersteker, Hudakova, and Tourinho, "UN SanctionsApp: An Interactive Database of UN Sanctions."

2. Round Two: 2009–2013

North Korea conducted its second nuclear test on 25 May, 2009, and three ballistic missile launches the following day. On 12 June 2009, the UNSC unanimously adopted resolution 1874, which imposed a prohibition against providing bunkering services—including fuel, supplies or services—to North Korean vessels if there exists a reasonable suspicion of sanctions violation. The resolution also expanded the arms and proliferation-sensitive goods restrictions set forth in UNSCR 1718 and recommended additional financial restrictions against North Korean activities that might contribute to the nuclear program or sanctions violations.⁶⁶ In addition to imposing further sanctions, the UNSC established a Panel of Experts to facilitate improved oversight and enforcement.⁶⁷ Although the Panel of Experts acknowledged that international enforcement efforts appeared to impose hardship and additional constraints on the North Korean nuclear program.

When Kim Jong Un assumed the mantle of the Supreme Leader following the death of Kim Jong Il in December 2011, many international actors—including China’s Hu Jintao administration—believed him to be much more reasonable and level-headed than his father. However, by the spring of the following year, this was proven not to be the case.⁶⁸ Despite all hopes to the contrary, Kim immediately reaffirmed his father’s existing “military first” and nuclear weapon development policies.⁶⁹ The *Byungjin*—or “strategic”—line introduced in 2013 coupled the country’s economic reconstruction with the development of a nuclear arsenal.⁷⁰

⁶⁶ Arms Control Association, “Chronology of U.S.-North Korea Nuclear and Missile Diplomacy”; Council on Foreign Relations, “Timeline: North Korean Nuclear Negotiations”; Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions.”

⁶⁷ Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions”; United Nations Security Council, “Resolution 1874, Non-Proliferation/Democratic People’s Republic of Korea, S/RES/1874” (2009), [https://undocs.org/S/RES/1874\(2009\)](https://undocs.org/S/RES/1874(2009)).

⁶⁸ Hong Nack Kim, “China’s Policy Toward North Korea Under the Xi Jinping Leadership,” *North Korean Review* 9, no. 2 (September 1, 2013): 83–98, <https://doi.org/10.3172/NKR.9.2.83>.

⁶⁹ Kim, 87.

⁷⁰ Haggard and Noland, *Hard Target*, 31.

3. Round Three: 2013–2016

Following the death of Kim Jong Il in December 2011, both the U.S. and China held out hope that his successor would be more willing to commit denuclearization of the Korean peninsula under UN-brokered terms. These hopes were dashed, however, when North Korea conducted a third nuclear test at P’unggye-ri on 12 February 2013, with an estimated yield of six kilotons. Kim Jong Un continued his father’s narrative, claiming that the third test was in direct response to the continued economic sanctions program, as well as the U.S. challenging North Korea’s right to launch a scientific satellite into orbit. In response, the U.S. and China jointly drafted UNSCR 2094, dated 7 March 2013.⁷¹ This resolution maintained all ongoing sanctions and conditional restrictions, while expanding the list of prohibited proliferation-sensitive goods. Additionally, the resolution contained provisions against sanctions violations, including expulsion and/or repatriation of North Korean personnel, financial sector restrictions on asset and resource transfers, and port entry bans for North Korean vessels that refused inspection.⁷² Tensions on the peninsula continued to worsen, and despite China’s efforts to breathe new life into the stalled Six-Party Talks, North Korea engaged in a number of belligerent activities, including launching an unprecedented number of cruise and ballistic missiles and a cyber attack against Sony Pictures Entertainment.⁷³

4. Round Four: 2016

The fourth nuclear test would be a major milestone for the Kim regime, and a vital turning point for UNSC. On 6 January, 2016, North Korea claimed that it had successfully

⁷¹ Arms Control Association, “Chronology of U.S.-North Korea Nuclear and Missile Diplomacy”; Council on Foreign Relations, “Timeline: North Korean Nuclear Negotiations”; Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions.”

⁷² Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions”; United Nations Security Council, “Resolution 2094, Non-Proliferation/Democratic People’s Republic of Korea, S/RES/2094” (2013), [https://undocs.org/S/RES/2094\(2013\)](https://undocs.org/S/RES/2094(2013)).

⁷³ Arms Control Association, “Chronology of U.S.-North Korea Nuclear and Missile Diplomacy”; Council on Foreign Relations, “Timeline: North Korean Nuclear Negotiations”; Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions.”

conducted its first test of a hydrogen bomb. On top of this feat, the regime also claimed that the alleged hydrogen bomb had been a miniaturized version, a major step toward enabling a nuclear warhead to be attached to a ballistic missile. Seismic activity recorded at the time of the test did not indicate the expected yield of a thermonuclear device, leaving the international community doubting the veracity of these claims. The following month, North Korea would once again disregard prohibitions against ballistic missile test by launching a long-range missile into orbit under the premise that it carried a new Earth-observation satellite.

In response to widespread condemnation from the international community, the UNSC unanimously adopted resolution 2270 on 2 March, 2016.⁷⁴ Whereas previous resolutions focused on specific industries, activities, and personnel, UNSCR 2270 marked a shift toward broad and comprehensive undermining of the Kim regime as a whole.⁷⁵ The stakes of the game were on the rise, and both sides brandished new weapons and evolving tactics. In addition to the narrowly targeted existing sanctions, UNSCR 2270 imposed commodity bans on the import of aviation fuel and exports of coal, rare earth metals, and other mining products. The resolution further prohibited the leasing or chartering of vessels, aircraft, and related provisioning services to North Korea. Conditional restrictions expanded to include bans on aviation with reasonable grounds to suspected sanctions violations, and the list of asset freeze targets broadened to include any member of the DPRK government and/or Workers' Party of Korea (WPK) associated with activities prohibited by the sanctions regime.⁷⁶ Yet, despite this unprecedented expansion of

⁷⁴ Scott Snyder, "The New UN Sanctions and Prospects for North Korea's Denuclearization," *Council on Foreign Relations* (blog), March 2, 2016, <https://www.cfr.org/blog/new-un-sanctions-and-prospects-north-koreas-denuclearization>; Arms Control Association, "Chronology of U.S.-North Korea Nuclear and Missile Diplomacy"; Council on Foreign Relations, "Timeline: North Korean Nuclear Negotiations"; Biersteker, Hudakova, and Tourinho, "UN SanctionsApp: An Interactive Database of UN Sanctions."

⁷⁵ Biersteker, Hudakova, and Tourinho, "UN SanctionsApp: An Interactive Database of UN Sanctions"; United Nations Security Council, "Resolution 2270, Non-Proliferation/Democratic People's Republic of Korea, S/RES/2270" (2016), [https://undocs.org/S/RES/2270\(2016\)](https://undocs.org/S/RES/2270(2016)).

⁷⁶ Snyder, "The New UN Sanctions and Prospects for North Korea's Denuclearization"; Biersteker, Hudakova, and Tourinho, "UN SanctionsApp: An Interactive Database of UN Sanctions"; United Nations Security Council, Resolution 2270, Non-proliferation/Democratic People's Republic of Korea, S/RES/2270.

sanctions restrictions, North Korea showed no intention of returning to the negotiating table.

5. Round Five: 2016–2017

On 9 September 2016, North Korea made history once again by conducting its fifth nuclear detonation only eight months after the previous test, the shortest interval observed between such events to date. Seismic measurements registered the event as a 5.0 on the Richter scale, making it the regime's most powerful warhead yet.⁷⁷ Resolution 2321, adopted on 30 November of the same year, imposed additional restrictions on the mining and financial sectors. In response to North Korea's continued exportation of coal to China despite the ban issued in episode four, the resolution also set a cap on coal exports and required the Sanctions Committee to track these sales, make the totals publicly available information, and issue notifications when the amount approached this limit.⁷⁸ The Kim regime continued to engage in nearly all prohibited activity and showed no interest in returning to the Six-Party Talks or the NPT.⁷⁹ At this point, U.S. Director of National Intelligence James Clapper recognized the Kim regime's view of nuclear weapons as its "ticket to survival," and described continued attempts to coerce North Korea into denuclearization as "a lost cause."⁸⁰

6. Round Six: 2017

In July 2017, North Korea conducted two ballistic missile launches in response to increased tensions on the peninsula, which it attributed to joint U.S.-ROK military exercises and the installation of the Terminal High Altitude Air Defense (THAAD) system in South Korea. In response, the UNSC adopted resolution 2371 on 5 August 2017. The

⁷⁷ Arms Control Association, "Chronology of U.S.-North Korea Nuclear and Missile Diplomacy."

⁷⁸ Biersteker, Hudakova, and Tourinho, "UN SanctionsApp: An Interactive Database of UN Sanctions."

⁷⁹ Biersteker, Hudakova, and Tourinho.

⁸⁰ Arms Control Association, "Chronology of U.S.-North Korea Nuclear and Missile Diplomacy."

resolution targeted additional valuable commodity exports, including lead ore and seafood, and removed the allowable limit on coal exports, effectively prohibiting all coal, iron, and iron ore exports. The resolution also introduced a port ban on designated vessels and expanded many existing restrictions in the financial sector.

7. Round Seven: 2017

In August of 2017, U.S. President Donald Trump threatened to respond to further DPRK provocations with “fire and fury the likes of which the world has never seen.”⁸¹ This hardline rhetoric, coupled with further joint U.S.-ROK exercises and unprecedented U.S.-China military discussions, led to a series of reactions from the DPRK, culminating with North Korea’s largest nuclear test to date on 3 September 2017. This sixth nuclear test was likely a hydrogen bomb; the previous day, North Korean state media distributed a photograph of Kim Jong Un alongside a miniaturized thermonuclear warhead that could supposedly be attached to a ballistic missile capable of striking the U.S. mainland.⁸²

A week later, on 10 September 2017, the UNSC responded by unanimously adopting resolution 2375. In addition to expanding the existing port bans to include all vessels transporting prohibited items, the resolution introduced import caps on both refined petroleum products and crude oil. UNSCR 2375’s most notable addition to the sanctions regime was the complete ban on all ship-to-ship (STS) transfers of items originating from, destined for, or transiting through North Korean waters. In order to improve enforcement of these new provisions, the Security Council mandated sanctions implementation reporting for all states.

8. Round Eight: 2017-Present

In response to the unprecedented sanctions provisions of UNSCR 2375, North Korea launched an intermediate range ballistic missile that overflew Japan on 15

⁸¹ Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions.”

⁸² Arms Control Association, “Chronology of U.S.-North Korea Nuclear and Missile Diplomacy.”

September 2017. On 29 November 2017, North Korea conducted another launch, this time an intercontinental ballistic missile potentially capable of striking the U.S. mainland. In turn, the UNSC responded with resolution 2397, which greatly expanded the list of banned commodity exports to include wood, stone, earth, food agricultural products, machinery, electrical equipment, and maritime vessels. The resolution also aimed to limit the import of goods and resources with the potential to aid sanctions violating activities, including iron, steel, industrial machinery, and used maritime vessels. These additional measures confirmed North Korea's title as the recipient of the most comprehensive set of sanctions types in the TSC database.

E. STALEMATE: SANCTIONS HAVE EFFECTS, BUT ARE NOT EFFECTIVE

As of 2018, North Korea appears to have stopped its cycle of nuclear tests. However, this may be a temporary hiatus, or possibly an indication that the regime believes it has achieved its goal of becoming a global nuclear state. Regardless of the Kim regime's motivation, the cessation of nuclear tests should not be considered a success for sanctions, as North Korea has made no concessions nor taken any concrete steps toward CVID.

Turning to the TSC assessments, the project assigns an effectiveness rating for each of its three stated purposes, ranging from a low of one (ineffective) to five (effective), with a rating of three generally denoting mixed effectiveness. Figure 2 depicts the TSC's assessment of sanctions effectiveness in each of the eight sanctions episodes (in red), as well as their assessment of the effectiveness of statecraft as a whole (in blue)—including sanctions, inducements, diplomacy, and other tools—against the DPRK nuclear weapon program. As shown in the figure, after a fairly positive outcome across all three goals in the first round, sanctions effectiveness declined. Although *signaling* of disapproval strong throughout all eight episodes, *coercion* became substantially less effective following the first round. In the third episode, *constraint* followed suit: North Korea continued to engage in proscribed activity despite the increased cost and difficulty of resisting international sanctions. The one notable exception to this trend is the spike in assessed effectiveness following the ban on STS transfers of oil and coal imposed in 2017. However, this episode was too short to observe all tangible effects of *constraint* and *coercion* continued to be

ineffective as the DPRK continued to engage in belligerent activity and develop new sanctions evasion techniques in response to stricter provisions.

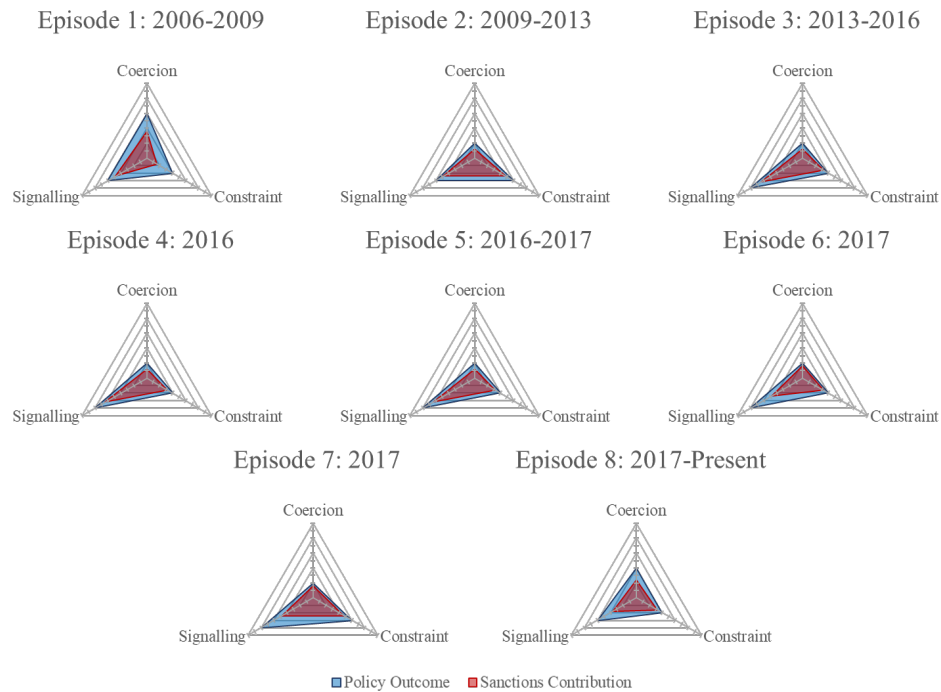


Figure 2. Assessment of Statecraft and Sanctions Effectiveness by Episode.⁸³

Across all global instances of UN sanctions, *coercion* has been at least partially effective in 22% of cases, while *constraint* and *signaling* have demonstrated mixed effectiveness or better in 39% and 58% of cases, respectively. Given the relatively extreme provisions of the North Korean sanctions regime, one would likely predict an above average outcome in this case. However, as depicted in Figure 3, the TSC finds that *coercion* and *constraint* outcomes against North Korea have largely been rated ineffective (scores of one or two) with only occasional mixed results (score of three). In line with global trends, both *coercion* and *constraint* continue to be ineffective, having a diminishing contribution to overall statecraft in North Korea despite clear economic impacts. Chapters III and IV

⁸³ Adapted from Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions.”

examine the potential causal factors behind North Korea's apparent resistance to UN sanctions.

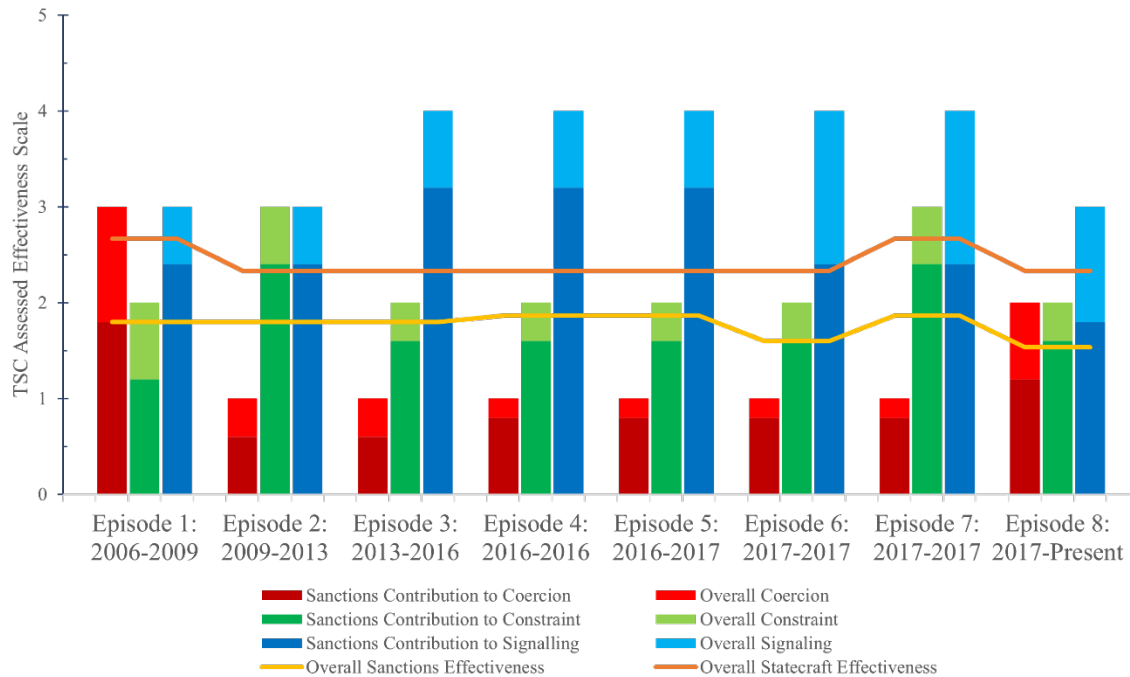


Figure 3. Assessment of Sanctions and Overall Statecraft Effectiveness against North Korea across All Eight Episodes.⁸⁴

There is no question as to whether the sanctions regime has had economic impacts on the DPRK. Initially, North Korean international trade volumes and revenue continued to grow after the imposition of sanctions against the nuclear program, reaching a peak of nearly \$10 billion in 2014. However, international trade began to contract severely by 2016, plummeting from one fifth of its GDP—approximately \$6 billion—to less than 3%

⁸⁴ Adapted from Biersteker, Hudakova, and Tourinho.

in 2020.⁸⁵ During this time, North Korea’s trade volume and economic ties to other countries, with the exception of China, all but vanished, as shown in Figure 4.⁸⁶

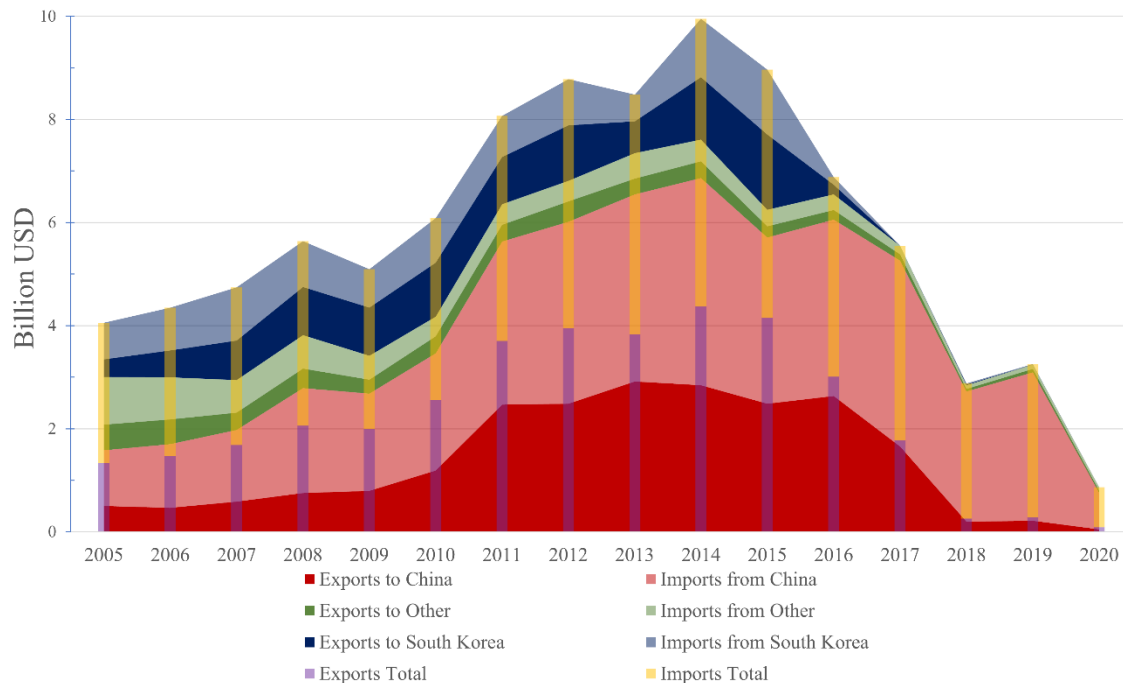


Figure 4. DPRK International Trade Contraction under Sanctions, 2005–2020.⁸⁷

Sanctions also impacted North Korea’s economy more broadly. Figure 5 shows a clear correlation between the UN sanctions regime—particularly after episode four—and the contraction of the North Korean economy. As depicted in Figure 5, North Korea’s real GDP fell by 4.5% to 31.4 trillion North Korean won (approximately \$27.4 billion) in 2020, the lowest value in two decades and the steepest decline since 1997, when famine

⁸⁵ Randall S. Jones, “North Korean Economy Shrinks in 2020,” Korea Economic Institute, October 1, 2021, <https://keia.org/the-peninsula/north-korean-economy-shrinks-in-2020/>.

⁸⁶ Jones; East-West Center, “China-DPRK Merchandise Trade Volume,” North Korea in the World, accessed February 23, 2023, <https://www.northkoreaintheworld.org/china-dprk/total-trade>; East-West Center, “Total Inter-Korean Trade,” North Korea in the World, accessed February 23, 2023, <https://www.northkoreaintheworld.org/inter-korean/inter-korean-trade>.

⁸⁷ Adapted from Jones, “North Korean Economy Shrinks in 2020”; East-West Center, “China-DPRK Merchandise Trade Volume”; East-West Center, “Total Inter-Korean Trade.”

devastated the country during the “Arduous March.”⁸⁸ Converted to purchasing power parity, this equates to -8% growth in 2020 and an estimated -5% in 2021, contributing to a total of -11% compound annual growth over the preceding five years.⁸⁹

Regardless of this impact, however, the Kim regime appears no closer to denuclearization than it was at the advent of its nuclear age nearly two decades ago. Despite the combination of the UN-led sanctions regime and unilateral sanctions from the U.S., South Korea, Japan, and other signatories, sanctions have yielded mixed results and no permanent denuclearization solution.⁹⁰

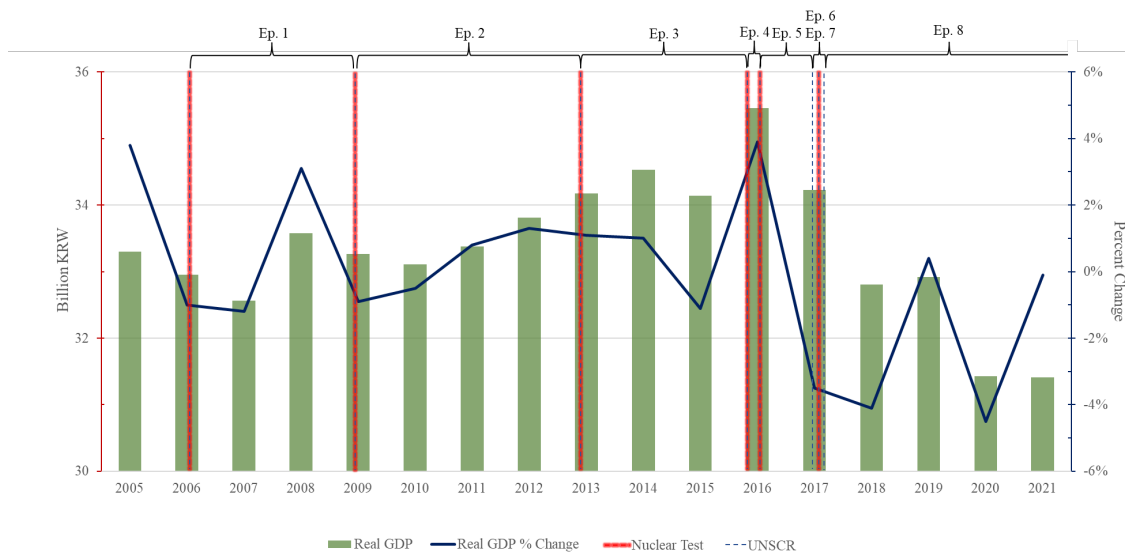


Figure 5. North Korean GDP Contraction under UN Sanctions, 2005–2021.⁹¹

⁸⁸ Jones.

⁸⁹ Jones.

⁹⁰ Brzoska, “International Sanctions Before and Beyond UN Sanctions”; Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions.”

⁹¹ Adapted from Heritage Foundation, “North Korea,” The 2022 Index of Economic Freedom, accessed June 20, 2022, <https://www.heritage.org/index/country/northkorea>; Jones, “North Korean Economy Shrinks in 2020”; Trading Economics, “North Korea Indicators,” Trading Economics, February 21, 2023, <https://tradingeconomics.com/north-korea/indicators>; Arms Control Association, “Chronology of U.S.-North Korea Nuclear and Missile Diplomacy.”

F. CONCLUSION

If there is one point on which all East Asian powers agree, it is that no one—save for Pyongyang itself—desires a nuclear-armed North Korea. Over nearly two decades since Kim Jong Il’s first successful nuclear test, denuclearization has been the topic *du jour* for most discourse surrounding the hermit kingdom. The longstanding sanctions regime has failed to fulfill its intended purpose, and has instead served to further isolate an already hermit-like state with a closed economy. The Kim regime has accepted the impacts of sanctions on its economy, and the benefits of maintaining the nuclear program apparently outweigh the millions of lives lost to poverty and starvation.⁹² With no treasure to speak of, North Korea is certainly willing to spend blood.

⁹² Kenneth M. Pollack, “The Iranian Nuclear Program: Motivations and Priorities” (Testimony before the Senate Foreign Relations Committee, 100th Cong., May 17, 2006), 5.

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III. THE WHITE CASTLE AND THE RULES OF THE GAME

A. INTRODUCTION

On the global chessboard of international relations, the rules of the game are dictated by commonly accepted norms and specifics of supranational policies. This rules-based order defines not only the bounds of acceptable behavior for individual players—from which North Korea blatantly and repeatedly deviates—but also the means through which law-abiding powers may coerce rule-breakers such as Kim into modifying their behavior. This chapter examines the potential causal variables tied to the structure of the sanctions regime itself, as well as those stemming from the particular strategies and moves employed by the sending state or international institution. The thesis finds that the characteristics of the sanctions regime and its senders have only marginal impact on North Korea's ability to continue its nuclear program.

B. THE RULES OF THE GAME: CHARACTERISTICS OF THE SANCTIONS REGIME AGAINST THE DPRK

1. Hypothesis 1a: The Sanctions Program Structure is Ineffective

Economic sanctions effectiveness against North Korea has been limited due to the structure of the sanctions regime, to include the types of goods and services restricted and/or the overly specific nature of the sanctions' targets.

a. Types of Goods, Services, and Resources Sanctioned

UN sanctions regimes usually revolve around isolating target states from the global economic system in order to apply pressure toward behavioral modification, and the sanctions program against North Korea's nuclear arms program is no exception. The current round of UN sanctions against North Korea, imposed by the Security Council in 2017, is comprised of the most comprehensive set of concurrent sanctions against a target state to date. In addition to the most common combination of sanctions—asset freezes, arms embargoes, and travel bans targeting the ruling elite—the regime includes sectoral

restrictions on many specific commodities and industries as a means of blunting the DPRK's capacity to continue its nuclear development.⁹³ The regimes established by UNSCR 2375 and 2397 take closer aim at North Korea's vulnerable infrastructure—to include the nuclear weapons program—by prohibiting the import of oil and refined petroleum into the country. Additionally, these resolutions severely limit the export of coal and other products of domestic mining, one of the only lucrative export industries potentially available to the state.⁹⁴

Effective sanctions design must reflect the specific nature of the target state. In the unique case of North Korea's nuclear weapons program—wherein the center of gravity is the regime itself and isolation is self-imposed due to the state ideology—imposing these types of sanctions has proven to be ineffective as a coercive strategy.⁹⁵ In practice, sanctions may have the opposite of the desired effect, instead creating unintended incentives to continue the behavior these programs are intended to curb, as sanctions may encourage bluffing to avoid the sender's attempt to coerce the target.⁹⁶ However, given its comprehensive nature, it is unlikely that the types of goods, services, and resources restricted by the sanctions have directly contributed to their ineffectiveness. The question is not whether the sanctions aim to restrict the right resources—in effect, they limit practically all resources—but rather whether the senders can enforce strict enough restrictions to impact the target's behavior. The Kim regime has perfected the art of fluctuating between nuclear antagonism and apparent cooperation in order to maximize its gains while minimizing actual impacts to its nuclear weapons program.

⁹³ Peksen, “When Do Imposed Economic Sanctions Work?,” 639.

⁹⁴ United Nations Security Council, “Resolution 2375, Non-Proliferation/Democratic People's Republic of Korea, S/RES/2375” (2017), [https://undocs.org/S/RES/2375\(2017\)](https://undocs.org/S/RES/2375(2017)); United Nations Security Council, “Resolution 2397, Non-Proliferation/Democratic People's Republic of Korea, S/RES/2397” (2017), [https://undocs.org/S/RES/2397\(2017\)](https://undocs.org/S/RES/2397(2017)).

⁹⁵ Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions.”

⁹⁶ Brekhov, “Rewards versus Sanctions in International Relations.”

b. Sanctions Target Specificity

North Korea has become the poster child, not only for sanctions in general, but specifically for the UN's brand of targeted sanctions. The regime against North Korea has become increasingly targeted, designating 80 individuals, 75 entities and 59 vessels in the latest round implemented in 2017. However, sanctions levied directly against Kim Jong Un and his elite selectorate have proven to be ineffective in curbing the nuclear program. In fact, the narrow focus of the sanctions' targets has ultimately simplified the Kim regime's task of redirecting these impacts away from the selectorate. As a result, these targeted sanctions actually have an extremely high potential to impact the general population of North Korea due to its focus on the import of commodities such as oil, which affects the entire economy.⁹⁷ In the case of the Kim regime, wherein the elite selectorate is able to redirect targeted sanctions impacts to the general populace, some theorists argue that comprehensive sanctions may present multiple alternative causal pathways for sanctions to elicit the desired behavioral change; Drezner suggests that by fomenting civil unrest and removing the political elite's ability to redirect scarce resources and shield itself from these economic and political impacts, a combination of targeted and comprehensive sanctions would have the potential to bring about effects ranging from minor policy modification to complete regime change.⁹⁸ However, North Korea has proven to be a unique case in which this hypothesis does not hold true. This is not because the sanctions are not targeted—indeed, they are very much so—but rather because the Kim regime is essentially able to convert them into untargeted sanctions by redirecting their impacts to the public. In effect, the nature of the regime—discussed in Chapter IV—renders target specificity largely irrelevant.

⁹⁷ Biersteker, Hudakova, and Tourinho, "UN SanctionsApp: An Interactive Database of UN Sanctions."

⁹⁸ Drezner, "Sanctions Sometimes Smart."

2. Hypothesis 1b: The Purpose of Sanctions is Unclear

Economic sanctions against North Korea have been ineffective due to the misalignment of stated purposes within the sanctions regime by sender signatories, who may seek to inflict punishment for its own sake rather than to elicit policy change in form of CVID.

As discussed in Chapter I, the TSC identifies three types of sanctions goals that may overlap a given regime: *coercion*, *constraint*, and *signaling*. The sanctions regime against the DPRK attempts to *coerce* Kim's government into abandoning its nuclear program by imposing pressure through economic hardship. The UNSCR aims to *constrain* North Korea's capacity to maintain its nuclear program by restricting financial freedom and directly limiting the necessary material resources. As with any multi-national sanctions regime, *signaling* is inherent; by doing *something* rather than *nothing*, sender states contribute to propaganda of the deed, thereby signaling resolve and legitimacy of international norms to the target and the global community.

Pape presents a rigid definition of sanctions success, wherein the stated goal of the program must be met.⁹⁹ This sets a lofty goal, requiring any policy or behavior change to exactly align with the desired end state in order to be considered effective. If the goal is to accomplish CVID of the Korean peninsula through *coercion* and *constraint*, any outcome short of complete nuclear dismantlement must be considered a failure of the sanctions regime. This thesis subscribes to the flexible definition of effectiveness suggested by Baldwin and HSEO, wherein any change in policy resulting from the imposition of sanctions can be considered a partial success.¹⁰⁰ Given the inherent nature of the *signaling* effect, this definition can't help but be at least partially successful in any given case.

In order to effectively play the game, all players must have an understanding of the so-called *win conditions*. This desired end state can range from simple policy adjustment

⁹⁹ Baldwin and Pape, "Evaluating Economic Sanctions," 191; Hufbauer et al., *Economic Sanctions Reconsidered*.

¹⁰⁰ Baldwin and Pape, "Evaluating Economic Sanctions," 191.

to complete regime change. Any division in purpose among senders—between inflicting pain to achieve a policy change, and inflicting pain simply for retribution—may actually undermine the overall effectiveness of sanctions. In many cases, states tend to retroactively cite simple retribution as the purpose of the sanctions in order to shield themselves from the perception of failure. Full congruence is not required; it is sufficient that all sender states pursue the same goals to some degree, with no outlier states seeking retribution for its own sake. However, there have been no cases wherein the documented purpose of the imposed sanctions was purely to inflict economic pain on North Korea for its own sake; as such, this thesis considers retribution nonapplicable in the case of the DPRK. In the case of North Korea, all UNSCRs addressing the sanctions program clearly define the end state as CVID.¹⁰¹

The UNSC has been abundantly clear regarding the overall goal of the sanctions program, and even those signatories that impose additional unilateral sanctions—namely the United States and South Korea—do so in a manner that aligns with the overarching multinational regime. The nuances of each sender’s mix of motivations may differ—for example, South Korea and Japan focus on coercing their shared neighbor into giving up its nuclear weapons, in contrast with the more balanced goals of the United States.¹⁰² Misalignment appears to be a non-issue in the case of North Korean sanctions, as the goals of the UNSCR signatories align with regard to *coercion* and *constraint*, which further serves to bolster the collective *signaling* effort.

C. THE WHITE CASTLE: CHARACTERISTICS OF THE SENDERS OF SANCTIONS AGAINST THE DPRK

Forcible denuclearization of such an unstable and geopolitically sensitive region is naturally a very complicated issue, and several factors affect the disparate motivations and stances within the international community. The literature describes three broad

¹⁰¹ United Nations Security Council, Resolution 2397, Non-proliferation/Democratic People’s Republic of Korea, S/RES/2397, 2; Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions.”

¹⁰² Biersteker, Hudakova, and Tourinho, “UN SanctionsApp: An Interactive Database of UN Sanctions.”

characteristics of the sender state(s) and/or international institution imposing the sanctions regime that can impact its effectiveness. The foremost factor is the level of senders' motivations to change the policy or behavior in question. The individual senders' motivation to end the nuclear weapons program may vary based on the nature of the sender state, the individual tactics and attitudes of its leadership, and/or international pressure—both within the circle of sender nations and from the global community as a whole. This in turn can affect the level of international cooperation in enforcing the sanctions. The second factor is the perceived legitimacy and authority of the sender(s) to impose the sanctions regime and conduct enforcement operations. Finally, the third factor deals with the credibility of the senders to follow through with threats of military force or other coercive measures.

1. Hypothesis 2a: Senders Lack Motivation to Reverse DPRK Behavior

Senders of sanctions against the North Korean nuclear program lack sufficient motivation to seek policy change, as the threat of a nuclear-armed DPRK is not sufficient to justify the costs of sanctions enforcement.

The alternative to CVID in North Korea—a nuclear-capable rogue state with belligerent tendencies and revisionist aims for the Korean peninsula, backed by a rising autocratic hegemonic superpower—provides a substantial threat to the U.S.-led international order, and lowers the acceptability threshold for investments of time and money into enforcement operations. As a result, senders are very committed to seeking policy change.

Despite specific policy variations between individual administrations, South Korea and the United States have consistently maintained their attitudes toward denuclearization of the peninsula. Similar to other regional actors such as Japan, South Korea's historical reliance on the United States for collective defense further emphasizes this stance. As it is covered under the U.S. nuclear umbrella, South Korea will not develop nuclear weapons of its own and must rely on other defensive measures such as the highly controversial THAAD system. Any nuclear exchange will inherently escalate to the level of an

international incident, which further motivates regional actors to remove North Korea's nuclear capabilities from the equation. Just as the preferred methods and speed of the denuclearization process differ from one South Korean or Japanese administration to the next, so too do these stances shift between U.S. administrations, which further complicates the question as the attitudes of the state do not always align with those of its benefactor. In the specific case of North Korea, however, the strong cohesion of the international organization limits the impacts of these individual variations.

UNSCR signatories are also largely unified in their motivation for enforcement because the sanctions regime is designed around the accepted international norm of denuclearization for rogue states. In both multinational and institutional sanctions regimes, the reputational costs of failing to signal support for a legitimate sanctions regime may outweigh the material costs of contributing to enforcement operations.¹⁰³ Doing *nothing* often effectively costs more than doing *something*, and the fear of being lumped in with the sanctions-busting *black knights* may outweigh the impact of a state's own interests in its decision making calculus. As a result, international senders—with the obvious exception of China—have consistently demonstrated commitment to the curbing the nuclear weapons program via sanctions, proving this hypothesis to be false. The impacts of China's role as the black knight are explored further in Chapter IV.

2. Hypothesis 2b: Senders Lack Legitimacy

The international community does not recognize the legitimacy of the UN sanctions regime, and as a result, signatories do not engage in effective enforcement operations either unilaterally or multilaterally.

The body of sanctions literature largely concurs that sanctions regimes imposed or backed by the United Nations are more effective than those imposed unilaterally or by

¹⁰³ Peksen, "When Do Imposed Economic Sanctions Work?," 637; Hufbauer et al., *Economic Sanctions Reconsidered*.

loose coalitions in achieving behavioral or policy changes.¹⁰⁴ Sanctions against DPRK have been primarily guided by the UNSCR, with additional unilateral sanctions imposed by the regional and unilateral senders, including the United States, Japan, South Korea, and the European Union.¹⁰⁵ Collections of unilateral sanctions with the UN acting as an organizational backbone tend evoke international support due to their perception of legitimacy and built-in enforcement mechanisms.¹⁰⁶ The sanctions program against North Korea boasts a particularly cohesive group of signatories, with multiple nations actively engaged in operations to enforce restrictions and prosecute violations.

However, in order to maintain this air of authority, every signatory of the sanctions regime is required to enforce the program in accordance with the UNSCR. If even one player dissents and refuses to uphold the rules of the game, the authority of all players and the legitimacy of the game itself may be called into question. In this case, China's lax enforcement of sanctions—despite its status as a permanent member of the UNSC and official signatory of the sanctions regime—serves to undermine the overall legitimacy of the supranational organization. China's role in supporting North Korean evasion of sanctions impacts is discussed further in the following chapter.

Sanctions have the potential to cause humanitarian crises within the target state—especially in cases such as North Korea, wherein the regime is already prone to violent repression—which in turn may lead the international community to question the legitimacy of both the unilaterally imposed sanctions and the UNSCR regime with which they are associated.¹⁰⁷ However, this argument does not hold water in the case of North Korea. Naturally occurring humanitarian issues such as famine, disease, and environmental scarcity have plagued North Korea since long before the advent of the nuclear weapons program, and had little impact on senders' decisions to attempt to curb North Korea's

¹⁰⁴ Peksen, "When Do Imposed Economic Sanctions Work?," 637; Drezner, "Bargaining, Enforcement, and Multilateral Sanctions."

¹⁰⁵ Brzoska, "International Sanctions Before and Beyond UN Sanctions"; Biersteker, Hudakova, and Tourinho, "UN SanctionsApp: An Interactive Database of UN Sanctions."

¹⁰⁶ Brzoska, "International Sanctions Before and Beyond UN Sanctions," 1339; Peksen, "When Do Imposed Economic Sanctions Work?," 637.

¹⁰⁷ Brzoska, "International Sanctions Before and Beyond UN Sanctions," 1345.

behavior through economic sanctions. Likewise, the DPRK's systemic human rights abuses—forced labor, strict information controls, and uneven distribution of vital food and resources—have only served to strengthen the resolve of international senders. These senders have consistently signaled both support for the sanctions program and disdain for the DPRK's violations, and this collective messaging highlights the perceived legitimacy of the sanctions regime.¹⁰⁸

Brzoska posits that additional unilateral sanctions imposed by individual senders could also undermine the effectiveness and legitimacy of those imposed by UNSC.¹⁰⁹ He argues that by creating an opening for the Kim regime to publicly compare the senders' methods to the types of behavior they often claim to be attempting to change, unilateral programs may actually erode the perception authority for sanctions as a tool of statecraft in general. However, additional unilateral sanctions that are developed to complement existing UN regimes may increase overall effectiveness by closing potential loopholes and addressing areas not covered by the original program.¹¹⁰ Sanctions imposed unilaterally by the United States, South Korea, and other senders also signal that powerful UNSCR signatories view the regime as legitimate and are willing to strictly enforce them.¹¹¹

Ultimately, there is little evidence to suggest that the international community views the UN sanctions regime against North Korea as illegitimate, eliminating this hypothesis from the list of potential causal factors for sanctions' failure to elicit behavioral change.

¹⁰⁸ Biersteker, Hudakova, and Tourinho, "UN SanctionsApp: An Interactive Database of UN Sanctions."

¹⁰⁹ Brzoska, "International Sanctions Before and Beyond UN Sanctions," 1345.

¹¹⁰ Brzoska, 1346.

¹¹¹ Brzoska, 1346.

3. Hypothesis 2c: Senders Lack Credibility

Senders of sanctions against the North Korean nuclear program lack the capacity and/or political freedom of maneuver to credibly threaten military escalation against the Kim regime for sanction violations.

The effectiveness of a sanctions regime hinges on the capacity of the sender to inflict pressure or pain on the target.¹¹² Equally important, however, is the credibility of the threat of military force or other escalatory measures if the target fails to demonstrate the desired behavioral change. The UNSC has demonstrated its military enforcement capability in the past, most notably against the Gaddafi regime in Libya following its violation of UNSCR 1973 in 2011. Likewise, although military action in response to Iran's nuclear program violations was prevented for political reasons, the international community was able to legitimately retaliate through the mechanisms of the Non-Proliferation Treaty and IAEA verification.¹¹³ North Korea's non-participation in the NPT prevents IAEA verification of compliance and limits the international community's ability to impose consequences for sanctions breaches, and its geostrategic location bordering both China and South Korea all but prevents any type of military retaliation for violations.¹¹⁴

In addition to the political and strategic sensitivities outlined above, the UN faces a more direct limiting factor in its ability to escalate enforcement operations to use military force against North Korea in response to continued sanctions violations. In order to authorize the use of force as an instrument of coercion, all permanent UNSC members must unanimously approve. Even with consensus between the U.S., United Kingdom, and France, it is highly unlikely that China would approve of military action against its North

¹¹² Jean-Marc F. Blanchard and Norrin M. Ripsman, "Asking the Right Question: *When Do Economic Sanctions Work Best?*," *Security Studies* 9, no. 1–2 (September 1999): 251, <https://doi.org/10.1080/09636419908429400>.

¹¹³ Wade L. Huntley, "Rebels without a Cause: North Korea, Iran and the NPT," *International Affairs* 82, no. 4 (July 2006): 738, <https://doi.org/10.1111/j.1468-2346.2006.00565.x>.

¹¹⁴ Benjamin Habib, "The Enforcement Problem in Resolution 2094 and the United Nations Security Council Sanctions Regime: Sanctioning North Korea," *Australian Journal of International Affairs* 70, no. 1 (January 2, 2016): 60, <https://doi.org/10.1080/10357718.2015.1095278>.

Korean ally and strategic buffer zone. Despite the widening political and economic rift between Russia and North Korea, Moscow would also likely avoid setting a precedent of coercive military action against the nuclear program of a fellow communist state. This hypothesis appears to hold true: in a political environment where powerful nations have a vested interest in its survival—and by extension, the autonomy of like-minded authoritarian states in general—Kim has little to fear in terms of military escalation not of his own making.

4. Conclusion

With three of the five hypotheses in this chapter judged to be false, this thesis finds that sanctions enforcement efforts have largely been inhibited not by factors of the senders or the sanctions regime itself, but rather by the unique geostrategic and political factors of the North Korea itself. While the UN and other senders have demonstrated the capacity and willingness to enforce sanctions regimes through a number of mechanisms, up to and including military force in some cases, these efforts have proven particularly ineffective against North Korea. The sanctions levied by the UN and other senders are comprehensive, specifically targeted, and unified in purpose. While these characteristics do not directly contribute to the ineffectiveness of the regime, the neither do they effectively inhibit the Kim regime's ability to redirect sanctions impacts away from their specific intended targets within the selectorate. Likewise, although the UNSCR signatories are generally motivated to enforce sanctions and collectively view the UN regime as legitimate, geostrategic factors and powerful detractors—namely China and Russia—have had a limiting effect on the credibility of the costs of North Korea's continued violations.

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IV. THE RED KING AND THE BLACK KNIGHT

A. INTRODUCTION

In any game of strategy and skill, a player's best laid plans rarely survive first contact with the adversary. The game of sanctions and denuclearization is no exception, and the unique factors of the DPRK—and the influence of China as its historical ally and supporter—have effectively hampered the ability of the UN to coerce the Kim regime. This chapter examines the particular aspects and strategies of this *red king* that contribute to its resilience in the face of international pressure to abandon its nuclear weapons program. The chapter further examines the motivations, capability, and influence of China as a sanctions-busting *black knight*.

B. THE RED KING: CHARACTERISTICS OF THE TARGET STATE

In the modern world order dominated by great powers and pervasive cultural norms regarding interstate aggression and nuclear capability, North Korea presents a unique case study for economic sanctions effectiveness. The DPRK displays an inordinate degree of capacity to resist UN pressure. The body of sanctions literature suggests three primary characteristics of target states that have the potential to negatively impact the effectiveness of sanctions as tools of statecraft. The first factor is the collection of benefits the target attempts to gain by continuing the undesirable policy or behavior. Second, the regime type of the target state may grant it a degree of resilience to the burden of sanctions. The final factor is the target state's domestic capacity to offset the imposed costs of defiance by blunting, evading, or redirecting the effects of the sanctions regime. The next three hypotheses examine the nuances of these factors in the case of North Korea.

1. Hypothesis 3a: North Korea is Sufficiently Motivated

The Kim regime possesses sufficient motivation to maintain its nuclear weapons program despite the increasing burden of international sanctions and the potential for negative repercussions on the general population.

Most scholars of economic statecraft concur that there is an inverse correlation between sanctions effectiveness and the level of linkage between the sanctioned behavior and the security and/or economic interests of the target state.¹¹⁵ The question then becomes one of relative value: what is the nuclear program worth to the Kim regime, and how much pain is it willing to endure before conceding? If the issue at hand was simply a negotiation for the return of political prisoners or changes to an existing trade policy, the impacts of the sanctions program would likely be enough to bring about the desired behavioral change. However, the benefits of continuing the behavior in question—that of nuclear development and proliferation—outweigh the costs imposed by the UNSC. The first and most obvious benefit North Korea derives from its nuclear program is its tangible security and deterrent value. Equally important to the Kim regime is the value of nuclear weapons as a symbol of power and legitimacy. This second benefit has both international and domestic effects: while North Korea’s continued tests are meant to signal to the outside world that Kim will only negotiate from a position of strength, the regime also derives a sense of internal legitimacy from the nuclear program, as it is so deeply ingrained into the ideology of the regime that dismantlement would be tantamount to abandoning the state *juche* ideology itself.¹¹⁶

a. *Regime Security and Deterrence*

As far as North Korea is concerned, the core of the question of denuclearization revolves exclusively around international pressure. Kim Jong Un’s regime has no interest in giving up its nuclear weapons program; the state views its nuclear weapons as a necessary defense and deterrent against foreign aggression and influence.¹¹⁷ By demonstrating its nuclear capability and implying a willingness to employ it, North Korea aims to ensure its regime security.¹¹⁸ Over the past two decades, North Korea has had

¹¹⁵ Peksen, “When Do Imposed Economic Sanctions Work?,” 638; Drezner, “Sanctions Sometimes Smart,” 99; Hufbauer et al., *Economic Sanctions Reconsidered*.

¹¹⁶ Sukhee Han and Dongchan Kim, “North Korea in 2021,” *Asian Survey* 62, no. 1 (February 1, 2022): 53–61, <https://doi.org/10.1525/as.2022.62.1.05>.

¹¹⁷ Peksen, “When Do Imposed Economic Sanctions Work?,” 638.

¹¹⁸ Dingli Shen, “Cooperative Denuclearization toward North Korea,” *The Washington Quarterly* 32, no. 4 (October 2009): 182, <https://doi.org/10.1080/01636600903232251>.

ample opportunity to observe western intervention in the affairs of fellow autocratic states. The Kim regime's fixation on maintaining a powerful and credible physical deterrent is largely the result of lessons learned from these interactions. In the wake of 2003's Operation Desert Storm and the fall of Saddam Hussein, North Korean state media issued statements emphasizing the importance of a physical deterrent force for maintaining national sovereignty and security.¹¹⁹ More recently, the North Korean Foreign Ministry condemned the 2011 NATO intervention in Libya, claiming that the country had been deceived into giving up its nuclear program in 2003.¹²⁰ The Russian invasion of Ukraine in 2022 struck a similar chord with the Kim regime, further cementing the belief that nuclear weapons are the only guaranteed means by which a small nation can deter foreign hostility—especially from the so-called great powers—and ensure regime survival.¹²¹

b. Sovereignty, Power, and Legitimacy

The Kim administration not only views its nuclear program as essential to the actual survival of the regime, but also derives a measure of domestic legitimacy and prestige in the global community. To North Korea, nuclear power is akin to international clout, and all attempts to forcibly denuclearize the peninsula are direct threats to the sovereignty—and by extension, legitimacy—of the state.¹²² In the era of great power competition, North Korea finds itself at the geographic and political nexus connecting multiple nuclear states. Kim's fixation on maintaining a nuclear weapons program is largely influenced by the DPRK's opposition to the U.S.-led international order, historical ties to Russia, and reliance on China as a benefactor. Because nuclear weapons are deeply entangled with the North Korean ideology of self-reliance, the state views any tool of statecraft leveraged

¹¹⁹ Christopher Way and Jessica L. P. Weeks, "Making It Personal: Regime Type and Nuclear Proliferation," *American Journal of Political Science* 58, no. 3 (July 2014): 710, <https://doi.org/10.1111/ajps.12080>.

¹²⁰ Mark McDonald, "North Korea Suggests Libya Should Have Kept Nuclear Program.," *The New York Times*, March 24, 2011, https://www.nytimes.com/2011/03/25/world/asia/25korea.html?_r=0.

¹²¹ Edward Howell, "How North Korea Views the Ukraine Crisis," *The Diplomat*, March 14, 2022, <https://thediplomat.com/2022/03/how-north-korea-views-the-ukraine-crisis/>; Shen, "Cooperative Denuclearization toward North Korea," 182.

¹²² Peksen, "When Do Imposed Economic Sanctions Work?," 638.

toward inhibiting this program as a threat to the regime itself. These perceived attacks on the regime's nuclear backbone have triggered rally-round-the-flag responses from the selectorate and the general populace, doubling down domestic support for the Kim administration.¹²³ The hypothesis 3b further examines this aspect of Kim's domestic narrative control.

2. Hypothesis 3b: Authoritarian Regimes are Particularly Resistant

The authoritarian nature of the Kim regime—specifically, its ability to compel the population to bear economic hardships—poses challenges to sanctions effectiveness.

Understanding the political system of the target state is vital not only to determining its goals and motivations, but also what it is willing and capable of doing to achieve those goals.¹²⁴ Those actors who are willing to play the game according to international norms—the taboo against the use of repressive violence, for example—are more easily coerced and constrained by economic sanctions.¹²⁵ Autocratic leaders, on the other hand, are often willing to leverage their coercive capacity and repressive tools to redirect the resources restricted by the sanctions regime toward supporters and away from political rivals. This can have a twofold effect, strengthening the regime's hold on domestic power while blunting the impacts of sanctions on the regime and its core supporting elites.¹²⁶ As the recipient of the harshest international sanctions regime in history, the Kim regime has continuously blunted the impacts from these programs for the regime and its supporters.

¹²³ Peksen, 638.

¹²⁴ Stephen Haggard and Marcus Noland, *Engaging North Korea: The Role of Economic Statecraft*, Policy Studies 59 (Washington, DC: East-West Center, 2011), 5–8.

¹²⁵ Hufbauer et al., *Economic Sanctions Reconsidered*; Drezner, “Sanctions Sometimes Smart,” 99.

¹²⁶ Peksen, “When Do Imposed Economic Sanctions Work?,” 638.

a. Repression of the Populace

Much of North Korea's success in blunting and redirecting the burden of sanctions is due to the unique form of the state's political and social control systems. By diffusing these social controls down to the neighborhood level, the state gains the inherent stability that comes with self-policing and the flexibility to avoid any single points of failure in enforcement. States with high organization and coercive capacity—that is, tools to coopt, monitor, repress, and intimidate opponents and potential dissenters—are more effective at resisting pressure toward democratization and compliance with associated international norms.¹²⁷

Freedom House captures this bleak picture in North Korea, awarding the country 0 out of 40 points for political freedom, and only 3 of 60 points for civil liberties.¹²⁸ The Heritage Foundation 2022 Index of Economic Freedom echoes this assessment, ranking North Korea dead last among Asia-Pacific region nations at rank 39, and last globally at number 177 with a score of 3.0, down 2.2 points from the 2021 index. For comparison, Venezuela is the next lowest at rank 176, with a score of 24.8; Singapore tops the charts at number one with a score of 84.4, while the United States clocks in at number 25 with a score of 72.1.¹²⁹

Clearly, the Kim regime exercises a level of institutional control unrivaled in the rest of the world, a tool it leverages to great effect. The state has an extremely high capacity for violent repression, and a low tolerance for dissension. Given the available options, the average citizen would likely rather rationalize his or her struggle with sanctions-related economic impacts as a contribution to the development of the state—or simply decline to act—rather than face the alternative of execution or labor in a prison camp.

¹²⁷ Steven Levitsky and Lucan Way, *Competitive Authoritarianism: Hybrid Regimes after the Cold War* (New York, NY: Cambridge University Press, 2010), 57, <https://doi.org/10.1017/CBO9780511781353>.

¹²⁸ Freedom House, “North Korea: Freedom in the World 2023 Country Report,” Freedom House, 2023, <https://freedomhouse.org/country/north-korea/freedom-world/2023>.

¹²⁹ Heritage Foundation, “Country Rankings,” The 2022 Index of Economic Freedom, accessed June 20, 2022, <https://www.heritage.org/index/ranking>. Of note, Afghanistan, Iraq, Libya, Liechtenstein, Somalia, Syria and Yemen were not ranked in the 2022 index.

The largest obstacle to the development of a true sphere of anti-regime counterculture is the inability of the population to trust each other not to report dissent to the central government. All citizens belong to one of the Workers' Party of Korea organizational life units, which serve to coopt civilian efforts for the party in order to offset and redirect sanctions impacts, as well as to provide surveillance and control apparatus down to the household level. The party life organizations ostensibly provide social networks and build the trust relationships of local communities, but in reality citizens are hesitant to speak critically of the government for fear of repression or penalty.¹³⁰ Citizens deemed to be political dissidents often receive harsh punishments ranging from forced labor in prison camps to execution.¹³¹ By keeping the populace divided against itself, the regime is able to limit popular opposition to the self-imposed poverty that results from the redirection of sanctions' economic impacts.

b. Information and Narrative Control

By leveraging power over the flow of information and commerce, the state can flexibly limit opposition by firing and blacklisting critics, coopting public employees for the party, limiting access by opponents to media and government licenses, or simply starving the opposition of resources.¹³² In the case of North Korea, the lack of reliable internet infrastructure in the country inherently serves as a form of information control. The state's isolated intranet consists of just over 1000 ascribed IP addresses, a self-imposed limit that contributes to Pyongyang's firm grip on the media—and by extension, the narrative—available to the public.¹³³ This also relates back to the repression mechanism,

¹³⁰ Alexander Dukalskis, "North Korea's Shadow Economy: A Force for Authoritarian Resilience or Corrosion?," *Europe-Asia Studies* 68, no. 3 (March 15, 2016): 501, <https://doi.org/10.1080/09668136.2016.1154137>.

¹³¹ Freedom House, "North Korea: Freedom in the World 2023 Country Report."

¹³² Levitsky and Way, *Competitive Authoritarianism*, 66–67.

¹³³ Elisabeth Suh, "North Korea's Cyber Capabilities and Strategy," German Council on Foreign Relations (DGAP), January 7, 2022, <https://dgap.org/en/research/publications/north-koreas-cyber-capabilities-and-strategy-0>.

as the state also imposes regulations to punish those who use the internet to criticize the regime.¹³⁴

Given the Orwellian degree of media and narrative control exercised by the Kim regime, it is a common assumption that the citizens of North Korea have a limited understanding of the specifics of the sanctions program.¹³⁵ Contrarily, Han et al. find that the North Korean public is generally aware of the goods and resources being sanctioned, and the United States, UN, and South Korea are known to be the primary senders.¹³⁶ State narrative control focuses not on *what* is sanctioned by *who*, but rather *why* these sanctions are being imposed in the first place. By propagating the narrative that the United States imposed sanctions before the advent of the nuclear program—with the goal of bringing about a regime change or forcing North Korea to open its economy, as it had with Japan a century and a half earlier—Kim’s administration deftly removes the nuclear program as a cause of sanctions in the minds of its populace.¹³⁷ Tying the ongoing economic hardship to a sense of unwarranted foreign aggression allows the Kim regime to rally support by painting itself as the victim.

Capacity for coercion through narrative control relies on both the scope of influence and cohesion of the populace, and political strongmen such as the Kim family will often rally the people behind a shared ethnic identity or ideology.¹³⁸ Successful autocratic regimes often learn to play off of shared collective trauma or extant credible threat and emphasize the crisis to increase appeal of the strongman as a savior.¹³⁹ The Kim regime

¹³⁴ Andrew J. Nathan, “China’s Challenge,” *Journal of Democracy* 26, no. 1 (2015): 159–62, <https://doi.org/10.1353/jod.2015.0012>.

¹³⁵ Baran Han, Inbok Rhee, and Chrysostomos Tabakis, “Rally Around Which Flag?: Investigation of the Impact of Sanctions on the Rally Around the Flag Effects Using Focused Group Discussion with North Korean Defectors,” *SSRN Electronic Journal*, 2020, 12, <https://doi.org/10.2139/ssrn.4054309>.

¹³⁶ Han, Rhee, and Tabakis, 14.

¹³⁷ Han, Rhee, and Tabakis, 14.

¹³⁸ Levitsky and Way, *Competitive Authoritarianism*, 58–60.

¹³⁹ Eva Bellin, “The Robustness of Authoritarianism in the Middle East: Exceptionalism in Comparative Perspective,” *Comparative Politics* 36, no. 2 (January 2004): 151, <https://doi.org/10.2307/4150140>; Aleksandar Matovski, *Popular Dictatorships: Crises, Mass Opinion, and the Rise of Electoral Authoritarianism*, 1st ed. (New York, NY: Cambridge University Press, 2021), 17.

placates and rallies the general population by casting the U.S. and the UN as credible existential threats and emphasizing the shared trauma of sanctions impacts, minimizing necessary coercion efforts by presenting the illusion that Kim's policies are more desirable than the alternatives.¹⁴⁰ The justification for Kim's violations of international norms regarding democratic principles—such as media censorship or repression of the opposition—is often based on the overarching imposition of order and justice that would otherwise be absent.¹⁴¹

c. Isolation of the Selectorate from Sanctions Impacts

The Kim regime has become adept at turning crisis situations into opportunities for strengthening regime control of the populace. In the case of North Korea, Kim's elite WPK selectorate forms the inner circle; the outer circle contains the legislature and party organs, which help to consolidate and contain threats and to provide legitimation for the regime.¹⁴² While targeted sanctions aim to reduce the economic impacts of sanctions on the general populace, the unrestrained ability of the WPK to redirect the burdens away from their intended targets may play a large role in limiting overall sanctions impacts.¹⁴³ North Korea's strong coercive and repressive apparatus redirects limited resources—made even more scarce due to the ongoing program of UN-mandated international sanctions—from potential political opponents to Kim's inner circle, further tightening the grip of the ruling elite.¹⁴⁴ The WPK work life organizations serve to parasitically co-opt the economic and production efforts of the populace, effectively passing any hardship imposed by the

¹⁴⁰ Matovski, *Popular Dictatorships*, 3.

¹⁴¹ Matovski, 5–16.

¹⁴² Jennifer Gandhi and Adam Przeworski, "Authoritarian Institutions and the Survival of Autocrats," *Comparative Political Studies* 40, no. 11 (November 2007): 1293, <https://doi.org/10.1177/0010414007305817>.

¹⁴³ Dukalskis, "North Korea's Shadow Economy."

¹⁴⁴ Peksen, "When Do Imposed Economic Sanctions Work?," 638.

sanctions regime on to the general populace and leaving the selectorate relatively unscathed.¹⁴⁵

To the DPRK political elite, regime survival is paramount, trumping both economic development and humanitarian concerns. The Kim dynasty and its elite selectorate place survival and stability above all else; indeed, the regime has demonstrated a willingness to allow the common citizen to suffer and die, which grants the state a form of invulnerability to economic pressures. North Korean elites hold such a deeply vested interest in maintaining the nuclear program that even the famine during the 1990s—with an estimated death toll between 600,000 and 900,000 North Korean citizens—could not force the selectorate to share the economic burden of the general population, and thus had no limiting effect on the development of nuclear weapons.¹⁴⁶ If a natural disaster of such proportions could not generate the requisite level of hardship for the selectorate to cause policy change or regime collapse, then economic sanctions have little hope of effecting real change.

d. Placation of the Populace

If there is one word that describes the survival strategy of the North Korean political elite, it is *flexibility*. In order to ensure its grip on power, the state must placate its citizens, who have the potential to rise up and bring about regime change or collapse. By presenting the populace with pacifying agents such as alternative outlets for grievances and exercising flexible control over private economic practices and the availability of foreign media, the state may redirect citizens' frustration into less volatile areas such as consumerism and petty corruption. If the regime cannot keep the populace happy, it can at least release internal pressure and keep citizens minimally satisfied and distracted.

The regime will often employ elected mid-level deputies--selectively nominating individuals who are empathetic toward the constituents, but not outspoken in government—to convey those preferences to the central government, allowing the state to

¹⁴⁵ Christian Davies, "North Korean Women Pay a Heavy Price as Kim Turns on 'Black Market Breadwinners,'" *Financial Times*, January 11, 2022, <https://www.ft.com/content/154f7fe6-e9b9-4a4f-b590-f08afa5ca326>.

¹⁴⁶ Andrei Lankov, "Why Nothing Can Really Be Done about North Korea's Nuclear Program," *Asia Policy* 23, no. 1 (2017): 107, <https://doi.org/10.1353/asp.2017.0015>.

form policy responses and offer effective placation.¹⁴⁷ These deputies also act as a filter for subversive opinions.¹⁴⁸ By giving the population an outlet by which to address their concerns, the state can enact just enough policy response to placate them; this also gives the party insight into potential centers of dissent and threats to the regime, which it can then isolate and selectively repress or eliminate.¹⁴⁹

The availability of foreign media—specifically dramas and news from South Korea—within the Hermit Kingdom is not a new development; however, the volume of such material and the methods available to interested parties to obtain it are rapidly evolving beyond the state’s capacity to control.¹⁵⁰ This presents a number of unique challenges to the survival of the state’s political elite. Chief among these are the degradation of the *juche* ideology as an ingrained political and social control mechanism, and the inherent ability of foreign media and economic practices to highlight the reality of conditions in North Korea in comparison to the rest of the world.¹⁵¹ These factors have the potential to undermine the very roots of the regime’s control over the populace.¹⁵²

The presence and influence of foreign media in the country is increasingly hard to eliminate. As such, it may prove to be more cost effective and less destabilizing for the regime to mold these trends to its own advantage than to crack down and risk inciting civil unrest. The state may take advantage of the power of foreign media as a pacifying agent, strategically allowing access to materials it deems to be minimally harmful to the state. By selectively allowing certain materials to circulate within the country, the state gains an

¹⁴⁷ Rory Truex, *Making Autocracy Work: Representation and Responsiveness in Modern China*, Cambridge Studies in Comparative Politics (New York, NY: Cambridge University Press, 2016), 5–7.

¹⁴⁸ Truex, 5–7.

¹⁴⁹ Matovski, *Popular Dictatorships*, 18.

¹⁵⁰ Dukalskis, “North Korea’s Shadow Economy.”

¹⁵¹ Levitsky and Way, *Competitive Authoritarianism*, 51.

¹⁵² This phenomenon is especially apparent among the female population of North Korea. Before its ultimate collapse in the wake of dissolution of the Soviet Union and the subsequent famine of the 1990s, the public distribution system was designed to reinforce familial dependance on the male breadwinner. The economic collapse of the socialist system provided an opportunity for capitalism to take root within the regime, and women soon assumed a vital new role in keeping their families alive. While male citizens were still required to report to work at the factories and state-run enterprises regardless of whether or not the regime could pay their wages, women were free to develop alternative economic opportunities.

additional tool of social control while ostensibly maintaining its stance toward foreign media. As long as the political elite maintain the ability to monitor, exploit, and control every aspect of the daily lives of the populace, no amount of foreign influence will pose a real threat to the regime. Minor quality of life improvements and the distractions of media and consumerism can redirect or suppress civilian dissatisfaction with the unmitigated economic impacts of the sanctions regime. By tacitly allowing a private economy to continue, the regime provides a means of appeasement for would-be dissenters.¹⁵³

Likewise, the Kim regime has fluctuated between tacit acceptance and outright extortion of the grassroots marketization—the illegal shadow economy that underpins the economic livelihood of many North Korean citizens—depending on the perceived strength of the government and the state of external economic pressure at any given time. This flexibility has granted the regime a high degree of resilience in the face of international sanctions by acting as a pressure release valve, giving the public an opportunity for civil dissent during periods of relaxed control over private business practices.¹⁵⁴ In effect, the shadow markets serve as vital outlets for grievances against the state, which may not be expressed elsewhere.

The regime may also leverage this flexibility for political purposes. The state tends to flex control over the shadow economy when it feels strong, and becomes more lenient during times of perceived weakness, such as the famine period.¹⁵⁵ Although private production and distribution of goods is technically illegal, rationing and government economic planning have proven to be inefficient and unable to keep up with the needs of the population, and the regime often turns a blind eye out of necessity and desire to maintain the status quo. Because the tendrils of the shadow economy are so deeply ingrained in the daily lives of all citizens, the regime can selectively enforce the anti-market laws to repress potential opponents or dissenters while allowing activity it deems beneficial

¹⁵³ Dukalskis, “North Korea’s Shadow Economy,” 490.

¹⁵⁴ Dukalskis, “North Korea’s Shadow Economy.”

¹⁵⁵ Dukalskis, 496.

to continue.¹⁵⁶ The economies are intertwined, with vested interests on both sides. This so-called shadow economy creates a dilemma—it holds the official economy together while potentially undermining control over society. The state reserves the ability to initiate mass crackdowns on these private economic practices during periods of perceived strength; likewise, when the state economy is deemed to be particularly weak, the market laws can be relaxed to allow the second economy to pick up the a slack.¹⁵⁷ Like their Soviet predecessors, the North Korean regime has had to strike a balance between quashing the seeds of capitalism and placating a suffering populace by allowing enough economic freedom to supplement the failing state rationing program.¹⁵⁸

3. Hypothesis 3c: The Kim Regime Excels at Sanctions Evasion

North Korea has developed methods to evade and redirect the effects of economic sanctions, to include illicit smuggling and cyber activity.

In addition to blunting and redirecting sanctions’ impacts, the DPRK has developed a wide variety of tactics and techniques for evading economic sanctions altogether, particularly in the maritime and cyber domains. As Park posits, this is ironically due in part to the pressure of the sanctions regime, which forces the state to adapt and pursue alternative avenues for economic and resource scarcity relief. To some extent, the very imposition of sanctions inadvertently bolsters target state’s capability to evade impacts and procure restricted resources.¹⁵⁹ North Korea has demonstrated a willingness and capability to offset the continued costs of sanctions defiance through state-sponsored illicit activity in both licit and illicit sectors.

The Kim regime attempts to circumvent sanctions by engaging in financial obfuscation, moving funds through multiple layers of front and shell companies in order to

¹⁵⁶ Dukalskis, 490.

¹⁵⁷ Dukalskis, 496.

¹⁵⁸ Dukalskis, 489.

¹⁵⁹ Park, “The Key to the North Korean Targeted Sanctions Puzzle,” 203–4.

hide their true origin and maintain access to the U.S. dollar-backed financial system. In addition, the inherent anonymity of some cryptocurrencies allows North Korean actors to move funds and avoid seizure of assets. Hacking, state-sponsored cryptocurrency theft, and illicit drug trafficking are also rapidly becoming staple tactics.¹⁶⁰

a. State-sponsored Smuggling Activity

North Korea has no domestic oil production capability and relies on imports to fuel its internal industrial complex. In addition to powering much of the state's revenue-generation capacity, these oil imports also directly power the state's nuclear weapons program. As such, the UN-mandated import cap has the potential to impact the program on multiple fronts. However, North Korea has been particularly effective in circumventing this cap via a combination of its illicit transfer network and continued exports from Russia and China. According to statistics published by the UNSCR 1718 Committee, North Korea imported between 1,361,000 and 2,332,000 barrels of oil between January and December 2020, as shown in Figure 7.¹⁶¹ Assuming that these vessels were between 50% and 90% laden when offloading oil in North Korea, the lowest estimate places the total oil imports at more than double the limit imposed by UNSCR 2397, while the highest estimate would exceed four times this limit.¹⁶² Imagery of port facilities at Nampo Harbor suggests that these tankers are often fully laden when delivering oil to North Korea, suggesting that the estimate should tend toward the higher end.¹⁶³

¹⁶⁰ "Schemes and Subversion," 7–15.

¹⁶¹ Byrne et al., *Black Gold*, 15–18.

¹⁶² Byrne et al., 18.

¹⁶³ Byrne et al., 15.

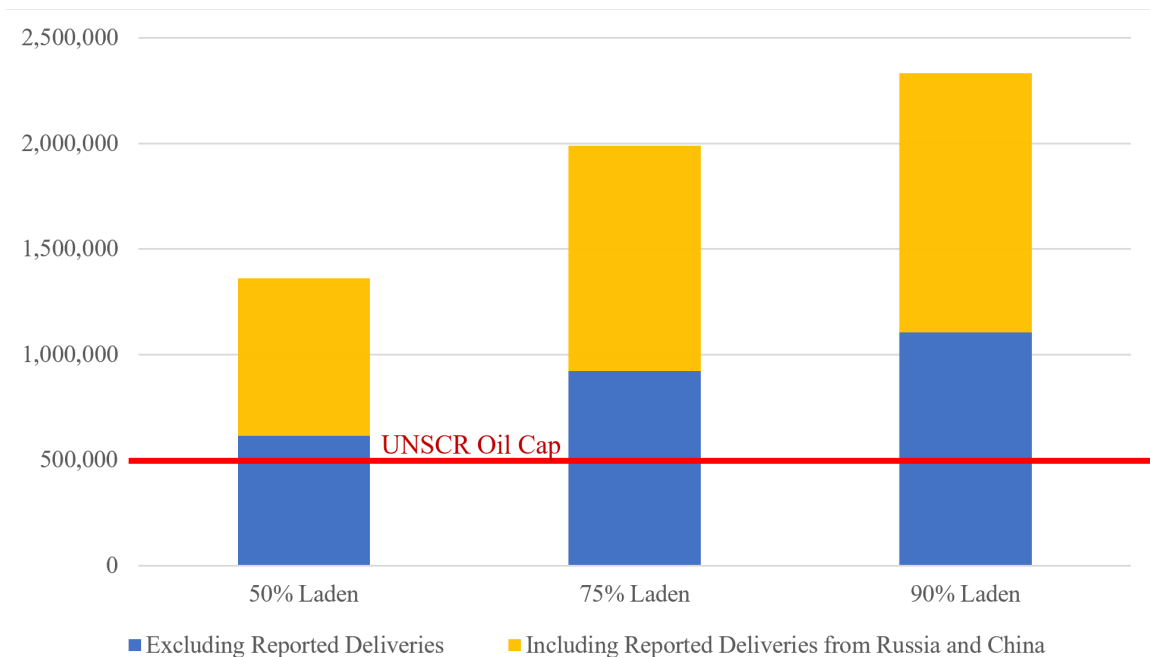


Figure 6. Estimated Volume of Petroleum Deliveries to North Korea in 2020.¹⁶⁴

North Korea has demonstrated a willingness and capability to offset the continued costs of sanctions defiance through state-sponsored illicit activity. The realm of maritime shipping provides myriad opportunities for the import and export of goods and resources restricted by the sanctions regime. In order to evade prohibitions against oil imports, North Korean tankers will often operate under flags of convenience, repaint ship hull markings, transmit deceptive AIS information, and engage in ship-to-ship transfers on the high seas rather than in busy ports where their transactions may be observed and prosecuted.¹⁶⁵ North Korea has developed an extensive oil smuggling network, with massive supertanker “mother ships” delivering oil to smaller intermediary feeder vessels, which in turn conduct ship-to-ship transfers to direct delivery vessels. These vessels attempt to avoid detection and prosecution by engaging in illicit transfers within China’s economic exclusion zone, often in the vicinity of Fujian, just north of the Taiwan strait. This allows these vessels to

¹⁶⁴ Adapted from Byrne et al., 15–18.

¹⁶⁵ “Schemes and Subversion,” 7–8; Mallory, *North Korean Sanctions Evasion Techniques*; Byrne et al., *Black Gold*.

take advantage of China's lax enforcement of UN-mandated searches and seizures of vessels in violation of the security council resolutions, and provides protection from the enforcement efforts of U.S.-led coalition forces. After completing these transfers, direct delivery vessels travel to major North Korean ports such as Nampo to offload their illicit cargo.¹⁶⁶

North Korea pursues additional alternate revenue streams beyond the illicit smuggling of petroleum products. Most of the state's domestically produced goods and resource exports are prohibited under the USNCR, including coal and textiles, but the regime attempts to circumvent these restrictions by conducting STS transfers at sea much in the same manner as its illicit oil imports.¹⁶⁷ There is also some degree of state-sponsored international drug trade, although the level of government involvement in this market is difficult to ascertain due to limited evidence. However, North Korean individuals—many of them diplomatic employees—have been apprehended while trafficking in narcotics and other illicit drugs, and investigations have linked the DPRK to heroin and methamphetamine shipments to Taiwan and Japan.¹⁶⁸

b. Illicit Cyber Activity

The Kim regime sees the domain of cyber technology as a “great equalizer,” which allows the hermit kingdom to resist increasing pressure to denuclearize. North Korea has demonstrated a rapidly evolving capacity for—and willingness to engage in—state-sponsored illicit cyber activity. Despite being one of the most financially and technologically isolated nations in the world—with only roughly 1000 ascribed IP addresses—North Korea has rapidly developed a diverse and sophisticated set of cyber tools and tactics, from hacking to social engineering.¹⁶⁹ If North Korea's history of cyber operations is examined in context with the evolving sanctions program and other relevant

¹⁶⁶ Byrne et al., *Black Gold*, 21–25.

¹⁶⁷ Byrne et al., *Black Gold*.

¹⁶⁸ Moody's Analytics, “North Korea - Economic Indicators,” Moody's Analytics, June 21, 2022, <https://www.economy.com/north-korea/indicators>.

¹⁶⁹ Suh, “North Korea's Cyber Capabilities and Strategy.”

events, the regime's often nebulous motivations seem to coalesce into three primary—and often overlapping—strategic cyber objectives: disruption, espionage, and revenue generation. This last goal is the most vital to the regime, as the revenue generated through both legitimate and illicit cyber activity directly offsets the increasing burden of the UN sanctions regime. The Kim regime is likely to continue to employ cyber actors to generate revenue, and these efforts are likely to intensify as sanctions programs impose even heavier burdens on the state. Cyber operations are low-risk and high-reward, and the benefits of sending agents abroad to learn advanced skills often outweigh the potential negative impacts to the Kim regime.¹⁷⁰

As noted by Haggard and Noland, North Korea has become a surprisingly hard target for sanctions, and this problem has been exacerbated by the regime's rapid advancement in cyber capabilities.¹⁷¹ North Korean cyber strategy mirrors the diffusion and decentralization of the state's social control mechanisms. Unlike traditional theft, cyber targets are widely diffused, while remaining dependent on the inter-connected backbone of the internet; likewise, the decentralized nature of North Korea's cyber apparatus often render deterrence, defense, and prosecution ineffective. The majority of North Korea's 6,000-strong force of military cyber actors—including the now infamous Kimsuky and Lazarus groups—are believed to operate from outside of the Hermit Kingdom. North Korean cyber fingerprints have been traced to various locations throughout the Indo-Pacific, the Middle East, and Africa.¹⁷²

According to Suh, North Korean illicit cyber activity can be traced back at least as far as 2009, when the regime aimed several denial of service (DoS) attacks at South Korean and United States government websites.¹⁷³ DPRK cyber actors continued to hone their craft over the following years, launching the more sophisticated “DarkSeoul” malware

¹⁷⁰ Suh.

¹⁷¹ Haggard and Noland, *Hard Target*.

¹⁷² Park, “The Key to the North Korean Targeted Sanctions Puzzle,” 203–4; Suh, “North Korea's Cyber Capabilities and Strategy.”

¹⁷³ Suh, “North Korea's Cyber Capabilities and Strategy.”

targeting South Korean banks and television stations in April 2013.¹⁷⁴ Suh explains that the shift in focus from disruption and espionage to revenue generation began in 2016, when North Korean cyber agents targeted the national bank of Bangladesh and stole approximately \$81 million. The regime shifted focus to cryptocurrency with the May 2017 “WannaCry” ransomware attacks, which infected an estimated 300,000 computers across the globe and generated upwards of \$130,000.¹⁷⁵ This trend has continued, with the regime acquiring over \$316 million in virtual assets by 2020.¹⁷⁶ While the focus has been primarily on generating illicit revenue to keep the regime afloat and offset the burden of sanctions, the Kim regime is likely to have been behind recent cyber-attacks against India’s Kudankulam Nuclear Plant and the South Korean Atomic Energy Institute.¹⁷⁷

According to the United States Department of Justice, North Korea has made attempts to steal over \$1.2 billion from banks around the world since 2015, primarily to offset the loss of export potential and other revenue streams disrupted by the sanctions regime.¹⁷⁸ These cyber-heists generally involve hacking the banks’ private networks and sending fraudulent Society for Worldwide Interbank Financial Telecommunications (SWIFT) messages. In addition to banks, these actors also heavily target cryptocurrency companies and individual traders. Since 2017, North Korean actors have successfully stolen tens of millions in cryptocurrency from companies around the world, including Slovenia, Indonesia, and the United States.¹⁷⁹ This is often accomplished through the development and deployment of malicious cryptocurrency applications that provide

¹⁷⁴ Suh.

¹⁷⁵ Suh.

¹⁷⁶ Suh; United Nations Security Council, *United Nations Security Council Panel of Experts Report S/2021/211*, S/2021/211 (New York, NY: United Nations Security Council, 2021), <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N21/034/37/PDF/N2103437.pdf?OpenElement>.

¹⁷⁷ Suh, “North Korea’s Cyber Capabilities and Strategy.”

¹⁷⁸ Department of Justice Office of Public Affairs, “Three North Korean Military Hackers Indicted in Wide-Ranging Scheme to Commit Cyberattacks and Financial Crimes Across the Globe,” February 17, 2021, <https://www.justice.gov/opa/pr/three-north-korean-military-hackers-indicted-wide-ranging-scheme-commit-cyberattacks-and>; Ellen Ioanes, “North Korea Is the Most Isolated Country on the Planet, but It Still Finds Ways to Steal Billions of Dollars,” Business Insider, March 3, 2021, <https://www.businessinsider.com/how-north-korea-uses-hacking-and-cryptocurrency-to-avoid-sanctions-2021-3>.

¹⁷⁹ Department of Justice Office of Public Affairs, “Three North Korean Military Hackers Indicted.”

backdoors into the computers of both private traders and large cryptocurrency broker companies. There are hundreds of these malicious applications, the most infamous of which fall under the AppleJeuS malware family, including Ants2Whale, and CryptoNeuro—which was used to steal nearly \$12 million from a New York-based financial management company in 2018.¹⁸⁰

In order to convert its cryptocurrency holdings—both ill-gotten and legitimate—into conventional currency, North Korea launders the funds through virtual asset brokers outside of the country, often in China.¹⁸¹ The state may also engage in ATM cash-out schemes—operations in which the fraud control mechanisms of the system are compromised through malware or physical tampering—in order to convert fraudulent cryptocurrency assets into real cash stolen from banks. In 2020, a Canadian money launderer was charged in the United States for conspiracy and involvement with North Korean ATM cash-out operations, cyber-heists, and other fraud schemes.

c. Legitimate Cryptocurrency Operations

Although the majority of North Korean cyber operations are illicit or criminal in nature, the regime does generate at least some revenue through legal means. Chief among these is the direct mining of cryptocurrency. The regime favors a cryptocurrency called Monero for a number of reasons: it is loosely regulated, its transaction trails are extremely opaque, and it has relatively low technological requirements. Cryptocurrency mining provides Pyongyang with a source of income that is largely unaffected by sanctions of physical goods, and the choice of loosely regulated currencies allows the regime to easily transfer and use illicitly acquired funds.¹⁸²

North Korea's growing cyber prowess has also opened a new avenue for converting the naturally produced coal into the oil necessary to continue to maintain its nuclear

¹⁸⁰ Department of Justice Office of Public Affairs, "Three North Korean Military Hackers Indicted."

¹⁸¹ United Nations Security Council, *United Nations Security Council Panel of Experts Report S/2021/211*.

¹⁸² Tom Abke, "North Korea Circumvents Sanctions with Cryptocurrency," *Indo-Pacific Defense Forum*, March 14, 2021, <https://ipdefenseforum.com/2021/03/north-korea-circumvents-sanctions-with-cryptocurrency/>.

program. The country relies on coal-fired electric power plants to power its cryptocurrency mining computers. As such, it can recoup the income lost due to the coal export ban by burning the coal instead, and then use Monero to secretly pay for oil. More intensive cryptocurrency mining requires more coal to be mined and burned, which in turn intensifies existing social and environmental issues. North Korea is known to use prison camp labor for coal mining, and the environmental repercussions of burning coal are well documented.¹⁸³ In effect, the export ban on coal has simply rerouted the chain from one mine to another: the physical to the digital.

North Korea has also engaged in marketing Marine Chain Tokens, which allows the regime to receive funds from investors who purchase fractional ownership of marine shipping vessels. These transactions are supported and obfuscated by a blockchain and provide yet another avenue by which North Korea can evade or offset UN sanctions in the realm of marine shipping.¹⁸⁴

C. THE BLACK KNIGHT: CHARACTERISTICS OF CHINA AS A SANCTIONS-BUSTING THIRD PARTY

The sanctions game is often boiled down to a competition between two players—the sender and the target, in this case the UN and North Korea. However, China finds itself in an economic and strategic position to gain from opposing the senders’ sanctions, transforming from an outside observer to a *de facto* participant in the game.¹⁸⁵ The historical blood alliance between the two authoritarian states—coupled with North Korea’s perceived utility as a physical buffer against Western-backed military expansion and influence—has naturally cast China in the role of the *black knight*.¹⁸⁶

¹⁸³ Abke.

¹⁸⁴ Department of Justice Office of Public Affairs, “Three North Korean Military Hackers Indicted.”

¹⁸⁵ Early, *Busted Sanctions*, 18.

¹⁸⁶ Xiangfeng Yang, “Disenchanted Entanglement: The North Korean Shades of Grey on the Chinese Mind,” *Journal of Contemporary China* 29, no. 123 (May 3, 2020): 462, <https://doi.org/10.1080/10670564.2019.1645482>.

1. Hypothesis 4: China Acts as the Black Knight

China has acted—and will continue to act—as a sanctions-busting black knight, driven by its historical relationship with North Korea and the utility of the DPRK as a physical buffer against Western-backed military expansion.

The presence of China as a sanctions-busting *black knight* forms the final potential causal factor in this examination of sanctions efficacy against North Korea. Black knights must have both the political and/or economic motivation to intervene, as well as the capacity to counteract the negative impacts of sanctions on the target. Xi Jinping's administration has demonstrated a generally consistent track record of condemning Kim's inflammatory behavior while praising responsible actions such as the 2018 decision to halt nuclear tests and engage in international dialogue.¹⁸⁷ However, despite constant pressure from the international community to uphold and enforce the United Nations sanctions regime against North Korea, China's enforcement of sanctions has been moderated by concern for its own interests: opposition to the western liberal order, maintaining the strategic buffer zone that North Korea represents between China and South Korea, avoiding the economic burden of a DPRK regime collapse, and asserting political influence in the Indo-Pacific region.¹⁸⁸ As a result, China has consistently failed to adequately enforce the provisions of the sanctions regime, and provides both economic support and a sense of legitimacy for the Kim regime.

As a nuclear state, China has a vested interest in preventing neighboring nations from achieving this same status. However, by fully cooperating with these sanctions regimes, China risks allowing one of two potential security crises to arise. First, a full resolution of the North Korean nuclear issue may precipitate increased U.S. influence and military cooperation in the region, as Kim's continued belligerence without the backing of

¹⁸⁷ Covell Meyskens, "Chinese Views of the Nuclear Endgame in North Korea," *The Nonproliferation Review* 26, no. 5–6 (September 2, 2019): 499–517, <https://doi.org/10.1080/10736700.2019.1667050>.

¹⁸⁸ Tat Yan Kong, "How China Views North Korea's Readiness to Reform and Its Influence on China's North Korea Policy in the Post-Cold War Era," *The Pacific Review* 34, no. 1 (January 2, 2021): 91, <https://doi.org/10.1080/09512748.2019.1651384>.

a nuclear threat will foster an environment for international cooperation against the DPRK. Second, a North Korean regime collapse resulting from the economic impacts of the sanctions regimes would have costly social and economic repercussions as China would need to deal with a refugee crisis on top of the collapse of its historical buffer zone.¹⁸⁹

For over seventy years, China has leveraged the DPRK as a physical and ideological buffer zone against the United States and Western-backed South Korea. China's current policy toward North Korea revolves around denuclearization, peace and stability, and negotiation through dialogue; current efforts work to prevent collapse of the Kim regime, or to mitigate war in the event of that collapse.¹⁹⁰ Historically, the Korean peninsula has been the springboard for attempts to invade China; it is also the only place where China and the U.S. have fought on opposite sides in a war. North Korea remains at the center, diverting pressure away from China and serving as a focal point of regional alliances and competition.¹⁹¹ The Chinese Communist Party (CCP) fears that North Korea's internal chaos will spill over into China; even more pressing, however, is the fear that should the Kim regime collapse, it would be replaced by a unified Korea under U.S. tutelage, with western troops stationed on its border.¹⁹²

In this section, I identify and discuss China's actions as North Korea's *black knight*, beginning with its failure to enforce the sanctions regime, despite being a signatory and a permanent member of the UNSC. I then examine the economic support that China provides the DPRK in order to directly offset sanctions impacts. Finally, I discuss China's motives for legitimization of North Korea as a nuclear state, and the likelihood that this behavior will continue in the future.

¹⁸⁹ Kihyun Lee and Jangho Kim, "Cooperation and Limitations of China's Sanctions on North Korea: Perception, Interest and Institutional Environment," *North Korean Review* 13, no. 1 (Spring 2017): 37.

¹⁹⁰ Tat Yan Kong, "How China Views North Korea's Readiness to Reform and Its Influence on China's North Korea Policy in the Post-Cold War Era," *The Pacific Review* 34, no. 1 (January 2, 2021): 86.

¹⁹¹ Yang, "Disenchanted Entanglement," 463–67.

¹⁹² Westad, *Restless Empire*, 411–12; Troy D. Smith, Marco Hafner, and Bruce W. Bennet, *Engaging with North Korea: Lessons from Game Theory* (RAND Corporation, 2021), 8.

a. Non-enforcement of Sanctions

For China, North Korea serves as shield against liberal influence, both ideologically and from a national defense standpoint. As a permanent member of the UNSC and a signatory of all eight sanctions regime episodes, China finds itself in the precarious position of having to apply denuclearization pressure in line with its perceived duties as a global great power while balancing support for the continued survival of its strategically vital buffer zone.¹⁹³ The 2021 UN Panel of Experts report found that Beijing had allowed North Korean banks to send representatives into China despite the travel ban provisions of the sanctions program. The panel also reported that multiple North Korean financial institutions continue to operate within China's borders, facilitating continued financial support to Pyongyang. The Chinese government has repeatedly denied its involvement in these operations, but its tacit allowance of North Korean sanctions violations within its borders demonstrates its prioritization of keeping the DPRK economy alive.¹⁹⁴

China's contributions to North Korea's sanctions evasion efforts extend beyond its failure to adequately enforce financial restrictions and travel bans. Much of North Korea's illicit STS smuggling of inbound oil and outbound coal occurs under China's watch in the East China Sea, often within China's economic exclusion zone and/or territorial waters. The vessels involved in these illicit transfers—as well as the governments of North Korea and China—are well aware that these areas are effectively out of reach for UN-led maritime and airborne enforcement efforts.¹⁹⁵ China's tacitly allowing sanctions evasion activity within its own backyard to negatively impact the efforts of the UNSC and its supporting states, and clearly signals its willingness to allow these practices to continue.

It has been the position of the Xi administration not to impose further sanctions on North Korea unless it engages in excessively aggressive military behavior.¹⁹⁶ However,

¹⁹³ Kong, "How China Views North Korea's Readiness to Reform and Its Influence on China's North Korea Policy in the Post-Cold War Era," 91.

¹⁹⁴ Aaron Arnold, "To Sanction North Korea, Sanction Those That Won't—Russia and China," Bulletin of the Atomic Scientists, July 14, 2022, <https://thebulletin.org/2022/07/to-sanction-north-korea-sanction-those-that-wont-russia-and-china/>.

¹⁹⁵ Byrne et al., *Black Gold*, 28.

¹⁹⁶ Meyskens, "Chinese Views of the Nuclear Endgame in North Korea," 515–17.

China's threshold for what qualifies as excessive is not necessarily aligned with those of the U.S. and regional powers; by exercising restraint using vague statements to justify failing to uphold its end of the agreement, China undermines the success of the entire sanctions program, and by extension accepts responsibility for the burden of the lengthy economic recession in North Korea. China acknowledges North Korea's utility as a buffer and accepts it as a nuclear state, seeking to control Kim rather than defang him.

b. Economic Support

Despite the drastic reduction in cross-border trade volume following North Korea's attempt to limit the spread of the COVID-19 pandemic by closing its northern border in 2021, China remains DPRK's sole patron and pillar of economic support.¹⁹⁷ Chinese exports to North Korea include all manner of goods that the DPRK cannot reliably produce on its own, ranging from plastics and petroleum to food products and pharmaceuticals. Chinese imports and exports have always made up a significant portion of North Korea's total trade volume; in fact, as of 2019 China absorbed 67% of North Korea's exports while providing 97% of its imports, rendering the cooperation of other states largely irrelevant.¹⁹⁸ This trade relationship is largely one-sided, with North Korea providing only a marginal portion of China's annual imports.¹⁹⁹ The alternative resources and trade vectors provided by China in direct violation of the sanctions program may replace those rendered cost-ineffective or outright impossible under sanctions and disincentivize North Korean capitulation.²⁰⁰ Park assesses that North Korea's access to Chinese markets has created a vital lifeline for the survival of the Kim regime, providing both options and decision space in an environment designed to constrain both.²⁰¹ If a small but belligerent

¹⁹⁷ Han and Kim, "North Korea in 2021."

¹⁹⁸ East-West Center, "China-DPRK Merchandise Trade Volume."

¹⁹⁹ William Brown, "China's Trade With North Korea Rises Slightly in January and February, Amid Partial Border Openings," 38 North, March 23, 2022, <https://www.38north.org/2022/03/chinas-trade-with-north-korea-rises-slightly-in-january-and-february-amid-partial-border-openings/>.

²⁰⁰ Early, *Busted Sanctions*, 18.

²⁰¹ "The Way Forward on U.S. North Korea Policy," May 12, 2022, <https://www.youtube.com/watch?v=um2bFgWx9Ac>.

state can only maintain an economic relationship with one patron in the region, China is the obvious best choice.

Since 2016, China's trade with North Korea has been on the downslope due to the imposition of harsher sanctions, falling from \$5.3 billion in 2017 to \$2.7 billion in 2018 alone.²⁰² Drezner emphasizes the importance of China as North Korea's sole trade partner by highlighting that financial sanctions gained no traction in curtailing North Korea's development of nuclear weapon capabilities; only when China cut off oil exports to DPRK following its first nuclear test did sanctions have any semblance of an effect.²⁰³ Although China displayed uncharacteristically strict compliance with the United Nations Security Council mandate to enforce sanctions against North Korea following its sixth nuclear test in 2017, Xi's desire to improve relations with Pyongyang led to a gradual easing of enforcement operations. China began engaging in illicit financial transfers and sanctions evasion activity as early as 2018.²⁰⁴ Figure 3 shows that despite public refusal of imports from North Korea, Chinese exports to the DPRK continued at a relatively steady pace from 2016 until the COVID-related border closures in 2020. China's continued trade with North Korea has played a large role in undercutting the effectiveness of the UN sanctions program and enabled Pyongyang to sustain and grow its nuclear program despite international pressure.²⁰⁵

²⁰² Ben Frohman, Emma Rafaelof, and Alexis Dale-Huang, *The China-North Korea Strategic Rift: Background and Implications for the United States* (Washington, DC: U.S.-China Economic and Security Review Commission, 2022), 10, https://www.uscc.gov/sites/default/files/2022-01/China-North_Korea_Strategic_Rift.pdf.

²⁰³ Drezner, "Sanctions Sometimes Smart," 104.

²⁰⁴ Frohman, Rafaelof, and Dale-Huang, *The China-North Korea Strategic Rift*, 12–13.

²⁰⁵ Kong, "How China Views North Korea's Readiness to Reform and Its Influence on China's North Korea Policy in the Post-Cold War Era," 87; Early, *Busted Sanctions*, 18–27.

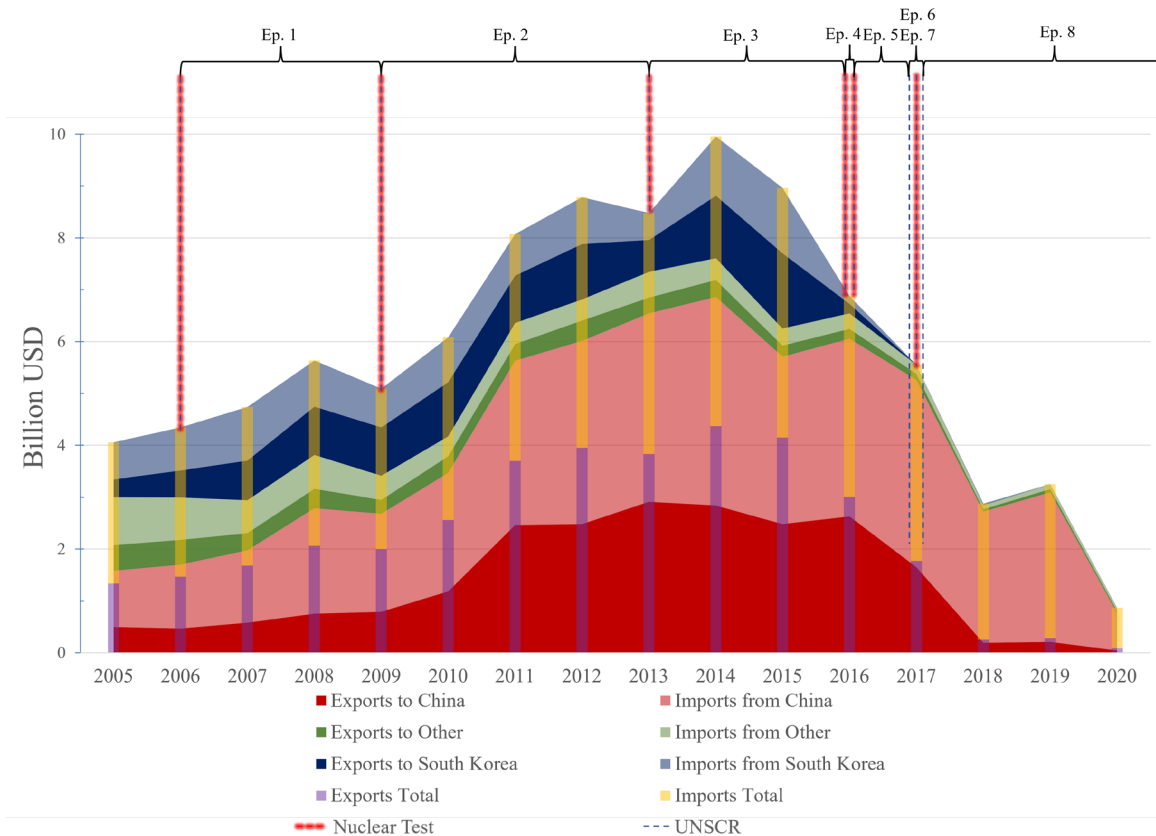


Figure 7. Estimated North Korean Trade and UN Sanctions, 2005–2020.²⁰⁶

Yet despite all this potential leverage, China’s restraint and failure to bring the rogue state in line has transformed it from savior to enabler; Pyongyang’s manipulative and extortive behavior threatens the security of China and the Northeast Asia region at large.²⁰⁷ The Xi administration deals with Kim’s regime with a much firmer hand compared to the attitude of appeasement of the preceding Hu administration, but in reality, China cannot extricate itself from trade without devastating the North Korean economy, as evidenced by the border closures and subsequent food shortages in North Korea in 2020.

²⁰⁶ Adapted from Arms Control Association, “Chronology of U.S.-North Korea Nuclear and Missile Diplomacy”; East-West Center, “China-DPRK Merchandise Trade Volume”; Jones, “North Korean Economy Shrinks in 2020.”

²⁰⁷ Kong, “How China Views North Korea’s Readiness to Reform and Its Influence on China’s North Korea Policy in the Post-Cold War Era,” 88; Smith, Hafner, and Bennet, *Engaging with North Korea*, 7.

c. *Legitimation of North Korea as a Nuclear State*

China's primary strategic concern is arguably maintaining its legitimacy as a great power within the international system, while simultaneously opposing western democratic influence on its periphery. According to Lee and Kim, China views international sanctions against North Korea as one aspect of an expanding U.S.-led international order. Despite the fact that China has determined cooperation with UN sanctions to be in its own interest—as evidenced by its backing of every UNSCR against North Korea—Xi's government finds itself in a stuck between a rock and a hard place.²⁰⁸ The preservation of North Korean sovereignty has been a primary concern for China since the end of the Second World War, but the historical ties run much deeper. The bond between China and North Korea has been forged in blood, for the countries fought side by side against perceived western imperialism and aggression and have experienced both victory and humiliation at the hands of these outsiders.²⁰⁹ President Xi has consistently reaffirmed this blood alliance.²¹⁰ This shared heritage is not something that can be easily abandoned, even if it conflicts with China's responsibilities as a great power.²¹¹

North Korea continues to use its nuclear weapons program to signal—primarily to the U.S.—that it will only negotiate from a position of strength; Pyongyang believes that it has risen to the rank of global nuclear state, and will be reluctant to give up that position for sanctions relief alone.²¹² By abstaining from playing an active role in the process—including the physical dismantling of nuclear weapons and facilities—China tacitly portrays the push for denuclearization as an attempt by the U.S.-led western order to strengthen its position and weaken the Kim regime. China has not offered to extend its

²⁰⁸ Kong, “How China Views North Korea’s Readiness to Reform and Its Influence on China’s North Korea Policy in the Post-Cold War Era.”

²⁰⁹ Covell Meyskens, “Chinese Views of the Nuclear Endgame in North Korea,” *The Nonproliferation Review* 26, no. 5–6 (September 2, 2019): 5–6; Odd Arne Westad, *Restless Empire: China and the World since 1750* (New York: Basic Books, 2012), 411–17.

²¹⁰ Yang, “Disenchanted Entanglement,” 462.

²¹¹ Kong, “How China Views North Korea’s Readiness to Reform and Its Influence on China’s North Korea Policy in the Post-Cold War Era,” 88–91; Meyskens, “Chinese Views of the Nuclear Endgame in North Korea,” 504–5.

²¹² Han and Kim, “North Korea in 2021.”

nuclear umbrella to cover a denuclearized North Korea, and Kim's regime has indicated that it does not wish to rely on such assistance.

China leverages its considerable weight in international institutions to promote universality rather than singling out individual regimes. Weak states such as the DPRK that rely on external aid are especially vulnerable to isolating pressure from the West.²¹³ Transnational advocacy networks draw attention to human rights issues and democratic violations, helping instill international norms and arguing for punitive action against violators.²¹⁴ China desires these organizations to be "regime-type-neutral" rather than weighted in favor of democracy, and rejects multilateral conditionality of aid and foreign investment, which undermines the organizations' ability make these demands of developing countries.²¹⁵ By allowing the Kim regime to continue its nuclear programs, China signals to North Korea and the global community that it views the DPRK as a legitimate member of the nuclear club.

2. Conclusion

Xi's administration has maintained a carrot-and-stick policy toward the DPRK, reprimanding the country for its inflammatory behavior, but also praising it for responsible actions, such as making concrete steps toward CVID or returning to the Six Party Talks.²¹⁶ The combination of selective enforcement of sanctions and continued investment through aid and economic development support not only keeps the North Korean economy afloat, but it will also allow Beijing to maximize financial influence over Pyongyang and encourage Chinese-style reforms.²¹⁷ China does not see its role as providing direct

²¹³ Levitsky and Way, *Competitive Authoritarianism*, 41.

²¹⁴ Levitsky and Way, 39.

²¹⁵ Levitsky and Way, 39; Nathan, "China's Challenge," 165–66; Matovski, *Popular Dictatorships*, 165–66.

²¹⁶ Meyskens, "Chinese Views of the Nuclear Endgame in North Korea."

²¹⁷ Hyon Joo Yoo, "The China Factor in the US–South Korea Alliance: The Perceived Usefulness of China in the Korean Peninsula," *Australian Journal of International Affairs* 68, no. 1 (January 2014): 88–89, <https://doi.org/10.1080/10357718.2013.840556>; Rafiq Dossani, Lynn Hu, and Christian Curriden, *Implementing China's Grand Strategy in Asia Through Institutions: An Exploratory Analysis* (Santa Monica, CA: RAND Corporation, 2021), 29.

financial support, but rather that of taking North Korea under its economic umbrella, allowing the DPRK to reap the benefits of Chinese strength and security. This method of combining positive and negative reinforcement, inflicting economic pain when necessary while allowing trade and national development to continue to flourish, has become the norm. However, critics of this policy maintain that its only real effect has been to undercut the effectiveness of the UN sanctions and allow North Korea to continue to sustain its nuclear program.²¹⁸

²¹⁸ Kong, “How China Views North Korea’s Readiness to Reform and Its Influence on China’s North Korea Policy in the Post-Cold War Era,” 87.

V. CHECK AND MATE: CONCLUSION AND POLICY RECOMMENDATIONS

This concluding chapter assesses each of the nine hypotheses addressed in this thesis, adjusting for relative weight of potential impact, in order to identify and rank the factors responsible for sanctions' ineffectiveness against the North Korean nuclear weapon program. Table 3 presents the compiled assessments for each of these hypotheses. The chapter concludes with policy implications and recommendations.

Table 3. Assessments of Hypotheses regarding Sanctions Ineffectiveness against the North Korean Nuclear Program.

	Hypothesis	Potential Factors	Supported?
	1a. Structure of Sanctions	Type of goods sanctioned Specific targets	Partially
	1b. Misalignment of Purpose	Signaling of purpose Congruence of sender efforts	No
	2a. Sender Motivation	Individual administrations Cost vs. benefits of enforcement	No
	2b. Sender Legitimacy	Level of sanctions' legitimacy Potential humanitarian impacts	No
	2c. Sender Credibility	Senders' willingness to escalate Political sensitivities of military action	Yes
	3a. North Korean Motivation	Regime security and deterrence Sovereignty, power, and legitimacy	Yes
	3b. Authoritarian Resistance	Repression of the populace Information and narrative control Selectorate isolation Placation of the populace	Yes
	3c. North Korean Evasion	State-sponsored smuggling Illicit cyber activity Legitimate cryptocurrency operations	Yes
	4. China as the Black Knight	Non-enforcement of sanctions Economic Support Legitimation of DPRK as a nuclear state	Yes

A. RULES OF THE GAME: IMPACTS OF SANCTIONS DESIGN

Upon analysis, this thesis finds no evidence to support Hypothesis 1b, while Hypothesis 1a is at least partially supported. The types of sanctions levied against North Korea run the gamut from financial and sectoral restrictions to asset freezes and travel bans, making this the most comprehensive set of sanctions types imposed by the UN to date. The purposes of the sanctions are universally understood, and supporting unilateral sanctions align with the UNSC's stated goals. The specificity of the sanctions regime's targets within Kim's selectorate tacitly enables the state to effectively redirect the burdens of the program to the general populace, and effectively converts any targeted sanctions into untargeted sanctions. While the impact of this factor is not as great as those covered under subsequent hypotheses, it is something for policymakers to consider when designing future sanctions regimes.

B. THE WHITE CASTLE: IMPACTS OF SENDER CHARACTERISTICS

Analysis of the characteristics of the sanctions senders reveals no evidence to support Hypotheses 2a or 2b, but supports Hypothesis 2c. For Hypothesis 2a, North Korea's status as a nuclear rogue state provides sufficient motivation for UNSCR signatories to enforce the sanctions regime against its nuclear weapons program, ruling out a lack of motivation as the cause of sanctions' failure. Likewise, the international community generally views the UNSC as a legitimate source of sanctions, therefore disproving Hypothesis 2b. With regard to Hypothesis 2c, the political sensitivities surrounding the Korean peninsula—coupled with the national interests of powerful dissenters in the region—limit the credibility of any threat of military action as an enforcement measure, should sanctions fail to change North Korea's behavior. The Kim regime realizes that the international community will be unable to escalate denuclearization efforts beyond economic sanctions in response to North Korea's continued noncompliance, which severely hampers the sanctions regime's effectiveness.

C. THE RED KING: IMPACTS OF TARGET CHARACTERISTICS

This analysis concludes that Hypotheses 3a, 3b, and 3c all hold up to examination. Hypothesis 3a is supported by North Korea's demonstrated motivation to maintain its

nuclear weapons program, which continues to be sufficient to outweigh the level of pain that the sanctions regime has been able to inflict. The Kim regime and its inner circle are largely shielded from the economic impacts of these sanctions due to the autocratic nature of the regime and its ability to redirect economic impacts to the general populace; this evidence strongly supports Hypothesis 3b. Finally, North Korea's diverse playbook of sanctions evasion and blunting techniques allow it to reduce the burden even further, proving that Hypothesis 3c also holds true. The convergence of these factors grants North Korea unique resilient in the face of sanctions, regardless of their form.

D. THE BLACK KNIGHT: IMPACTS OF CHINA'S INFLUENCE

The analysis of Hypotheses 4 concludes that China has acted in accordance with its own historical, political, and security interests to ensure the North Korean regime continues to survive, which it has done by providing direct economic support and tacitly abetting North Korea in its continued violation of sanctions. Because the Kim regime's survival has effectively been coupled to the continuation of the nuclear weapons program, China finds itself in the position of the sanctions-busting *black knight*. China is conflicted, caught between its roles of *great power* and *socialist power*. Over the past few decades, this attitude has shifted with the realization that North Korea has been less of an asset and more of an albatross, bought with blood, and hung heavily around China's neck.²¹⁹ However, China's security concerns outweigh these misgivings, and it will almost certainly continue to act as the *black knight* to DPRK's Red King; as long as China accepts Kim's regime as socialist, it cannot truly renounce Pyongyang without calling its own socialist credentials into question.²²⁰

E. CONCLUSION, IMPLICATIONS, POLICY RECOMMENDATIONS

This research does not discount the potential effectiveness of sanctions as a tool of foreign policy. Rather, North Korea provides a unique case study in which the complex factors that have the potential to blunt sanctions effectiveness have coalesced into a perfect

²¹⁹ Westad, *Restless Empire*, 410.

²²⁰ Kong, "How China Views North Korea's Readiness to Reform and Its Influence on China's North Korea Policy in the Post-Cold War Era," 91.

storm. The motivation to maintain the nuclear weapons program is deeply ingrained into the North Korean state ideology, and this drastically increases the amount of pain the state is willing to endure. The state is well-suited to offset the impacts of resisting international pressure, and uniquely adept at redirecting these impacts from their designated targets to the general populace. Kim's repressive control systems prevent these impacts from fomenting enough civil dissent to threaten the regime. As long as the Kim regime can redirect the costs of drawing out the game, the stalemate is likely to continue. North Korea does not need to win the game: it merely needs to keep playing so as not to lose.

The ineffectiveness of the sanctions regime and Kim's resolve in the face of external pressures may serve to motivate resistance among other autocratic leaders who find themselves on the receiving ends of similar programs. By demonstrating that a small, isolated economy *can* go toe-to-toe with a great power over an issue with global ramifications, North Korea has the potential to affect the international norms regarding which players are allowed to come to the table. China's continued support for the DPRK is the keystone keeping both the DPRK's economy and nuclear program afloat. Engagement with China on the subject of North Korea's nuclear weapons is unavoidable, and its influence over the DPRK should be embraced. Xi desires stability in the region above all else; by reducing the perception of a threat on his doorstep and granting him decision space, the United States and the international community at large may bring about a change in China's stance toward sanctions enforcement. Without a clear path forward regarding the future of great power competition in the Indo-Pacific region, the nuclear problem will remain, and the stalemate between the *white castle* and the *red king* will continue.

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