While drafting the previous article on the subject, the author concluded that the inter-Korean relations passed the point of no return after the shutdown at the Complex, similar to the situation with the freezing of the inter-Korean Mount Kumgang Tourist Region project (at Lee Myung-bak's decision). The present article analyses the reasons for which the Republic of Korea's leadership took this obviously harmful rather than advantageous decision. Think for yourself:

- A landmark project—a decade-long symbol of the inter-Korean cooperation inspire hope that economic interests would finally come out on top of political ones is shut down.
- A source providing information on North Korean domestic affairs is gone: at any rate, even in view of all the restrictions imposed by the North Koreans, it was still a better choice than reading tea leaves over photographs or testimonies of defectors.
- The Complex was a sort of a "window on western civilization" for more than 50 thousand workers and, if considering the project as a conductor of the South Korean propaganda in the North, it was a by far more powerful tool than leaflets of provocative content.
- The closing sparked certain tension between the state and its small and medium-sized businesses falling victims to the force majeure. It is unclear now how the losses will be compensated, but the opposition is already playing this card, challenging the government.
- Authorities already had to deal with the termination of inter-Korean projects, when sanctions were imposed after the sinking of ROKS Cheonan in May 2010. North Korea suffered but minor economic damages, but the ground for the recharge of inter-Korean cooperation had been lost to agile Chinese, as "the nature abhors a vacuum."
- Besides, as the South Korean propaganda admits, while the regime still has not yet estimated damages associated with the closing of the Complex, the losses incurred by average North Koreans, who lost lucrative jobs, are quite tangible.

It would be hard to imagine that the authorities managing the situation with the Complex were not, at least partially, aware of the possible outcome. The analysis of the decision leaves a feeling that it was rather bureaucratic or emotional in nature than political. So far, we can offer our readers three different versions of possible reasoning behind the incident, none of them characterizing the doers as cool-headed and insightful people.

The first version supports the opinion that the decision was driven by the desire to demonstrate that "We are not some kind of losers. We must retaliate in a harsh manner." Statements of the "unprecedented pressure on Pyongyang" are on the far-fetched side since North Korea is baring such a burden of sanctions already that an answer to the question of "What else could we impose sanctions on?" does not come out easily.

Just think for yourself. Pressuring China will not do any good. Attempts of South Korean companies to join Pyongyang-Moscow projects can be hampered, of course, but this cooperation has not gone further than signing of Memorandums of Understanding any way. The list of sanctioned items can hardly be expanded any further,
considering that such “strategic goods” and “luxury items” as mayonnaise and pianos are already on it and especially in view of Moscow's position that the sanctions must not entail a humanitarian disaster. "What else can we invent?"
And then, the Kaesong Industrial Complex comes to mind. On the one hand, this is a landmark project, but on the other hand, no large corporations associated with conservatives are involved in it. "Just what we need! Let's shut it down!"

The second version concerns a myth invented by the South Korean propaganda, which they later treated as a story "based on actual events." Here we mean the notion that Kaesong is a North Korea’s strategically important source of hard currency. It is "a well-known fact" that North Korean economy is devastated, the citizens are starving and if it were not for Kaesong, Pyongyang elite would never have resources for top-class cognac for bureaucracy, nor Swiss cheese for young Kim. This perception has always been far from the reality, but since they were copying it from report to report and from one executive summary to another, the concept penetrated their minds so deeply, that they finally started treating it as the ultimate truth.

In the end the concept became a "common knowledge," which, of course, no one would even think of challenging. Although, if they were to make efforts and check its credibility, they would learn that North Korea capitalizes more on letting its citizens work in Russia on temporary terms and even more on trading minerals with China. But the alienation from the reality has become so profound that the authorities naturally took the only "reasonable" decision when considering the issue of toughening the sanctions: to "deprive North Korea of its primary source of hard currency." This seems to be the saddest version. Though some details of the "story" promoted by the South Korean propaganda, according to which North Korean workers were finally freed from forced labor, North Korea suffered the most serious blow and Kaesong was on the brink of mass protests, indirectly confirm that this is the most probable scenario of the incident.

The third version accounts for the fact that by the time the issue concerning the shutdown of the Complex started being ventilated, the United States Congress had intended to approve a new package of very tough anti-North Korean sanctions. Under the new sanctions, almost all companies dealing with North Korea as well as all the goods manufactured in North Korea (regardless of the maker) would be blacklisted. Which implies that all the goods produced at the Kaesong Industrial Complex would also be on the list (even before it was rather problematic to sell them on the US or its allies' markets, since they bared the label "made in the People's Democratic Republic of Korea"). And it is almost always true that a company, which the US imposed sanctions on, will be almost instantly blacklisted by the rest of the "civilized world." A good example would be the case in which the US, having introduced sanctions against the Delta Asia Bank in 2007, undertook to isolate North Korea from the global banking system.

And, if, let's say, the reputation and financial standing of Russian companies conducting business with North Korea can hardly be hurt by American sanctions, in the case with South Korea damages can be very serious. Naturally, the leadership of the ROK decided to deal with the problematic issue in a radical way. It is better to sacrifice Kaesong than for the companies operating there to face US sanctions, significantly reducing their competitiveness. It was the "choosing the lesser evil" decision, since nothing could have saved Kaesong's goods from sanctions any way. Well, closing of Kaesong according to this scenario makes at least some sense, as it was driven by cynical pragmatism.

Whether this is what happened in reality is hard to tell. But for the readers it could serve as evidence that political decisions in South Korea and beyond are not always taken in the cold light of day. Stereotypes, emotion, incorrect background information affect the thinking of authorities much more than an average citizen, habitually idealizing or demonizing the authority, would ever imagine. Alas, "do not look for malicious intents where things can be explained by incompetence or a lack of intelligence."

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