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Masters of survival
North Korean leadership in a hostile world

Andrei Lankov

Kim Jong II comes to power

The Great Leader Kim Il Sung died on 8 July 1994 and his son the Dear Kim Jong Il inherited his father’s position as the supreme leader of North Korea. Kim Il Sung died at a time when the North Korean state found itself facing grave challenges. In essence, with the collapse of the Communist Bloc in 1989–1991, the world in which Kim Il Sung had successfully operated for decades had vanished and in spite of decades-long noisy propaganda extolling the country’s alleged self-reliance, in practice, North Korea had been more dependent on foreign – largely Soviet – aid than virtually all the other countries of the Communist bloc and, indeed, the majority of the least developed economies worldwide (Eberstadt 2015, pp. 48–51).

This was because Kim Il Sung had proved himself adept in squeezing aid from Moscow while giving little in return. By skillfully using Sino-Soviet rivalry, he created manifold opportunities for North Korea’s aid-maximizing diplomacy. However, Moscow and Beijing became reconciled in the late 1980s, and the global Cold War came to an end as well. In this new situation neither Moscow nor Beijing saw much need to spend money to keep the North Korean regime afloat. This sudden discontinuation of direct and indirect Soviet aid during 1990–1991 brought economic disaster. Due to serious issues with North Korean statistics, the exact scale of this disaster is not clear, but all observers agree that it was severe. The Bank of Korea, South Korea’s central bank estimated that in the period 1991–1999, North Korea’s GDP fell by 37.6 percent (Bank of Korea 2019), and by 2000 the non-military industrial output was estimated to be barely 50 percent of the 1990 figure (Im 2010, p. 164).

Kim Jong II was born Yura Kim on February 16, 1942, in the Soviet Union, where his father was serving as a junior officer in the Soviet Army. The family returned to Korea in 1945. His mother died in childbirth when he was 7 years old. In due course, Kim Jong Il entered Kim Il Sung University after an upbringing that gave him little overseas exposure. At university he majored in political economy, but one should not be misled: the future leader merely studied a simplified version of Soviet-style Stalinist economics. This mattered little, however, as by the late 1960s, his father Kim Il Sung had decided to do something no Communist country has ever attempted before in transferring power to his eldest son. This step, while widely seen as eccentric, made perfect sense if one considers the context of the time. Kim Il Sung was obviously shocked by what had happened in the Soviet Union after Stalin’s death in 1953, when under
Nikita Khrushchev the new Soviet leadership denounced many aspects of Stalin's rule, especially his cult of personality and the pervasive use of state terror. Kim Il Sung understood that in order to ensure that his legacy would outlive him, he needed a successor who would never be tempted to question this legacy, and his son appeared to be the obvious choice. Therefore, in the late 1960s, Kim Jong Il began his ascent. He began working in the ruling Korean Workers Party where he specialized in cultural affairs, and during the 1970s a personality cult that mirrored his father's cult began to be built around him. By the early 1980s, Kim Jong Il was firmly established as a successor, and began to take over some of his father's daily duties in managing the party and state. In 1994, after his father's death, he assumed full control of the North Korean state (Breen 2004, pp. 41–66).

A collapsing economy and the dilemma of reform

In 1994, Kim Jong Il found himself in charge of a country without any allies and with a disintegrating economy. His chosen strategies were therefore firmly subordinated to the overwhelming task of regime survival. In this work he succeeded against all odds, much to the surprise of outside observers, many of whom had confidently predicted that the collapse of the Kim family regime was imminent. However, this success came at a large price which largely had to be borne by the North Korean people. At a first glance, the regime’s economic problems had a simple and well-tested solution – Chinese-style reforms. In the 1970s, China had also faced a grim situation, but the switch to the market economy under the tight political control of the Chinese Communist Party had brought about unprecedented economic growth and eventually transformed China into a powerful and increasingly affluent state. This strategy benefited both ordinary citizens and the Chinese ruling oligarchy, and when imitated in Vietnam it produced similar results. People therefore assumed that such policies would also be attractive to North Korea.

However, in spite of being well aware of China’s success, Kim Jong Il resolutely rejected this idea, and once his unwillingness to follow the Chinese path became obvious, observers began to accuse Kim of being “irrational,” but this estimation of him was misplaced: Kim and his advisers had valid reasons to see the Chinese path as highly dangerous, if not suicidal for the North Korean elite. This was because there is a major, if often overlooked, difference between North Korea and both China and Vietnam, namely, the remarkable success of North Korea’s arch-rival, South Korea, whose per capita GDP in 1995 was estimated to be seven times greater than the North and widening (Maddison 2006, pp. 304, 355). By 2017, it was 25 times as great (Kyodo Tsushin 2018). The existence of such a spectacularly successful twin state constituted an immense potential threat for the North Korean state, should it initiate Chinese-style reforms, as keeping the populace in ignorance of such a disparity was seen – and still is seen – by Pyongyang decision-makers as a major condition for regime survival, and this perception is probably well-founded.

By contrast, for the Chinese Communist Party, international isolation has never been a vital precondition of survival. The Chinese populace could – and did – learn of prosperity enjoyed by the developed nations without coming to unduly dangerous political conclusions, and with the somewhat singular exception of Taiwan, China did not face any competing claims for leadership of the Chinese people. In North Korea, things were, and still are, different: the success of the economic system in the South mounts a direct threat to the perceived legitimacy of Kimist rule, and the attractions to ordinary North Koreans of gaining access to that system are obvious. In fact, the process leading to the reunification of Germany in 1990 had demonstrated that such a threat was real. The per capita GDP ratio between the two German states at the time
of German unification was merely 1:2 or 1:3 – a far cry from the yawning 1:25 gap we see between the two Koreas today (Halle Institute 2016, p. 40). However, it did not prevent the East Germans from effectively overthrowing the regime in 1989 as soon as it became clear that no Soviet tanks would arrive to suppress the pro-unification, anti-communist East German revolution. The North Korean elite had good reason to see the collapse of East Germany as a warning as to what could happen to them if they became too permissive and allowed information from outside to flow into their country.

Therefore, until his death in 2011, Kim Jong Il basically did all that he could to keep the old system operational. There were some short-lived attempts at market-oriented reforms, especially pronounced in 2002–2005, but they remained inconsistent and often were eventually reversed (Han 2019). In general, Kim Jong Il and his government acted on the assumption that, wherever possible, the Leninist system of the centrally planned economy should be adhered to. When the old laws and regulations became patently unenforceable, they remained on paper, even if in practice the authorities were willing to turn a blind eye to numerous violations. The major rationale of such behavior was to ensure political and ideological stability: all radical changes were seen as inherently risky.

Marketization from below

Nevertheless, the absence of systematic market-oriented reforms, implemented by the central government, did not mean that North Korea under Kim Jong Il remained unchanged. On the contrary, change took place, albeit change which was not directly engineered from above, but was largely spontaneous in nature and presumably happened contrary to the government’s wishes and intentions. These changes grew out of the unmitigated disasters of the 1990s, when the collapse of the North Korean economy resulted in massive food shortages. Fertilizer was not available, and electric pumps did not operate due to mounting energy shortages. Starting in 1992–1993, food rations ceased to be delivered in the countryside, and by 1995, serious problems with food rationing could be observed in major cities, including even privileged Pyongyang. Given that since at least 1957 the Public Distribution System (PDS) had been the major provider of grain, the staple food of the majority, such problems had disastrous consequences. A full-scale famine began in 1995–1996, triggered by major floods which destroyed a significant part of the harvest. In order to keep the population alive, North Korea at the time needed about 5.5–6.0 million tons of grain, but in 1995, grain production dropped below the 3 million-ton mark (Haggard and Noland 2007, pp. 35–36). In practice, it meant famine, which ravaged the country until 1999. At the time, there were exaggerated reports about the scale of the North Korean famine – reports often stated that between two and three million people had died (Crossette 1999). Subsequent studies have confirmed significantly lower estimates, and now it seems that in the period 1996–1999, there were around 500,000–900,000 more deaths than normal in North Korea. This figure, while lower than initial estimates, is still very large, since it accounted for roughly 2–4 percent of the country’s entire population.\footnote{1}

During the famine, the North Korean government decided to concentrate available resources in areas which were seen as politically and militarily vital. Special attention was paid to Pyongyang, since riots in the capital city would constitute a grave and direct threat to regime stability. Meanwhile the population of smaller towns and villages, especially in the more remote parts of the country, was largely left to its own devices. Predictably, the social groups whose loyalty was most vital for regime stability were provided with full or nearly full rations – groups such as the police, elite military units, and some parts of the military industrial complex. Driven by political considerations, the government also chose not to formally abandon the old economic
system. However, irrespective of what the government said and did, the old system did not work any longer and began to disintegrate. In most cases, a person who was living in strict accordance with the government regulations and old rules, had an unusually high chance of starving to death. In the new situation the North Korean populace had to discover how to survive while being largely abandoned by the state.

One can say that in the 1990s, North Koreans spontaneously re-discovered the market economy, which in their society has been absent or marginalized for decades. The number of marketplaces and their size began to grow dramatically at the first outbreak of the famine in the early 1990s, and this growth has continued, albeit with varying speed, ever since (Haggard and Noland 2011, pp. 45–80). Strictly speaking, nearly all private economic activities remained illegal until 2002, and many private transactions were considered illegal even after the quiet implementation of market-enabling reforms in the summer of 2002. Earlier anti-market regulations, including, for example, a ban on the free sale of rice and other cereals, technically remained in place, but in reality they ceased to be enforced. It may never be clear whether the decision to turn a blind eye to the growth of market activities was made deliberately by the government, or whether it merely reflected the sheer inability of authorities to enforce existing regulations. It probably amounted to a combination of the two.

Looking at the sources of the initial capital investment for these private economic activities, one is struck by the very large role played by North Koreans with Chinese connections, usually through family relationships. Many North Koreans have relatives in China, but in the past such connections had made them objects of suspicion and minor discrimination by the government, for example, under Kim Il Sung, such people were not normally eligible for senior positions.

However, in the 1990s, connections with China suddenly turned from a source of discrimination to a massive bonus. People with personal connections to China could often borrow money from their Chinese relatives and friends both easily and cheaply. They could also use Chinese trade networks, and, at the very least, count on some expert advice about the Chinese market.

Until around 2010, the border with China remained remarkably porous and poorly protected, so cross-border trade began to flourish in the late 1990s and consumption goods and foodstuffs from China flowed into North Korea in large quantities. In exchange, North Korean merchants engaged in the smuggling trade to China of items such as medicinal herbs, seafood, and some minerals and metals, including gold (Hastings and Wang 2018). Poor border control also made massive labor migration to China possible. In the late 1990s and early 2000s, large numbers of North Koreans moved across the border to make money as manual laborers in the booming Chinese economy. A fraction of them eventually moved to South Korea, but the majority remained in China for a few months or even years, doing all kinds of illegal unskilled labor before moving back to North Korea. Some refugees were apprehended and extradited by the Chinese police, while many others moved back quietly, so their prolonged absence was not even noticed by the North Korean authorities. They normally used money earned in China to support their families and/or start businesses back home (Lankov 2004).

As one would expect, the re-emergence of the market economy produced significant income inequality. By the late 1990s, a class of rich North Koreans began to emerge, the product of entrepreneurial activities on an ever-larger scale. Since North Korean law banned any kind of private enterprise, aspiring North Korean entrepreneurs had to obtain registration for their businesses from some kind of government agency, state-owned enterprise or government agency. In some cases, military units and party committees could be used as well. Having obtained registration as a state entity for their businesses, an entrepreneur then invested money and developed and managed the business. Such an enterprise was considered to be state-owned on paper, but
in practice it was the private property of an entrepreneur. It was and is expected that the entrepreneurs should pay a certain amount of money to the government agency with which they had registered. Usually such an agreement anticipated that a fixed sum of money would be paid at regular intervals. Since the government agency or state-owned enterprise normally has no way of controlling the daily activities of the private business they had registered as their subsidiary, it would be impractical to arrange payments as a share of earnings. These payments did not and do not constitute bribes, but are made officially, and presented as “profits of a newly established enterprise.” As time has gone by, the number of such pseudo-state companies has increased. The larger private businesses, normally disguised as state-owned enterprises through fake registration, have been especially common in the fishing, restaurant, and intra-city haulage industries (Lankov et al. 2017).

There have been other forms of interaction between private capital and the state. In some cases individuals have provided investment loans to state-owned enterprises on the assumption that the investment will pay off and loans will be repaid. To some extent, such cooperation has played a major role in the revival of housing construction in North Korea, which began around 2008 and accelerated around 2012. Housing is built by state-owned enterprises, but these enterprises use investment capital provided by individuals. The apartments are then sold, and investors receive their profits (Hong 2014, pp. 43–45). This is possible because, since the 1990s, a real estate market has emerged and grown steadily in North Korea. Altogether, by the early 2000s, the private sector, in spite of being still officially unrecognized, was large and growing. According to some estimates, in the final years of Kim Jong Il’s rule it might have been as high as 30–50 percent of North Korea’s total GDP (Yi et al. 2013, pp. 70–73, 163). It was also estimated that, in 1998–2008, the share of income from informal economic activities reached 78 percent of the total income of North Korean households (Kim and Song 2008, p. 373).

**The government’s position on marketization from below**

The social disruption and economic crisis of the 1990s exacted a serious toll on the efficiency of the North Korean government and its ability to enforce regulations, as instanced by the administration of internal travel permits. From the late 1960s on, North Korean citizens were not allowed to leave their city or province of residence without first obtaining a permit from the police authorities, and in the past, this rule was strictly enforced. In the 1990s, however, due to the dramatic increase in the amount of private commerce, much larger numbers of North Koreans needed to travel freely around their country. They therefore began to depart on such trips without permits, so whenever they were checked by police patrols, they provided small bribes to ensure that they would be able to pass the checkpoints together with their often bulky merchandise. Moreover, they began to bribe officials so that travel permits could be issued almost immediately. Low-level officials, who also suffered greatly during the famine years, were willing to accept such bribes because otherwise they would probably face the very real threat of starvation for themselves and their families.

Similar scenarios could be seen in many other areas of social and political life during Kim Jong Il’s era. For example, since the 1960s, North Korea has maintained a strict ban on private ownership of tunable radio sets. However, starting in the 1990s this ban ceased to be enforced efficiently. Even if some North Korean citizen were found guilty of having a banned tunable radio at home, in most cases the issue could be solved by paying a relatively small bribe. Similarly, after the early 2000s, North Korea was flooded with South Korean videos, partly because video reproduction technology had become cheap, so that many North Koreans could afford a cheap video player brought from China (Kretchun and Kim 2011). Facing such disintegration
of the control and surveillance system, the Kim Jong Il government decided to concentrate on the areas which it saw as vital. For example, while travel controls were enforced only sporadically, travel to Pyongyang remained strictly controlled. In order to get a special type of travel permit that would allow access to the North Korean capital, one would have to spend much more money on bribes, and getting to Pyongyang illegally remained risky, albeit less so than in previous decades.

Kim Jong Il’s attitude to the spontaneous economic transformation of the country changed over time. One could roughly say that from 1994 to around 2002, he adopted a hands-off approach to marketization. 2002–2005 then constituted a short watershed period in which advocates of more overt, comprehensive economic reform, presumably led by Pak Pong-ju and some other top officials, were highly influential. This period was marked by a chain of reforms, beginning with the July 1 Measures of 2002. These measures were to some extent reminiscent of the reforms in China in the early 1980s but were considerably less radical. Among other things, the greater autonomy of state-owned enterprises was accepted and marketplace regulations were much more relaxed. Notwithstanding, the scope of 2002 reforms has probably been overrated by external observers, for while in some regards these reforms were useful, to a large extent they constituted a belated acceptance of changes which had already taken place, and which the government knew it would be unable to control or reverse.

However, the period of 2005–2009 was again marked by consistent attempts to put the genie of marketization back into the bottle. Throughout these years, the North Korean government introduced a series of counter-reforms whose major goal was to reverse marketization and restore, as much as possible, the Kim Il Sung era system of a centrally planned economy.

Among other things, in 2005, the government declared that the Public Distribution System would soon start working at full capacity. There were attempts to start enforcing the 1957 regulations that banned the sale of cereals, and some market trade restrictions were introduced. Among other measures, able-bodied males were banned from engaging in market trade, and the ban was further extended to women below the age of 40 or 45, depending on local circumstances (Lankov 2009). These efforts to roll the situation back culminated in the ill-fated currency reform of November 2009. This was meant to be a typical confiscatory reform where old bank notes were to be withdrawn from circulation within a very short period of time. They were to be replaced with new notes, but exchange limits were set extremely low – initially, at the equivalent of $30. Thereby it was assumed that nearly all local merchants – at least those who kept their savings in North Korean currency – would lose nearly all their savings as a result of the reform, so that the entire market economy would wither away. The government also presumably hoped that after the sudden demolition of the market economy, North Koreans would go back to state-owned enterprises and the command economy would start operating again (Nanto 2011).

These hopes were ill-founded, and it soon became clear that the government could not manage the old system anymore. Serious food shortages emerged immediately with the disruption of the domestic grain market, and manifestations of public discontent were observable even among the elite. So, in early 2010, the government retreated and abolished the 2005–2009 restrictive measures which targeted the market economy. Pak Nam-gi, the high-ranking party official who was responsible for the currency reform, was made the scapegoat, and was promptly executed, and in an unprecedented gesture, a high-level North Korean official issued a semi-public apology in addressing a large gathering of low-level cadres in Pyongyang in February 2010 (Ri 2011, pp. 220–291). The official attitude to the market economy then returned to what it had been in 1994–2002, with Kim Jong Il willing to resume turning a blind eye, neither encouraging nor discouraging the existence and further growth of the market economy.
Nuclear weapons as a security guarantee and diplomacy tool

An important part of Kim Jong Il’s survival policy was the continuous effort to acquire and then improve nuclear weapons capabilities. The nuclear program was initiated in the 1960s under Kim Il Sung, but it was under Kim Jong Il that North Korean nuclear scientists made major breakthroughs, leading to the first successful nuclear test in 2006. From the very beginning, the North Korean nuclear program was pursuing a number of goals, whose relative significance has changed over time. Basically, we can discern four major strategic goals:

- deterrence against foreign attack and possible foreign intervention in the event of a serious domestic crisis;
- development of an efficient diplomatic tool for an otherwise rather weak and marginal country, marked by undertakings to slow down or freeze, but never to abandon, parts of its nuclear weapons program in exchange for economic and political concessions;
- the bolstering of legitimacy, since the nuclear program appeared to be quite reassuring domestically and could easily be presented by propagandists as proof of the efficiency of the current leadership. Additionally, the perceived need to develop nuclear weapons could be used as an excuse to justify the grave economic difficulties experienced by most ordinary North Korean citizens.
- a possible avenue to the reunification of Korea on terms favorable to the North.

First and foremost, North Korea’s nuclear weapons development program provides the country with a relatively cheap and highly efficient form of deterrence. Under Kim Jong Il and his successor, Kim Jong Un, North Korean leaders appeared to sincerely believe that they face a real probability of a US-led foreign attack and, of course, the US invasion of Afghanistan (2001) and Iraq (2002), as well as the threats against Iran, have not helped to dispel such worries.

On top of that, North Korean leaders have reason to worry about what can be described as the Libyan scenario in 2011, that is, regime collapse following a combination of domestic unrest and foreign intervention in support of local forces. Pyongyang is strongly mindful that the Libyan leader, Muammar Gaddafi, is the only leader in recent history who agreed to abandon a nuclear weapons development program in exchange for economic and political concessions, and it believes that a nuclear-armed Libyan regime would have presented a sufficient threat to deter NATO air support for rebel forces, which was instrumental in the eventual collapse of the Gaddafi regime. Soon after Gaddafi’s downfall and execution, an official North Korean commentary stated:

“The present Libyan crisis teaches the international community a serious lesson. It was fully exposed before the world that ‘Libya’s nuclear dismantlement’ much touted by the US in the past turned out to be a mode of aggression whereby the latter coaxed the former with such sweet words as ‘guarantee of security’ and ‘improvement of relations’ to disarm itself and then swallowed it up by force.”

(KCNA 2011)

Similar statements have been repeated many times in subsequent years, reflecting the North Korean view that as a rather small and poor country with a nominal per capita GDP of around US$1,000–1,300, it has virtually no ability to develop a conventional military force which would stand any chance in a confrontation with the US or other major military powers, and so there appears to be no viable alternative to a nuclear weapons program.
Second, the nuclear program has been an efficient bargaining chip for North Korean diplomacy. In terms of its nominal GDP and population size, North Korea is close to such countries as Yemen, Zambia or Senegal. From this comparison, it is clear that North Korea punches well above its weight on the issues of international politics due to its nuclear weapons program. Under Kim Jong Il’s leadership, North Korea demonstrated its ability to use nuclear weapons as an efficient bargaining tool, beginning in 1994 when it concluded the Geneva Framework Agreement with the United States. Under its terms, North Korea agreed to put its nuclear facilities under international control and freeze their operations. In exchange, it was provided with regular annual shipments of 500,000 tons of crude oil, as well as with a promise to build two light-water reactors for electricity generation, on which construction began, but was never completed. The willingness of the US, South Korea, Japan, and other major countries to ship food to North Korea during the famine was also closely, if implicitly, related to North Korea’s willingness to freeze its nuclear program. In 2002, this Agreement collapsed when the US detected evidence of a parallel clandestine program to produce highly enriched uranium (HEU) for use in nuclear weapons, but it has been followed by other negotiations such as the Six Party Talks (2003–2009), which have also deflected diplomatic pressure and occasionally produced economic benefits (Pollack 2003).

Third, nuclear weapons are also widely used in domestic propaganda in North Korea. Many if not most North Koreans appear to believe that their country really needs nuclear weapons, and are reasonably sympathetic toward government efforts to acquire nuclear weapons capability. Additionally, success in nuclear weapons development is widely seen as proof of the government’s efficiency in at least one vital area of state administration, and this can increase levels of tolerance over continuing economic difficulties.

Last but not least, in the long run, North Korean nuclear weapons provide a scenario by which the North can finish the unfinished business of the Korean War – that is, the unification of Korea under Kimist leadership. North Korean leaders have reason to hope that eventually, if they develop ICBMs and other delivery systems capable of hitting the United States, they will be able to “decouple” and undermine the US-South Korean alliance, since they assume that the US will be unwilling to sacrifice San Francisco to protect Seoul. Being deprived of the US nuclear umbrella, South Korea might be willing to accept either a North Korean-led unification or, more likely, some kind of confederation advantageous to the North.

Kim Jong Un takes office

For some reason, Kim Jong Il was reluctant to appoint a successor until the last years of his life. A clear decision on this was only made only around 2009, soon after Kim Jong Il himself suffered a major stroke in August that year, which had a strong and evident impact on his physical capabilities. Out of the various children by different women Kim had fathered, he chose the third of his known sons, Kim Jong Un. Initially, this choice raised some eyebrows, but in due course, it became clear that Kim had made a shrewd choice. Contrary to early doubts by external observers based on Kim Jong Un’s youth (he was 27 at the time of his father’s death in December 2011) rather than any form of detailed knowledge, the younger Kim was able to ensure a smooth transition of power, and proved himself to be a capable diplomat, successfully manipulating the United States, China, and other major countries in highly adverse situations. Additionally, his economic policies, at least in the first years of his rule, were based on sound social and political logic and produced intended results. Last but not least, he demonstrated his willingness to be tough and brutal whenever he saw real or potential threats to his power.
Kim Jong Un was born in 1984. His mother was a dancer who came from a family of ethnic Koreans who had moved to North Korea from Japan in the 1960s, which by regular North Korean standards was a politically suspicious background. In the 1990s, it was common among the children of the North Korean top elite to spend some time studying overseas, and Kim Jong Un was sent to study at a high school in Switzerland, where he spent few years studying under an assumed name. In this regard, Kim is quite different from his father, who grew up in the increasingly Stalinist Pyongyang of the late 1950s and 1960s. Kim Jong Un seemingly has little, if any, illusions about the potential of Soviet-style state socialism, and he probably understands that the only alternative nowadays is some form of the market economy. He speaks foreign languages and knows reasonably well how the modern world operates.

The major political goal of Kim Jong Un is clear and rational: to maintain the Kim family’s hold on power. He understands that a regime collapse would have disastrous consequences for him, his family, and the elite as a whole, and his comparative youth favours longer-term strategies than those followed by his father, who was 52 when he assumed power and beset by state-threatening crises. Of course, securing the economic development of the country is also a part of his agenda, but this is a secondary goal, for no amount of economic success would be worth it if led to the demise of ruling elite. This is a fundamental reason why US President Donald Trump, among many others, is mistaken in assuming that North Korea would accept denuclearization in order to get economic benefits.

Dealing with threats from within: forestalling a palace coup

There are three major potential threats to Kim Jong Un’s hold on power: (1) a palace coup; (2) civil rebellion; and (3) an outside attack. Regarding the first, Kim Jong Un suddenly inherited power at a very young age, and was surrounded by people who were roughly twice his age with the long years of experience in running the country that he himself lacked. Therefore, Kim Jong Un had to take the threat of the elite conspiracy quite seriously. In December 2011, during his father’s funeral, Kim walked next to his father’s hearse in the company of three top generals and four top civilian officials. Three years on, five of the seven were gone: at least two had been executed while others had either disappeared or had been moved on to politically insignificant jobs (Harlan 2013). The most significant of these was Jang Song-thaek, his aunt’s husband and long the “grey eminence” of Pyongyang politics, whose public arrest and execution in December 2013 sent a dramatic message to the elite. Another move on a potential threat led to the highly public assassination in February 2017 at Kuala Lumpur airport of his older brother, Kim Jong Nam, who had been living in self-imposed exile in Macao and China under the protection of the Chinese since the late 1990s. The moves against Jang Song-thaek and Kim Jong Nam have often been presented as signs of the North Korean leader’s “irrationality” (Smith and Kim 2017), but there is more to it than this: the victims were the only two members of the Kim family who had shown signs of seeking to become independent political players, and sometimes they did so openly. In both cases, they also maintained close connections with China. In other words, they were two members of the ruling family who could become focal points of a possible conspiracy, and this sealed their fate.

As well as purges, Kim Jong Un has strengthened his control by the frequent redeployment of top military and security officials. For example, while the average length of tenure of the Minister for the People’s Armed Forces under his father and grandfather had been close to ten years, under Kim Jong Un, it has been closer to 11 months. Obviously, it was done to ensure that no general would be able to create a power base strong enough to challenge Kim Jong Un’s power. However, in talking about Kim Jong Un’s purges, one needs to be careful. The oft-used
expression “the reign of terror” is misleading, since while under his rule the level of repression with regard to ordinary citizens has remained comparable with previous times, nearly all targets of actual purges have been top military or security officials or else excessively independent members of the ruling Kim family. Kim Jong Un’s purges have been brutal, but calculatedly so: the young leader wanted to make sure that the military would be both unable and unwilling to challenge his power.

Dealing with threats from within: neutralizing the threat of civil rebellion

In order to remove any threat of challenge from popular rebellion, Kim Jong Un has probably understood that in economic terms he needs to follow in the footsteps of China and Vietnam — that is, to develop a market economy, even if it remains necessary to wrap such a move in fake Communist rhetoric. Back in the 1990s, Kim Jong Un’s father had made a strategic decision not to initiate large-scale economic reforms, but Kim Jong Un, with his necessarily longer planning horizon, cannot afford such a luxury. In order to stay in control for another 40 or 50 years, he needs to maintain a process of economic growth. The gap between South and North Korea continues to grow, and unless it is at least addressed in some limited manner, the long-term survival of the North Korean regime appears less and less likely.

However, the main constraints North Korea faced under Kim Jong Il remain as significant as ever under Kim Jong Un — and if anything have become even worse, since North Korea faces the reality of South Korean and regional economic dynamism, which is becoming an ever-greater regime threat as the years go by. A program of China-style reforms appears less and less likely to succeed as a strategy for regime survival, ordinary North Koreans are learning more and more about the outside world, and since they are increasingly able to avoid official punishments by bribery, they are also losing their fear of the government. In this case, the outcome of revolution and regime collapse becomes more likely, followed either by the emergence of a pro-Chinese regime (if the Chinese government decides to intervene in the crisis) or a German-style unification with South Korea under South Korean terms. The former option is undesirable, while the latter is extremely dangerous for both Kim Jong Un and nearly every single member of the North Korean elite. With so little room to maneuver, Kim has opted for reform without openness.

Economic reform has focused on three major policies: (1) a field responsibility system in agriculture; (2) an increase in managerial autonomy in industry; and (3) a tacit acceptance of private markets. In the agricultural sector, on June 28, 2012, a set of instructions, known as the 6.28 Policy on Agriculture, introduced a new system of agricultural management, under which farmers were to work in small work teams, each team consisting of 5–6 members. In most cases, the work teams would be allocated certain fields which they would till for years. Farmers do not receive fixed grain rations, as has been the case for nearly half a century. Instead, they submit to the state a share of the total harvest (reportedly, 30–70 percent, depending on their location and other conditions), and keep the rest. This was quite reminiscent of China’s policy at the early stage of reforms (Kim, Sŏn and Im 2013, pp. 115–119; Ward 2018).

This was followed on May 30, 2014, by a new industrial policy under which managers received a dramatic increase in their level of autonomy, and central planning was scaled down. Everything which the enterprise produced in excess of much-reduced plan quotas could be sold on the market at market prices. State-owned enterprises were also given the right to purchase raw material and supplies on the market. Last but not least, managers were allowed to hire and fire workers and determine their salaries.

With regard to markets, Kim Jong Un remained very tolerant of private market activities, even though they received little official acceptance. Nonetheless, state agencies were allowed
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and indeed, even encouraged to attract private capital for some projects. In 2010, just before Kim Jong Un’s ascension to power, satellite imagery indicated the existence of 200 permanent marketplaces in North Korea, and by 2018 their number had more than doubled to some 480 (Melvin 2018).

But while economic reforms in China have been accompanied by a significant level of political liberalization, the North Korean regime sees anything approaching this level of relaxation as unacceptably risky, and so while it has selectively adopted a number of market-oriented changes, it has also maintained and even strengthened traditional levels of political surveillance and control, especially as they relate to maintaining the isolation of the country. One of Kim’s earliest policy measures was to dramatically increase control of movement across and back along the border with China, which had been remarkably porous for decades. The number of border guards increased significantly, they were placed on frequent rotation to prevent them from forming close ties with the locals, CCTV systems were installed and new fences were built.

In addition, Kim Jong Un also began a rather efficient propaganda campaign aimed at discouraging defections. The issue of defections was never mentioned under his father since people were simply not supposed to leave the self-proclaimed “earthly paradise” of North Korea and move to what the North Korean media for decades described as the “capitalist hell” of the South. However, under Kim Jong Un, state propaganda has turned this on its head, publicizing the struggles of defectors in the South, many of whom do in fact face major difficulties in adjusting to South Korean society. The defectors have not been presented as enemies or traitors, but rather as naïve people who have become victims of the scheming Americans and their South Korean puppets and have found themselves in a country which may be affluent, but which is also exploitative and deeply immoral. Coupled with the new border policing policy and better economic conditions in the North, such propaganda appears to have been effective, to judge from the steady decline in the numbers of defectors. In 2011, a total of 2,706 refugees arrived in the South, and by 2018 the number had fallen to 1,137 (Ministry of Unification 2019).

Kim Jong Un has also presided over a systematic campaign to curb the spread of information about the outside world. Not only do people caught smuggling, copying, and selling South Korean video products now face more severe punishments than previously, rigorous control has been exercised over information technology. Contrary to common perception, computers are no longer rarities in North Korean houses – in 2018, some 18 percent of households were estimated to own a computer, usually a second-hand computer imported from China. Rather than simply banning all private IT access, beginning from around 2015, all computer devices in North Korea have been required to have the Linux-based “Red Star” operating system. This system does not allow computers to open audio, video, and text files which do not have a government signature – that is, authorization. In other words, it means that any computer device on which the Linux Red Star system is installed cannot be used for watching smuggled movies or TV shows, or for reading books or listening to songs which do not have prior approval from government censors. Moreover, a “Red Star”-enabled computer takes random screenshots which are then kept in its memory so that authorities can check what was on the computer screen earlier on. Needless to say, all computers in North Korea have to be registered and are subjected to regular checks.

Of course, the “reforms without openness” strategy contains many contradictions. The need to maintain the country’s isolation has severely impacted on North Korea’s access to global financial and investment markets, and this will continue even should current UN sanctions be lifted, itself an unlikely scenario given the primacy of the country’s nuclear weapons program. Most likely, then, this policy will not be able to deliver anything approaching the sustained rates of growth witnessed in China or Vietnam. However, given the totality of the situation Kim Jong Un and North Korean decision-makers face, they hardly have much choice.
Dealing with threats from outside

The third threat Kim Jong Un faces is the external threat of military action by a foreign power. As we have mentioned, in the experience of Afghanistan, Iraq and especially Libya, the North Korean leadership saw confirmation of their worst fears regarding their vulnerability to attack, and in this regard, he has faced the same challenges as his father with a similar response: the development of a nuclear-based deterrence. The major difference with the Kim Jong Il era is that under Kim Jong Un the nuclear and missile program has gathered pace. Since 2013, the North Koreans have successfully tested an increasing number of missile systems and nuclear devices, including a thermonuclear device in 2017.3

It is not clear whether North Korean engineers have succeeded in weaponizing their nuclear devices, but there are good reasons to believe that they are making significant advances in this field. In 2017, North Korea successfully tested two types of intercontinental ballistic missiles (ICBMs), the more advanced of which, the Hwasong-15 model, is believed to be capable of hitting a target in any part of continental US territory. Additionally, North Korean engineers have made a major breakthrough with submarine-based ballistic missile systems (Kristensen and Norris 2018). This means that by around 2017 North Korea had become the third country, after Russia and China, to acquire the capability of striking US cities with a nuclear warhead.4

However, in early 2017, the US elected a new president who was in many ways a highly unusual personality. Since his campaigning days, Donald Trump has expressed much interest in the North Korean issue, and made it an important part of his agenda. He reacted to North Korea’s ICBM and nuclear tests with an outbreak of unprecedented, if exclusively verbal, bellicosity, which culminated in his tweet promise that the threat from North Korea will be met with “fire and fury like the world has never seen.” For a while, a US strike against the nuclear facilities looked possible. It is not clear to what extent President Trump was bluffing, or to what extent he meant what he said, but his statements alarmed not only North Korean leaders, but also leaders in South Korea and China. For a brief while, China took a tough position against North Korea, seriously reducing its trade with the country, and also implementing the toughest-ever sanctions, approved in 2016–2017 by the UN Security Council. Moreover, under the left-leaning nationalist presidency of Moon Jae-in since May 2017, South Korea began to play the role of intermediary, suggesting talks and contacts between the US and North Korea.

Because North Korean leaders saw the new US policy as a real danger to themselves, they entered talks which were officially presented as talks about denuclearization. There is little doubt that the North Korean government had no intention of surrendering its nuclear weapons, but a talks process was apparently judged to be strategically advantageous. The talks led to the first ever US-North Korea summit in Singapore in June 2018, as well as to a number of other diplomatic encounters, which helped to deflect confrontation. From the North Korean point of view, these talks were also useful because they increased the international prestige of the country and its new leader, but above all, they helped to buy precious time.

Conclusion

Contrary to oft-repeated outside perceptions, the policies of Kim Jong II and Kim Jong Un have not been irrational in any sense. They were subordinated to the overwhelmingly important goal of regime survival, and if measured against this goal, they have worked remarkably well. In spite of grave economic crises and the loss of all allies, the Kim family has avoided internal challenge, maintained its hold on power and has made the prospect of foreign attack increasingly unlikely. The cost of this achievement has been paid by the common people, including a large number
of famine victims and political prison inmates, but the regime does not hold itself accountable to them: it is fighting for its own survival, and the stakes are very high. It remains an open question whether the Kim family regime can sustain itself in the long run. The policy of “reforms without openness” remains an experiment, implemented in many cases with a good deal of tentativeness and uncertainty, but given the track record of the Kim family, the true masters of survival, it would premature to regard these efforts as doomed.

Notes
1 The extent of the famine and its consequences are discussed in Goodkind et al. (2011).
2 Currently the best study of Kim Jong Un’s childhood and youth is Fifield (2019).
3 At the time of writing, the North is still observing a moratorium on testing, self-proclaimed in April 2018.
4 Technically, of course, the UK and France have this capability as well.

References
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