

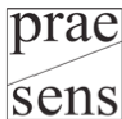
# Current Affairs in North Korea, 2010-2017: A Collection of Research Notes

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## Abstract

*Starting with the public introduction of Kim Jong-un to the public in autumn of 2010 and ending with observations of consumerism in February 2017, this collection of 16 short research notes that were originally published at 38North discusses some of the most crucial issues, aside from the nuclear problem, that dominated the field of North Korean Studies in the past decade. Left in their original form, these short articles show the consistency of major North Korean policies as much as the development of our understanding of the new leader and his approach. Topics covered include the question of succession, economic statistics, new ideological trends such as pyŏngjin, technological developments including a review of the North Korean tablet computer Samjiyŏn, the Korean unification issue, special economic zones, foreign trade, parliamentary elections and the first ever Party congress since 1980.*

**Keywords:** North Korea, DPRK, 38North



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## Hu Jintao, Deng Xiaoping or another Mao Zedong? Power Restructuring in North Korea

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“Finally,” one is tempted to say. The years of speculation and half-baked news from dubious sources are over. The leadership issue in North Korea has been officially resolved. Or has it?

The third delegate’s meeting<sup>1</sup> of the Worker’s Party of Korea (WPK) on 28 September 2010 answered a few questions. Still, it left some unanswered and posed quite a few new ones as well. In the end, Kim Jong Il emerged the undisputed leader. But has his legitimacy become more independent of his father than it used to be? Kim Jong Un has been introduced to the people. Does this mean he is going to succeed Kim Jong Il? Or will he succeed Kim Il Sung? Kim Jong Il’s sister Kim Kyong Hui has been promoted to the rank of general and is part of the party leadership. Is she supposed to support her nephew, or is this part of a strategy to more broadly enhance the family’s power? Her husband Jang Song Thaek [Chang Sŏng-t’aek] is also on board. Will he share the caretaking job with his wife? Are there any other members of the extended Kim family on the team?

### The Hard Facts

(1) On Monday, 27 September 2010, Kim Jong Un was mentioned for the first time in official North Korean media when he was promoted to the rank of general. Now, at last, we know for sure how to write his name (we use the official North Korean version for English; it would be Kim Jong-ùn according to McCune/Reischauer).

(2) On the same day, Kim Jong Il’s sister was promoted to the same military rank as her nephew.

(3) On 28 September 2010, one day later, the first delegate’s meeting of the WPK in 44 years and the biggest gathering since the last (Sixth) Party congress in 1980 opened after a mysterious delay. It had originally been announced for “early September.”

(4) Contrary to western media speculation, Kim Jong Il did not step down nor did he hand over any of his powers to his son. Rather, he was confirmed as the current leader of the party, the military, and the country.

(5) From 1945 until 1980, the WPK held six Party Congresses and two conferences or delegate’s meetings. This means that on average, the WPK had one major

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<sup>1</sup> Or conference—not to be mistaken as a congress.

Party event every 4.4 years. However, over the next 30 years, it had none. The 21st and so far last plenum of the WPK was held in December 1993. Now, the defunct leadership structure of the WPK has been restored and the delegates elected 124 members of the Central Committee (CC) and 105 alternates. From among the members, 17 were named to the Politburo (PB) of the CC, and 15 as alternates.

(6) The Politburo is headed by a Presidium or Standing Committee of five people, with Kim Jong Il at the top as the general secretary of the WPK.<sup>2</sup> It also consists of Kim Yong Nam (82 years old),<sup>3</sup> Choe Yong Rim (80 years old),<sup>4</sup> Jo Myong Rok (82 years old)<sup>5</sup> and Ri Yong Ho (68 years old).<sup>6</sup> The latter was promoted the day before the delegate's meeting to the post of vice marshal. He ranks above Kim Jong Un and his aunt and is rumored to be a member of the Kim family, which if true, implies a particularly strong base for loyalty. Given the advanced age of most of its members, if the Presidium is not newly elected in a few years, who will remain? This makes Mr. Ri particularly interesting.

(7) All three known close relatives of Kim Jong Il received posts in the WPK. Kim Jong Un became vice chairman of the Central Military Commission (see be-

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<sup>2</sup> Note that he is not the General Secretary of the *Central Committee* of the Party, as would be standard in other socialist countries. This implies that he stands above the Central Committee, which cannot elect him or vote him out.

<sup>3</sup> Born in Pyongyang, on 4 February 1928. After graduating from "a university", he worked as a teacher at the Central Party School, then vice department director of the WPK Central Committee, vice-minister of Foreign Affairs, first vice department director, department director and secretary of the WPK Central Committee, vice-premier of the Administration Council and concurrently minister of Foreign Affairs. He has been president of the Presidium of the Supreme People's Assembly since September of 1998 (source: KCNA, 29.09.2010).

<sup>4</sup> Born on 20 November 1930, in Kyŏnghŭng County, North Hamgyŏng Province. Joined the Korean People's Army in July 1950. He got the qualifications as an economic engineer after graduating from "a university." He worked as instructor, section chief, vice department director, first vice department director and department director of the Central Committee of the Workers' Party of Korea and chief secretary of the Secretaries Office of the Kŭmsusan Assembly Hall. Then he held posts of vice-premier of the Administration Council, director of the Central Public Prosecutors Office and secretary general of the SPA Presidium. He worked as chief secretary of the Pyongyang City Committee of the WPK until he was appointed as premier of the Cabinet in June 2010 (source: KCNA, 29.09.2010).

<sup>5</sup> Born in Yŏnsa County, North Hamgyŏng Province, on 12 July 1928. Joined the Korean People's Army in December 1950. Graduated from the Aviation School, he worked as battalion commander, regimental commander, divisional commander, chief of staff and commander of the air force of the Korean People's Army and director of the General Political Bureau of the KPA. He has held the post of first vice chairman of the National Defense Commission of the DPRK since February of 2009 (source: KCNA, 29.09.2010).

<sup>6</sup> Born in T'ongch'ŏn County, Kangwŏn Province on 5 October 1942. Joined the Korean People's Army in August 1959. After graduation from Kim Il Sung Military University he worked as chief of staff of a division, director of the operations department of an army corps, head of a training center, vice-director of the operations department of the General Staff, its deputy chief and head of a training center of the KPA. He has worked as chief of the General Staff of the KPA since February of 2009 (source: KCNA, 29.09.2010).

low). His aunt Kim Kyong Hui became a member of the Politburo and her husband Jang Song Thaek was made an alternate. The names of regular and alternate members were not provided in alphabetical order, indicating a certain hierarchy. Kim Kyong Hui's name was listed last out of 17 and Jang was fifth out of 15. A day later, he was 14th (out of 15) on a list of short bios of regular and alternate Politburo members. Kim Kyong Hui was the only member in addition to Kim Jong Il for whom no details were provided.

(8) Except for the Central Committee, there is not a single leadership organ where *all* three close relatives of Kim Jong Il hold a post. Kim Jong Un is excluded from the Politburo altogether; Kim Kyong Hui is not on the Central Military Commission; and Jang Song Thaek is only an alternate Politburo member. We could speculate that Kim Jong Il wants to prevent having too high a concentration of power in the hands of one of his relatives. He has made sure that the most crucial instruments of power are staffed with the most loyal of his followers who will be ready to walk the extra mile and fulfill his strategic decisions with all the energy of a family member and co-owner.

(9) As was expected, Kim Jong Un has not (yet) become a member or an alternate member of the Politburo, the second-highest leading organ of the party, but did receive a high-ranking post in the WPK's Central Military Commission. As far as we know, this is essentially the organization through which the Party controls the military, and hence the most powerful of the WPK's organs. It is no coincidence that this commission is chaired by Kim Jong Il himself. His son comes next in the hierarchy—he is the first of the commission's two vice-chairmen. Jang Song Thaek is a member, too, but the one with the lowest rank, so it seems. His name was listed last out of 19. Kim Kyong Hui is not a member of the Central Military Commission.

(10) On 29 September 2010, an unusually long and detailed KCNA article was published with profiles of all Politburo members. In addition, a large group picture was published that showed the delegates and the complete Central Committee, including Kim Jong Un. The photo rather openly revealed the true hierarchy within the Party leadership; only 19 people were sitting in the front row, the others were standing. Kim Jong Un sat just one space away from his father, while Kim Kyong Hui sat five spaces away from the center. In a KCNA report on the taking of this picture, Kim Jong Un's name came fourth after the Politburo Presidium members Kim Yong Nam, Choe Yong Rim and Ri Yong Ho. Kim Kyong Hui was number 18, and Jang Song Thaek was number 23 on that exclusive list of 33 leaders.

(11) A total of 14 department directors of the Central Committee were appointed, among them Jang Song Thaek and Kim Kyong Hui. However, contrary to predictions by many analysts, Kim Jong Un does not seem to have been appointed director of the Organization and Guidance Department (OGD), a post his father held before

he was announced as Kim Il Sung's successor.<sup>7</sup> This could be due to a number of reasons. Either, Kim Jong Un already effectively held that post—we may not know since the last time such positions were given officially was 1980—or the division of labor (and power) within the party has changed, for example in the context of the Military First Policy. In that case, the OGD post may simply not be as important as it used to be. This would imply that the Central Military Commission now makes all the important appointments, and the OGD is merely an administrative unit like any human resources department.

(12) The North Korean media published a message from China's leader Hu Jintao only a day after the delegate's meeting. He stressed the deep and traditional friendship, close geographical relationship, and wide-ranging common interests of the two countries. Hu pledged to defend and promote the bilateral relationship, always holding fast to it in a strategic view under the long-term discernment no matter how the international situation may change (KCNA, 29.09.2010). This was a message to the North Korean people and the international community: China is going to support the new North Korean leadership (model).

## What Have We Learned?

The Party meeting provided final proof of what has often been doubted since Kim Jong Il took over as leader of North Korea after 1994. All the other things one might say about him notwithstanding, Kim Il Sung undisputedly was an able politician. He did not choose his eldest son Kim Jong Il as his successor by chance. Despite his health problems, Kim Jong Il is (still) able to play the power game. He paved the way for a new leadership without turning himself into a lame duck. He did so by not leaving any important posts to somebody else—although, at the same time, he did not monopolize those positions. He distributed power among a core group of family members and his father's loyalists, while also ensuring that none of them can be certain to be significantly higher-ranking than any of their colleagues. As in *chuch'e*, where in the end everything depends on the judgment of the leader, power in North Korea remains Kim's sole domain. At the same time, he has done what any good CEO does: delegate authority to avoid energy-consuming micro-management of each and every aspect of his job.

The most important decision regarding human resources has been the introduction of Kim Jong Un as a member of the top leadership of the Party and of the military. He will now have to quickly develop a record (at least on paper) of spectacular achievements, so that he can be quickly presented to the people as the most logical and capable candidate for the next leadership post. Since Kim Jong Un was

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<sup>7</sup> This department is basically responsible for the Party's personnel policy and hence regarded as being a key post.

appointed with a clear reference to the military, Kim Jong Il appears to be following the same strategy his father did after 1980. At that time, North Korea analysts noticed that the late O Jin U, the top military official, was always standing close to Kim Jong Il. It would now be logical to expect that like his father before him, Kim Jong Un will be responsible for the promotion of top military officers, thereby ensuring their loyalty.

In terms of strategic decisions, it seems that the succession from Kim Jong Il to Kim Jong Un will be different from the last changing of the guard in 1994. As early as 2008, it seemed likely that the role of the Party would be strengthened substantially<sup>8</sup>. The restoration of the WPK's formal power organs and the many biographical details that were provided on the top leadership circle, including the group photo, indicate that the new leader will not be as autocratic as his predecessors. The new leadership will have more faces; we could observe something similar a few months ago in the case of the National Defense Commission. This is the reflection of a trend, not a spontaneous event.

What seems most notable is the renewed emphasis on Kim Il Sung as the sole source of legitimacy in North Korea. Kim Jong Il is not going to replace him, which would have been a precondition for the perpetuation of the current system of leadership. Therefore, in a sense, Kim Jong Un and all those who come after him will be, like Kim Jong Il, successors of Kim Il Sung.

Concerning the process of power transfer, as expected, a multi-stage approach is unfolding. At least one more stage will be needed. Chances are good that this will take place at the Seventh Party Congress, whose date is as of yet unannounced. 2012 would be a good time considering the health of Kim Jong Il and that year's auspicious meaning—the 100th anniversary of Kim Il Sung's birthday. As stated above, Kim Il Sung was a capable politician. He was clearly aware of the fact that sooner or later, his son would face the succession issue. It would be a great surprise if he hadn't talked about this with him and jointly developed a rough plan as to how create a sustainable model of power succession. The two problems Kim Il Sung could not consider, simply for technical reasons, were who exactly would show the necessary capabilities to become the next successor, and how much time Kim Jong Il would have to oversee and guide that process.

The year 2008 indeed marked a watershed when, because of his illness, Kim Jong Il realized the need for a quick solution. The last thing an autocrat wants is to create the impression of being forced to act, and of time running out. So he used the already fixed year 2012 not only as the year of the celebration of his father's 100th birthday, but also as the year when great changes will happen and the gate to become-

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<sup>8</sup> Ruediger Frank, „Has the Next Great Leader of North Korea Been Announced?“, *The Asia-Pacific Journal: Japan Focus*, Vol. 6 (10), October 3, 2008, <http://apjjf.org/-Rüdiger-Frank/2930/article.html> [19 May 2017].

ing a Strong and Prosperous Great Country will be opened. From this perspective, I would argue that Kim Jong Il is indeed fighting a “speed battle,” but in the form of compressing a process that was planned long ago and supposed to last longer, rather than creating such a process from scratch and hastily.

## The China Factor

The message of support from Hu Jintao along with the two visits of Kim Jong Il to China before the delegate’s meeting immediately lead to the question: What type of North Korea will China support? Clearly, the last thing China wants is for North Korea to collapse. Such a situation would create a serious dilemma for Beijing. It could either do nothing and watch the U.S. sphere of influence expand right to its border, or it could actively interfere. This would instantly shatter all Chinese efforts to display itself to the carefully watching countries in the region as a peaceful giant that is a real alternative to protection by the United States. In the end, this is what North Korea is all about—competition between Beijing and Washington. Pyongyang knows this.

A third path may be open to China. The North has realized that the economic reforms of 2002, which focused on agriculture and hence closely resembled the Chinese example of 1979, were in principle a good idea, but that conditions were so unlike those in China that the results inevitably differed. In principle, the understanding that economic reform is necessary remains but reservations against the political side effects of such reforms have grown substantially due to the chaos that emerged in the aftermath of the 2002 measures. Given North Korea’s structure as an industrialized economy, reforms need to take place in industry.

There is a well-established blueprint for this; we call it the East Asian model. In short, it consists of a strong state that controls a few big players in the economy—zaibatsu or keiretsu in Japan, chaebol in Korea, and the state owned companies in China. A core requirement for this model to succeed is a huge source of finance, coupled with a strong political partner that, for a while, is willing to turn a blind eye on protectionism. The United States played that role partly for Japan, and very strongly for South Korea. China is now willing to do this service for North Korea under certain political conditions.

Many signs point in the direction of North Korea “returning” to the path of orthodox socialism, or at least to its East Asian version. “Rule by the Party”—a collective with a first among equals at the top—is not only a key component of any socialist textbook case, it is also characteristic of the Chinese model since 1978. After two leaders of the Mao Zedong type, North Korea may now be getting ready for one similar to the position that the current Chinese President, Hu Jintao, occupies in China—that is, a strong leader who rules as the head of a collective. With some luck,

Kim Jong Un might even turn out to be a Deng Xiaoping—a man who has the power and vision to use this post to initiate and execute crucial reforms.

## Harbinger or Hoax: A First Painting of Kim Jong Un?

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Ever since Kim Jong Un was introduced to the public in late September 2010—when he was first promoted to the rank of general and then received a number of important posts<sup>9</sup> in the ruling Korean Workers' Party—we have been waiting to get the first insights into how the youngest son of Kim Jong Il will be fitted into the ideological system of the Democratic People's Republic of Korea (DPRK). To most North Koreans, he emerged almost out of nowhere; hence the DPRK's propaganda apparatus now needs to present a convincing story to solidify his legitimacy as the next top leader. Much more than a purely academic question for Pyongyang watchers or another expression of a bizarre Stalinist cult of personality, this is one of the key issues that will determine political faith in Kim Jong Un. More importantly, it will be a major factor in determining the future of North Korea, which is of course of great concern to its neighbors, the United States, and the international community. Accordingly, even the slightest development regarding the role of Kim Jong Un has to be taken very seriously. However, due care must be taken also that we do not only see what we want to see.

### One Painting and Many Doubts

On 1 December, I received a picture of what could have been the first painting of Kim Jong Un. Percy Toop, a Canadian tourist, had photographed it on 27 October 2010, at the Rajin Art Gallery in the northeast region of the country. To him, it seemed to be a recent addition to a group of Kim family pictures, including those of Kim Il Sung and his first wife Kim Jong Suk, and their son Kim Jong Il who is the current leader of North Korea. Canada's *Globe and Mail* reported<sup>10</sup> enthusiastically about the painting Saturday on its front page.

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<sup>9</sup> Ruediger Frank, "Hu Jintao, Deng Xiaoping or Another Mao Zedong? Power Restructuring in North Korea", *38north.org*, October 5, 2010, <http://38north.org/2010/10/1451/> [19 May 2017]. Also in this volume.

<sup>10</sup> Mark Mackinnon, "North Korea's Kim Jong-un: Portrait of a leader in the making", *The Globe and Mail*, December 4, 2010, <https://www.theglobeandmail.com/news/world/asia-pacific/north-koreas-kim-jong-un-portrait-of-a-leader-in-the-making/article1825310/singlepage/> [19 May 2017].



The painting shows a young Korean man standing at a lake (or a river) in what could be Europe, with a large gothic cathedral in the background. He stares into the direction of the rising sun—East, where his home country is located. Or is it West, where the sun sets? His face shows a mix of sadness and resolve. His cap is almost identical to the one worn by Kim Il Sung at that age both in paintings and photographs. The suit is of the style that was worn by Kim Il Sung and others during the colonial period (1910-1945) and thereafter. At first, most experts (including myself) thought: This is Kim Jong Un in Switzerland. Or is it another Kim Il Sung painting?



Image 1: Kim Jong Un in Europe (or Kim Il Sung in Jilin?)

Photo: By Mr. Percy Toop, 10.27.2010; used with permission.

The clothes and the young man's face strongly resemble Kim Il Sung. The cap even seems to be identical. There is no clearly distinguishable badge on the young man's chest. Kim Il Sung would not wear one, of course. But wouldn't Kim Jong Un, like any other North Korean? This seems sufficient to declare that the man in the picture is Kim Il Sung. In North Korea, things are not that simple, however. The artist's and the propagandists' goal could have been to make Kim Jong Un look as much like his grandfather as possible. Observers noted this phenomenon when the younger Kim first appeared in public during the Party Conference in September 2010. His face, his hairstyle, his clothing—it almost seemed like the Eternal President had returned from the dead. And North Koreans abroad do sometimes take off the badge, in particular if they are undercover.



Figure 2: Kim Il Sung crossing the Amnok (Yalu) River in 1925, at the age of 13.

Photo: <http://www.uk-songun.com>

It is therefore less helpful to focus on the man in the painting if we want to know who he actually is. The key seems to be the scenery. At first glance, it strongly resembles what could be Switzerland, France, or Germany. However, Kim Il Sung had not been to Europe before 1956, at least not officially. Other revolutionaries are rarely depicted in this style, which is reserved for the leader. So if this is Europe, then chances are good that the young man in the picture is Kim Jong Un.

But is it Europe? Neo-gothic style church buildings have been erected on many other continents. When walking from my home in Manhattan to my office at Columbia University a few years ago, every day I passed by the Cathedral Church of St. John the Divine—built in the early 20th century but looking very similar (at least to a layperson) to the medieval cathedral of Notre Dame in Paris. In fact, the building on the picture could be the Catholic Church at the bank of Songhua River in Jilin city, China<sup>11</sup>. The former Jilin cathedral is actually further away from the river; but the painter may have taken artistic license. The clerical building does not do much to help us be sure of the location.

<sup>11</sup> Thanks to Koen De Ceuster for this clue. (see this recent photo taken by Ken Larmon: [https://www.flickr.com/photos/ken\\_larmon/4283857517/](https://www.flickr.com/photos/ken_larmon/4283857517/) [19 May 2017].)



Figure 3: Photo of a teenage Kim Il Sung.

Photo: <http://1.bp.blogspot.com>

So we look to the left. In the background, there are small houses that definitely look European—or do they? When recently traveling through the three provinces of northeast China, I was shown different styles of houses, by which one was able to tell whether they belonged to Han Chinese or to the Korean minority. The first two buildings from the left could be Chinese; the third one even seems to have an “East Asian” roof.

There are other facts suggesting that this is indeed China and not the richer part of Europe. If the man depicted is Kim Jong Un, then we would see a Swiss town at a lake around the year 2000. Switzerland is an affluent country, and houses with a lake view would be very expensive. They should therefore look much more sophisticated than those rather simple cottages. Moreover, European cities have been built and grew around their churches or cathedrals. The one in the picture seems to stand rather isolated. Last but not least, a typical image of a Swiss town would often include the Alps. But there are no mountains in this picture.

Accordingly, the background seems to suggest that this is actually China, not Europe. A few doubts remain since the scenery is relatively blurred. But at least we can by no means be certain that this is Switzerland.



Figure 4: Signature at the lower right corner of the painting.  
(Thanks to Koen De Ceuster for this detail.)

The dating of the painting does not provide a clear answer either. On the contrary, it raises a number of questions. It is dated 16 February 2001. If this is correct, we can almost exclude that the man on the painting is Kim Jong Un because even if the decision to promote him to become the next leader of North Korea was made around 2005, it would still have been painted too early. However, this is, again, not the final answer. Those of us dealing with art and propaganda of North Korea know that documents and paintings have frequently been backdated in order to make new policies look less like changes. Prominent examples include *songun* (“military first”) and *juche*, North Korea’s doctrine of self-reliance. We can therefore realistically expect that Kim Jong Un’s history will be backdated at some point.

A puzzle is the date: Kim Jong Il’s birthday. Not many North Korean paintings carry such an exact date. And what does it mean? Is it meant to be understood as the birth date of the son of Kim Il Sung? As a tribute paid by Kim Jong Il to his father or as another attempt at connecting himself to his revolutionary tradition? This would make sense in particular as the painting was found in a city that is geographically very close to China. Kim Il Sung spent a considerable time during his youth in

northeast China, a fact that is regularly mentioned in North Korean propaganda. The frequency of such references has sharply increased amid what seems to be a campaign to increase awareness of a traditional China-North Korea closeness. So the painting might actually be part of the new policy of emphasizing the joint revolutionary past of the two countries, of trying to placate Chinese visitors who have made substantial investments in the region. The fact that the 2010 Arirang mass performance has a whole new chapter on this China-North Korea friendship is another example out of many. Or is the date a reference to the father of the young man in the painting? Again, no conclusive answer.

Do we know the artists? According to one of the few long-standing Western experts on North Korean art, who asked to remain anonymous, at least one of the two artists whose name is on the painting, Im Hyòk, is fairly well known as a painter of *chosònghwa* (the traditionalist brush-painting style developed and popular in North Korea). He also points out that similar paintings (such as Kim Il Sung by the Songhua River in front of the catholic church) were spotted back in the 1980s. In other words, this is not the only painting of its kind, and it is by no means new. In North Korean Studies, we know this effect as the Columbus Complex.<sup>12</sup> That is, in 1492 Columbus thought he had discovered America, although the Vikings and, of course, the Native Americans were there long before.

The fact that the painting appears in a relatively remote region of North Korea, rather than in the capital Pyongyang, also invites different interpretations. We would expect the beginning of a new cult to be visible first in the center of propaganda—the capital city. On the other hand, long-time North Korea experts agree that it is often easier to get new insights in the provinces because control there is less tight.

It seems that unless we receive an official confirmation from a North Korean authority (the painter or the gallery) about the identity of the man on the painting, we will not be able to know for sure whether this is another painting of Kim Il Sung or the first known painting of Kim Jong Un. The facts as presented above seem to suggest that this is not the younger Kim in Europe—as exciting as this would have been—but rather Kim Il Sung in northeast China. To be more precise: this is most likely a hoax.

However, we can nevertheless speculate what the implications would have been if it were the grandson. Sooner or later, such paintings will emerge, and the new leader's personal history will eventually have to be written and presented to the public in a way consistent with the ideology of North Korea. So let's pretend.

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<sup>12</sup> Due credit needs to be given to Aidan Foster-Carter for using this term during the Symposium on "Exploring North Korean Arts" in Vienna, 3 September 2010. A book based on the symposium edited by Ruediger Frank and including chapters by the experts quoted in this article has been published. See Ruediger Frank (ed.), *Exploring North Korean Arts*, 2011, Nürnberg: Verlag für Moderne Kunst.

## If It Were Real, What Would The Painting Tell Us?

According to the official mythology around the top leaders, in 1925 Kim Il Sung—at that time still called by his real name Kim Song Ju—left his home country at the tender age of 13 for Manchuria. He did so promising to return only after he had liberated his then occupied country from Japanese colonial oppression (picture 2).

This is one of the key moments of North Korean propaganda and the starting point for the Kim Il Sung myth. Kim Il Sung expressed his feelings in his official autobiography<sup>13</sup>: “While singing, I wondered if would ever feel our land again, when would I be returning to the land of my forefathers. I felt sad and determined. I swore that I shall never return until Korea was freed.”

I have already noted the similarity of the man in the painting with Kim Il Sung. That impression might be part of the plan. Kim Il Sung enjoys very high popularity among the North Korean people. We repeatedly hear complaints that under his rule, life was much better. I have argued elsewhere<sup>14</sup> that it will be difficult to legitimize a third-generation leader based on his blood relationship to Kim Jong Il. Rather, by presenting him as yet another brilliant descendant of Kim Il Sung, North Korean propagandists might have found a way of perpetuating leadership for an indefinite time. The open question<sup>15</sup> is what type of leader Kim Jong Un and those who will or will not come after him will be—another dictator like Mao Zedong, or another head of an autocratic collective leadership like Hu Jintao.

Aside from these general questions, what matters most for the immediate future of Korea is what kind of policy we can expect from Kim Jong Un and his group. Will he be a hard-line leader, as some analysts have concluded from the artillery shelling of Yeonpyeong Island on 23 November, or will he be the long-needed reformer who leads his country out of the current economic dead end? Will Kim Jong Un become North Korea’s Deng Xiaoping?

How nice would it be if the Rajin painting could provide us with some clues on this? If it really did depict Kim Jong Un (which, I repeat, is very unlikely), we might find reasons for optimism. According to longstanding rumors, Kim Jong Un spent a considerable part of his youth in Europe, where he got in touch with a world that is, to say the least, very different from his home country. The painting would indicate

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<sup>13</sup> See Kim Il Sung, *With the Century*, Korean Friendship Association (KFA), 2003, <http://www.korea-dpr.com/lib/202.pdf> [19 May 2017].

<sup>14</sup> Ruediger Frank, „Has the Next Great Leader of North Korea Been Announced?”, *The Asia-Pacific Journal: Japan Focus*, Vol. 6 (10), October 3, 2008, <http://apjif.org/-Rüdiger-Frank/2930/article.html> [19 May 2017].

<sup>15</sup> Ruediger Frank, “Hu Jintao, Deng Xiaoping or Another Mao Zedong? Power Restructuring in North Korea”, *38north.org*, October 5, 2010, <http://38north.org/2010/10/1451/> [19 May 2017]. Also in this volume.

that this time spent in the West will not only be acknowledged; it might become a core part of his myth.

In any case, it will be interesting to see if and how the North Korean propaganda machine will explain Kim Jong Un's departure from his home country. Back in 1925, Kim Il Sung left because the situation in colonized Korea was disastrous and he wanted to liberate his country. The reason and theme for Kim Jong Un's journey will obviously have to be different.

Not being on the peninsula represents an almost unbearable pain for any good Korean patriot. In that sense, living abroad is a major self-sacrifice; at least it will be depicted as such. Self sacrifice is a recurring theme of the cult not only of Kim Il Sung's first wife Kim Jong Suk, but also around Kim Il Sung and Kim Jong Il as reflected in numerous stories and paintings of long working hours, restless travel around the country, caring about every little detail, sharing their simple food with the soldiers, sleeping on the floor in a peasant's cabin and so forth. Therefore, we have reason to believe that Kim Jong Un's exile will either be negated, or displayed as a period of deliberately endured hardship in order to study the enemy.

Another tradition, starting in the 19th century as "Eastern Way, Western Technology" and in present times incorporated into *juche*, might also offer some insights. It urges Koreans to pick up foreign wisdom, eliminate all the wrong elements and apply this new version perfectly to the specific conditions of one's own country.

But who sent the young Jong Un abroad to endure all this "pain?" Was it his father, or his grandfather? The latter version would almost perfectly establish a direct connection to Kim Il Sung, the very source of power and legitimacy in North Korea. However, if Kim Jong Un is indeed 27 years old, as our media report, he must have been born around 1983. Kim Il Sung could then not have sent him abroad at the age of 13, as he died in 1994 when Jong Un was only 11 years old. Accordingly, either this one parallel with the Kim Il Sung story will be abandoned or we will see a correction of Kim Jong Un's birth date back to 1981, which could then make his self-sacrificial journey to the West a kind of last dying wish of Kim Il Sung. This has been done before; Russian sources insist that Kim Jong Il was actually born before 1942.

If North Korean propaganda claims that Kim Jong Un was sent abroad upon the wish of his grandfather, then this would establish the so-far missing link between the new leadership and the first generation, more or less bypassing the second generation represented by Kim Jong Il. Kim Jong Un and all future leaders would receive their legitimation directly from Kim Il Sung. If, however, Kim Jong Il will be credited with having sent his son abroad, then this will be a sign of generation-to-generation legitimacy along the bloodline.

Last but not least: For those who, like myself, insist that North Korea will eventually have to return to a policy of cautious but inevitable economic reform, the fact that the new leader's Western experience is becoming a core part of his myth (or the

“text,” as Brian Myers calls it in our forthcoming book on North Korean arts referred to in footnote 4) would raise hopes for an attempt at “reforms our style” in the near future. Against the background of the current military confrontation in the Korean West Sea, and considering how desperately the North Korean economy needs a clear decision in favor of reform and opening, this is a ray of hope.

You see why it is so tempting to brush all doubts aside and treat the painting as being one of Kim Jong Un. However, it most likely is not. Similar paintings of Kim Il Sung have existed since at least the 1980s; the background is most likely Jilin, China in the 1930s, and the idea of starting the Kim Jong Un cult in Rajin and with his European exile is too far-fetched. I suggest we use this example both as an etude in the anecdote-based Pyongyangology, and as a warning of how easy it can be to derive far-reaching conclusions from questionable evidence. Do we need culture-specific expertise? Obviously, we do. Otherwise, we risk basing policy decisions on a hoax.

## **The Party as the Kingmaker: The Death of Kim Jong Il and its Consequences for North Korea**

Date of original publication: December 21, 2011

URL: <http://38north.org/2011/12/rfrank122111>

Kim Jong Il is no more. The state news agency KCNA reported that he died on his train on Saturday, December 17, 2011. He was on his way to offer another round of on-the-spot field guidance, working himself to death for his beloved people. This is the official version that we have actually seen under preparation for quite a while, including in works of art that we discussed in a recently published book<sup>16</sup>.

The public was informed rather quickly, less than two days later. Kim might in fact have died much earlier. In a system where the death of a living dictator is a taboo topic, it is questionable that all necessary arrangements had been made in advance. It takes time to agree on a detailed funeral list with 250 names in strict hierarchical order, an obituary praising the right aspects of his rule, and a precise schedule of instructions for the immediate period after the ruler's demise. Most importantly, a far-reaching decision had to be made on how to proceed—and how to announce the successor.

The matter was complicated by the fact that Kim Jong Il himself had failed to finish the succession process. This was most likely to happen next year, when the country would celebrate the 100th birthday of its founder Kim Il Sung in April 2012. The status of Kim Jong Un would have been elevated at the yet unannounced 7th

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<sup>16</sup> Ruediger Frank (ed.), *Exploring North Korean Arts*, 2011, Nürnberg: Verlag für Moderne Kunst.



Party Congress. It is fair to assume that Kim Jong Il's death at this point in time came as a surprise for the North Korean leadership, too.

In this situation, the Worker's Party took over. In a highly symbolic move, it acted like the Church in medieval Europe: it crowned the Emperor. The obituary, published in the Party newspaper and signed by the Central Committee, devotes its latter part to the introduction of Kim Jong Un as the next leader—as the “great successor” (*widaehan kyesŭngja*). This is the first time he has been explicitly named as such. Note also that the complete sentence says he is the great successor to the revolutionary cause of *chuch'e*—not *sŏn'gun*. This is an emphasis on ideology, the realm of the Party. The Military First Policy is duly mentioned, but it does not stand at the center.

The resuscitation of the Party's leading role in society has been visible for a few years. Among the last hints was a group picture taken on 13 December 2011 during one of Kim Jong Il's last field guidance trips. It shows a banner reading: “Let's defend the Central Committee with Great Leader Kim Jong Il at its top with our lives!”

This is a remarkable deviation from earlier versions, according to which soldiers were supposed to defend only Kim Jong Il. Now it's the Central Committee—a collective, symbolizing the Party. The order of institutions signing the official obituary published by the Central News Agency supports this analysis. It lists the Central Committee of the KWP first, followed by the Central Military Commission of the KWP, the National Defense Commission, the Standing Committee of the Supreme People's Assembly (the parliament), and the Cabinet of the DPRK. How more obvious can the real power structure be?

Interestingly, this is not a short-term development. A look at the titles used for Kim Jong Il in the state media in the past years (see graph) confirms the growing importance of his Party function since about the time of his alleged stroke.

The big question now is will the North Korean elite and population accept the Central Committee's decision, and will they welcome Kim Jong Un as the new leader? History teaches us that things do not always proceed according to plan or conventional wisdom. We cannot exclude the possibility of ambitious individuals testing the opportunities. With Kim Jong Il's death, North Korea lost the Secretary General of the Worker's Party and the Chairman of the Central Military Commission, but there still are: an official Head of State; a Standing Committee of the Politburo, of which Kim Jong Un is not a member; a National Defense Commission, also without Kim Jong Un. There are powerful individuals like Choe Yong Rim, Prime Minister; Kim Young Nam, Head of State; Jang Song Thaek, Kim Jong Il's brother-in-law and alternate member of the Politburo, and his wife and Kim Jong Il's sister Kim Kyong Hui who is a regular Politburo member and a General. Ri Yong Ho is a Vice Marshal. Will they back up Kim Jong Un, or try to manipulate and sideline him?

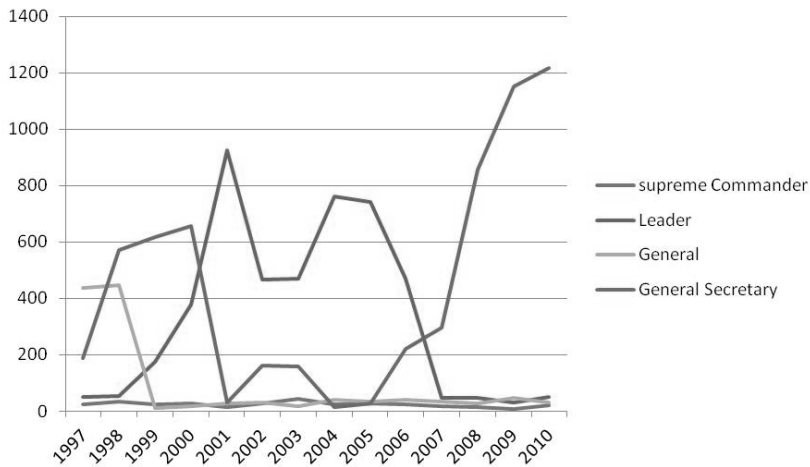


Figure 5: Titles used for Kim Jong Il in the state media from 1997-2010

Source: Author's calculations based on [www.kcna.co.jp](http://www.kcna.co.jp), weighted and adjusted for annual average.

Among the weak points of Kim Jong Un is that he is young, inexperienced, and lacks an official endorsement by Kim Jong Il. Such an endorsement would not have been a guarantee of acceptance, but it would have helped greatly. However, his strong point is that he is almost the only person who can reliably create the illusion of continuity. Having learned from the experience of Eastern Europe, the last thing the North Korean leaders want to create is the impression of a wind of change. They know that change is like a drug: the more they give to their people, the more they will want of it until in the end, the situation gets out of control. This is the nightmare scenario for all those who benefit from the status quo in North Korea. Therefore, the Party took the risk to present an inexperienced and unknown young man as the new leader—who, nevertheless, is Kim Il Sung's grandson and Kim Jong Il's son. This must suffice as a qualification for now.

That game is not risk-free. In Korea, as elsewhere, personal ambition can override rationality. The slightest power vacuum can create an irresistible temptation to fill it. It is thus not surprising that in official KCNA announcements, the succession by Kim Jong Un is repeated like a mantra.

China seems to understand that game and is more than willing to contribute its share. Hu Jintao himself visited the North Korean embassy and expressed his support for Kim Jong Un. This is an important signal. It tells the people of North Korea that aid will keep coming, and smashes the hopes of Chinese backing for potential rebels. Unlike in 1956, when China supported the Yan'an faction in its failed coup against Kim Il Sung, Beijing's top priority now is to maintain stability. Anything else comes later. There might be hopes that the young Kim Jong Un can be manipu-

lated; the Soviets harbored the same illusion about a 33-year-old Kim Il Sung in 1945.

What comes next? As quickly as possible, every space on propaganda posters, in the media, and in people's minds will be filled with Kim Jong Un until there is no other choice but to proceed with him, lest the dangerous impression of potential for change will be risked. According to Gregory Henderson<sup>17</sup>, Korean politics is all about competition for control of the center—not about competition against the center. In other words, the key question regarding domestic politics in North Korea now is not whether Kim Jong Un will be the next leader, but what type of leader he will be.

For the time being, it is unlikely that he will replicate his father and grandfather. Rather, we expect a collective leadership formed by the Party with Kim Jong Un as its head. He will be supported by senior figures from the Party, the military, and the government. How much room this will leave for him and his ideas remains to be seen; much depends on his personality and this, we just don't know well enough yet. It would also be fair to expect a wave of purges against actual or potential opponents. This happened in the past, too. In the coming months, continuity and consolidation will be the name of the game. We will see Kim Jong Il being placed next to his father—in propaganda, and probably even physically in the Kumsusan memorial palace. Kim Jong Un will emphasize how he will govern in the spirit of these two immortal leaders. To show his filial piety, he will award a posthumous title to his father and show proper mourning by not accepting any title for himself for three years. This mourning period will give the elite time to figure out how to deal with the young Kim without triggering impatience among the population. If everything remains quiet, the 7th Party Congress would be held after three years and further cement the rule of Kim Jong Un by making him the Secretary General.

In an ideal case, this will mean that Kim Jong Un becomes a leader of the Chinese type. Reform and opening Chinese style—a one Party dictatorship together with a market economy—could be the consequence. However, the risk in Kim Jong Un's case is his young age. He will not die naturally anytime soon, and he is unlikely to give up his post easily after a few years. As he gets used to power and more experienced in the power game, his ambitions will grow. The old generation will make room for handpicked younger officials who depend entirely on Kim Jong Un. The Party is strong now; it might get weaker in the future. The classical power struggle between worldly and spiritual leaders in medieval Europe fills many volumes of books. So the Party in North Korea now has the crucial task to ensure that enough checks and balances are provided to prevent the young ruler from becoming another Kim Il Sung. This is what we will have to look at when we observe North Korea in the next months.

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<sup>17</sup> Gregory Henderson, *Korea: the politics of the vortex*, 1968, Cambridge: Harvard University Press.

Many open questions remain. But one thing is obvious: North Korea, a nuclear state, now stands at a major juncture in its development.

## North Korea after Kim Jong Il: The Risks of Improvisation

Date of original publication: 12 January 2012

URL: <http://38north.org/2012/01/rfrank011112>

Kim Jong Il's death was announced less than three weeks ago. But the world is surprisingly quickly getting used to the new leadership in North Korea, as if there were no concerns left at all. To provide a counterweight to this amazingly complacent mood, and the many speculations about a stable North Korean future (including my own<sup>18</sup>), I'd like to play devil's advocate and ponder a relatively pessimistic scenario based on my reading of some developments that should be watched carefully.

We do have reason to believe that the current course of events related to succession in North Korea is more of the improvisation type than the outcome of a long-term strategy. In the end, it might indeed work and Kim Jong Un and the system will survive, but this is by no means to be taken for granted.

What we have seen in the days since December 19th is an attempt to accomplish in two weeks for Kim Jong Un what had been given two decades or more for Kim Jong Il. This includes the dramatic change in status of the heir's father. To me, this is the single most important development in the current succession, and should thus be understood and watched carefully.

Kim Jong Il has suddenly been elevated to being an independent Great Leader, a status that he was careful to avoid during his lifetime. This is not to say that there was no extraordinary cult around his person. But his cult differed markedly from that around Kim Il Sung.

For the past decade, despite trying hard, I could find only a few hints of Kim Jong Il developing his own legitimacy that was independent of his father. This included the example below where the Ilsim Tangyŏl slogan (one heart, united) was shown with only a Kimjongilia, but no Kimilsungia (the flowers symbolizing the two leaders), in other words: let's all unite around Kim Jong Il.

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<sup>18</sup> Ruediger Frank, "The Party as the Kingmaker: the Death of Kim Jong Il and its Consequences for North Korea", *38North.org*, December 21, 2011, <http://38north.org/2011/12/rfrank122111/> [27 April 2017].



Image 1: Only Kim Jong Il is symbolized by the flower on the top of this building in Pyongyang

In 2009, for the first time, Kim Jong Il's birthplace appeared on banknotes. Before that, the only family member represented on North Korean currency was Kim Il Sung. When you traveled around North Korea after 1994 and had an eye on the omnipresent slogans, the message was mostly "Great Leader Kim Il Sung will always be with us."

This could have been just an expression of Kim Jong Il's humble personality, but I think he knew what he was doing. His legitimacy was built almost exclusively on being the sole prophet of his towering father. As such, he was accepted and untouchable. Kim Jong Il had very good reasons not to erect any statues of himself, not to give his name to streets and plazas, and not to have pins with his own image replace those of his father. The "country of Kim Il Sung" is what most North Koreans, as defectors confirm, subscribe to with little hesitation. The next time you feel tempted to compare North Korea to a monarchy, ask yourself who has been the predecessor of Queen Elizabeth II. Exactly, most of us have no idea. A new King or Queen takes over, pays due respect to those who came before, and then puts his/her name and face on coins and stamps. It's "God save the Queen," not the Queen's father.

North Korea does not work that way. Legitimacy does not come from being born in the right family, although it helps. Legitimacy must be “earned.” The Eternal President liberated the country from the Japanese and won a shining victory against American aggression in the Korean War. This is what people have been told, this is what they believe, this is what, in their view, granted Kim Il Sung every right to govern the country that he single-handedly created and protected. Not least, he had his old guard of loyal followers around him, and I mean really loyal as they had gone through all kinds of ordeals together ever since the days of the Minsaengdan incident. Why that is important? Because the loyalty of a former brother-in-arms is different from that of a minion. In 1994, Kim Jong Il could still count on support by his father’s old friends. Kim Jong Un cannot in 2012 because most of them have died by now.

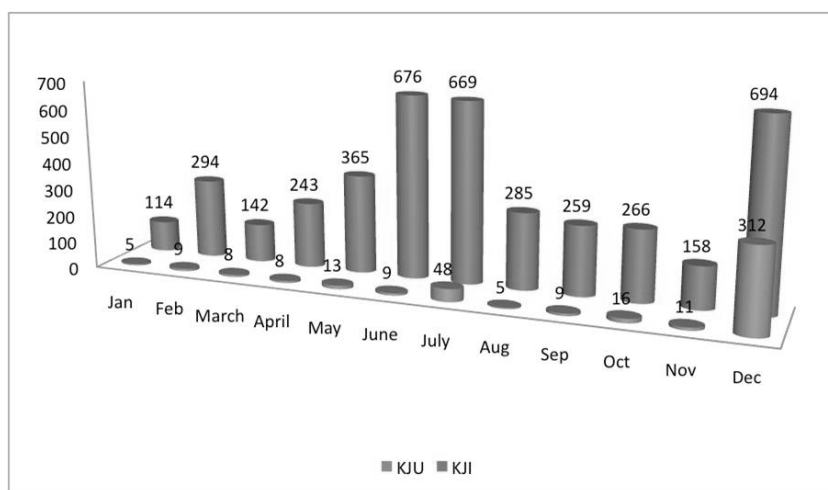
For two decades since the mid-1970s, Kim Jong Il was promoted as the only person in the world who could fully grasp the wisdom of Kim Il Sung: he joined him on his numerous journeys through the country, learned from him, assisted him and then humbly continued his work. Kim Jong Il’s position after 1994 was weaker than that of his father, but he could convincingly claim to be the only logical choice for the continuation of a path and leadership that was largely undisputed and beyond any doubt.

One does not need to be a North Korea expert to understand that the same degree of legitimacy cannot be passed on to Kim Jong Un. Kim Jong Il was not Kim Il Sung, but he was his closest aide. Kim Jong Il did not fight against Japan, but he was said to be born at Mt. Paektu. Kim Jong Il did not win the Korean War, but he built the bomb and initiated the Military First era. Kim Jong Il did not invent *chuch’e*, but he systematized it. Nevertheless, Kim Jong Il for a long time in his career was a moon, not a sun. He gleamed because he reflected Kim Il Sung’s light. This is the “text,” as Brian Myers calls it. But how can a moon illuminate the next generation as brightly as a sun?

The logical choice for a sustainable solution to power succession and legitimacy transfer would have been to enshrine the two eternal leaders—father Kim Il Sung and son Kim Jong Il—forever and move to a system of legitimacy that would build on fulfilling their legacy in the most perfect way. This would require an apparatus and a collective of trustees with a *primus inter pares* at their helm, very much like China’s Party/Central Committee/General Secretary, or the Catholic Church/Rome/the Pope. God and Jesus, Allah and Mohammed, Lenin and Stalin—religion and history know many relatively successful cases where after only one real successor, a new collective mode of leadership was chosen.

However, such an approach entails risks. It needs to be well prepared, flanked, and formalized to be successful. Such formalization needs time, and time North Korea did not have. Right after Kim Jong Il’s alleged stroke in 2008 we saw the continuation of movements towards preparing the scene for a new collective leader-

ship model, and at the same time preparations for a backup plan: third generation succession. Clearly, the urgency was understood, but nevertheless, more time was expected. Look at the number of KCNA articles mentioning Kim Jong Un: on average around 10 per month in 2011 until November, as opposed to over 300 on average for Kim Jong Il. This shows that Kim Jong Un was in a similar stage of succession as Kim Jong Il was before 1980, i.e. moving into position but not yet ready.



Graph 1: Number of KCNA articles with the names of Kim Jong Un and Kim Jong Il, Jan.-Dec. 2011

This is definitely not how you prepare immediate succession. Or look at the stamp below, issued on 30 December 2011. It seems there weren't even enough of the classic father-and-son pictures taken, necessitating some editing. Such photos played an important role in the building of Kim Jong Il's legitimacy as they symbolize the unity of father and son. I bet the artists at Mansudae Studio are now working overtime to produce appropriate paintings. But they have been beaten by the filmmakers who produced a documentary on Kim Jong Un<sup>19</sup> just recently.

There was a long-term plan for a sustainable solution of the succession problem, and a short-term backup plan under construction just in case. On 17 December, neither was ready. But with stability being the top priority, a power vacuum was to be avoided at all costs. Thus, Kim Jong Il's untimely death means that the backup plan is now being implemented at Ch'ŏllima speed and on a massive scale.

<sup>19</sup> Documentary aired on North Korean television showing Kim Jong Un inspecting various military units. <https://www.youtube.com/watch?v=VxBLE9A2gXY&feature=youtu.be> [27 April 2017].

No time was lost when in the very message about the Leader's death the announcement of his successor was included. Suddenly we hear about Kim Jong Il country, about the need to erect statues to his honor, about Kim Jong Un being Kim Jong Il, about Kim Jong Un being the supreme leader of the Party, the state, and the military. But will this be enough? This is not just another campaign. It is the question of who will lead the country in difficult times. Two or three weeks of a propaganda speed battle are hardly enough to achieve the same level of acceptance as two decades of careful preparation could in the case of Kim Jong Il. The North Korean population does not consist of mindless robots. The elite have become entrenched and self-confident. Just watch the official KCNA videos on the mourning carefully. You find numerous examples of women with dyed hair, haircuts that are more South Korean or Japanese than "our style," and, in one case, even something that suspiciously looks like eyelid surgery. Plastic surgery in North Korea and the state TV doesn't even notice... The Pyongyang middle class has come a long way.

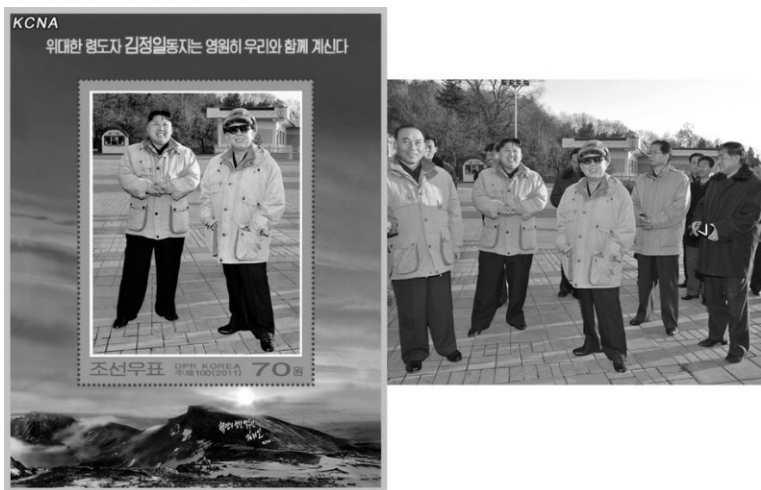


Image 2: The original photo (right) and the adjusted version on a commemorative stamp (left).  
Note the shadows of the group remaining on the left image.

2012 is not 1994. Out of necessity, a repetition of the Kim Il Sung—Kim Jong Il succession is now being attempted in North Korea, but it was ill prepared and takes place under very different domestic conditions. The country has been severely shaken by the loss of its leader, and it has not yet re-stabilized despite a massive propaganda campaign. Any extraordinary event, such as a natural or a manmade disaster, could have dire consequences for a country already on edge. Kim Jong Un and those standing behind him can only hope, but they cannot be certain, that there will be no palace revolt, mutiny or another Ryongchŏn blast. If the Party remains



united behind him, and if it maintains its tight grip on power that has been demonstrated in the past weeks, only then will Kim Jong Un be able to keep North Korea stable and build or expand his power base. Who knows, with the enthusiasm of the youth, the experience of his international life and support from China, he could even lead his country towards the reforms it needs and that it deserves. But at this point, even though everything looks quiet, it is too early to be so optimistic.

## **A Question of Interpretation: Economic Statistics From and About North Korea**

Date of original publication: 16 July 2012

URL: <http://www.38north.org/2012/07/rfrank071612/>

Reading Aidan Foster-Carter's "Budget Blanks and Blues"<sup>20</sup>, I feel inspired to add my own slightly more optimistic thoughts on the analytical value of North Korean annual budget reports, in particular, if contrasted with statistics on its economy in general, a quagmire I have been dealing with for almost two decades now.

For an economist, it may seem that there is not much to research in North Korea. True, there is an economy; but we have access to very little of what would usually form the basis of a serious analysis. The main problem is not the reliability of data; there is a lack of numbers in general, even manipulated ones. Some healthy skepticism is also warranted regarding outside reports on North Korean macroeconomics. Too often, such numbers produced by Seoul's Bank of Korea or published in the CIA World Factbook seem to be a curious product of the market mechanism. Where there is a demand, eventually there will be a supply: if you keep asking for numbers, they will eventually be produced. But knowing how hard it is to come up with reliable statistics even in an advanced, transparent, Western-style economy, it remains a mystery to me how suspiciously precise data are collected on an economy that has no convertible currency and that treats even the smallest piece of information as a state secret.

A few years ago, a former member of the intelligence community told me on condition of anonymity that most of these numbers are computed out of a roughly estimated base value (a number with many zeros) plus consecutively applied annual estimated change rates. Let me illustrate this: the value of a given item (say, GDP) is estimated to be about 100 million US\$ in year one. In year two, it is thought to have grown "a bit," which some poor fellow under pressure from his superiors then defines as about 2.5 percent, and boom, in year two the value is 102.5 million. Next

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<sup>20</sup> Aidan Foster-Carter, "Budget Blanks and Blues", *38North.org*, June 26, 2012, <http://38north.org/2012/06/afostercarter062712/> [27 April 2017].

year, growth is thought to have been “slightly higher than last year,” which is translated into, say, 3 percent. The value then becomes 105.575 million. Continue this for a few more cycles, and you know where most of our macroeconomic data on North Korea comes from. Marcus Noland provides a very similar assessment in a recently published article<sup>21</sup>.

That said, we can use satellite imagery to determine the amount of arable land in North Korea, even to find out what crops are planted there. We can also use our weather data to estimate the size of any given harvest. Apply world market prices, and you get an estimated value for agricultural output (these prices are not valid on the ground, but who cares). We can also use satellites to estimate mineral resources, and thermal images to estimate an operation rate of major factories. Knowing the technological level of these factories, we can use our experience with factory output as a base, and deduct something due to a low operation rate and low input quality—as long as we do this for every single factory, knowing what is produced there, and hoping we do not overlook any facilities hidden in mountains or inside of larger factories. We can calculate North Korea’s trade through reverse statistics, i.e. asking every country in the world what their trade with North Korea was last year, and then use a little magic to turn cost insurance freight (CIF) into free on board (FOB) and vice versa (import prices and export prices are usually measured differently, including/excluding certain types of costs). Not that this would be impossible; but of course we must hope that all those trading partners of a pariah state subject to numerous sanctions are dumb enough to tell us the complete truth, including their trade in weapons and other illicit goods. Noland (op.cit.) points out additional sources of errors, such as the omission of trade with South Korea and with countries where for technical or political reasons, data on trade with North Korea cannot be obtained at all.

In any case, the numbers we get by all these methods are better than nothing, as long as we are aware of their origin and the resulting limitations to their applicability as the foundation for a serious argument. However, with the right care, I believe we can use North Korean data to supplement this effort. In particular the annually published budget reports are rather expressive—if contrasted with what else we do (not) know about North Korea. Two skills are important here: comparison and creative interpretation.

A single North Korean budget report as presented at the annual session of the Supreme People’s Assembly (SPA) is indeed dull and empty. Since 2003, the year after the July 2002 economic measures that rebalanced the domestic price system and devalued the North Korean currency, no absolute numbers have been published,

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<sup>21</sup> Marcus Noland, “The black Hole of North Korea: What economists can’t tell you about the most isolated country on Earth”, *Foreignpolicy.com*, March 7, 2012, <http://foreignpolicy.com/2012/03/07/the-black-hole-of-north-korea/> [27 April 2017].

and even growth rates have been provided selectively and inconsistently. It is also hard to understand the meaning of single items in the report. For example, is it immediately obvious to everyone what “huge funds” (많은 자금) or “popular policies” (인민적시책) means? I would nevertheless argue that the DPRK’s official budget reports are useful, mainly for two reasons:

(1) True, the data are most likely doctored—deliberately and for systemic reasons. Their value per se might thus be limited; but we learn a great deal about the intentions, perceptions, and limitations of those who manipulate the numbers.

(2) Each year, the data are “produced” by more or less the same institutions according to the same preferences, rules, and mechanisms. In other words, even if we fail to properly understand all the errors, they can be assumed to be more or less constant. This means that while we cannot trust absolute numbers or one-time change rates, there is some value in data regarding year-on-year changes of these numbers or rates.

A look at table 1 provides a quick impression of such budget reports.<sup>22</sup> Not only are the meaning of the single items and the reliability of the numbers (like 15.8 percent for defense) debatable, we can also only speculate why certain items are mentioned one year but left out the next. One possibility is that the actual report is much more extensive, but that only selected positions are included in the version published in the state media.

To me, the most important numbers are those on the overall budget. We roughly have four such numbers for each year: achieved revenue, planned revenue, planned expenditure, and achieved expenditure. Data on the latter is scattered and seems to more or less correspond perfectly with planned expenditure (at 99.8percent or +/- 0.1 percent, see table 1).

The key to interpreting the overall budget numbers is understanding their relevance in North Korea. Forget what you have learned about state budgets in your own country: Except for the not insignificant part of the economy owned by the military (the “second economy”—not to be confused with the shadow economy), given the absence of any major private sector, the state economy is more or less “the” economy. The state budget is thus not just a fiscal instrument; it reflects the flow of inputs and outputs in North Korea. The growth of state budgetary revenue is thus more or less the civilian part of the DPRK’s GDP—or at least the perception thereof that the North Korean leadership has or wants to spread. The gap between budgetary expenditure and revenue is the annual state deficit/excess.

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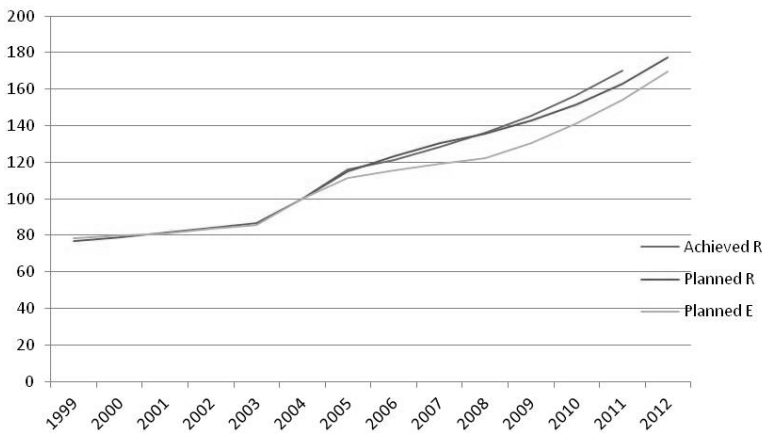
<sup>22</sup> For more recent versions including the years before 2009, please consult [www.kcna.co.jp](http://www.kcna.co.jp) or look at my annual contributions on domestic developments in North Korea in Ruediger Frank, James E. Hoare, Patrick Koellner and Susan Pares (eds.): *Korea. Politics, Economy and Society*, Leiden: Brill; <http://www.brill.nl/publications/korea-politics-economy-and-society>.

	<i>Plan for 2009</i>	<i>Achie- ved in 2009</i>	<i>Plan for 2010</i>	<i>Achie- ved in 2010</i>	<i>Plan for 2011</i>	<i>Achie- ved in 2011</i>	<i>Plan for 2012</i>
State budgetary revenue	+5.2%	101.7%+7%	+6.3%	+7.7%	+7.5%	+8.6%	+8.7%
Transaction tax						-	+7.5%
Profits of state enterprises	+5.8%		+7.7%		78.5%	-	+10.7%
Profits of co-operative organisations	+3.1%		+4.2%		+3.8%	-	+5.3%
Fixed asset depreciation	+6.1%		+2.5%		+1.4%	-	+2.3%
Real estate rent	+3.6%		+2%		+0.7%	-	+1.9%
Social insurance	+1.6%		+1.9%		+0.4%	-	+1.7%
Local budgetary revenue		'over-fulfilled'			16.1%	+12.8%	-
State budgetary expenditure	+7%	99.8%	+8.3%	+8.2%	+8.9%83.9%	99.8%	+10.1%
National defence	15.8%	15.8%	15.8%	15.8%	15.8%	15.8%	15.8%
Priority sectors of the nationaleconomy (metal, power, coal, railway)	+8.7%	'huge Investment'	+7.3%	+8.0%	+13.5%		+12.1%
Development of science and technology	+8%	+7.2%	+8.5%	+8.1%	+10.1%	-	+10.9%
Agriculture	+6.9%	n.a.	+9.4%	+9.4%	+9.0%	-	+9.4%
Light industry	+5.6%		+10.1%	+10.9%	+12.9%	-	
City management/capital construction	+11.5%		+8.6%	+12.9%	+15.1%	-	+12.2%
Popular policies			+6.2%	+6.0%	n.a.	-	-
Education	+8.2%					-	+9.2%
Culture and arts	+3.2%					-	+6.8%
Public health	+8%					-	+8.9%
Sports	+5.8%					-	+6.9%
Social insurance						-	+7.0%

Table 3: Comparison of State Budgets 2009-2012.  
Source: KCNA

What would we expect from North Korea? Well, continuous growth, of course; plan fulfillment at 100 percent at least, or over-fulfillment; and a message to the population that everything is just getting better and better. This is only partially true, as graphs 1 and 2 show. There are two ways to display the annual growth rates for the

main budgetary positions: apply a base value of 100 (percent) to a given year, and then apply growth rates annually (graph 1); or simply look at the changing value of the annual growth estimate (graph 2). Our stereotypical knowledge about the manipulative North Korean state suggests that we would see a steadily rising curve for graph 1, and a more or less flat or slightly ascending curve in graph 2.<sup>23</sup>

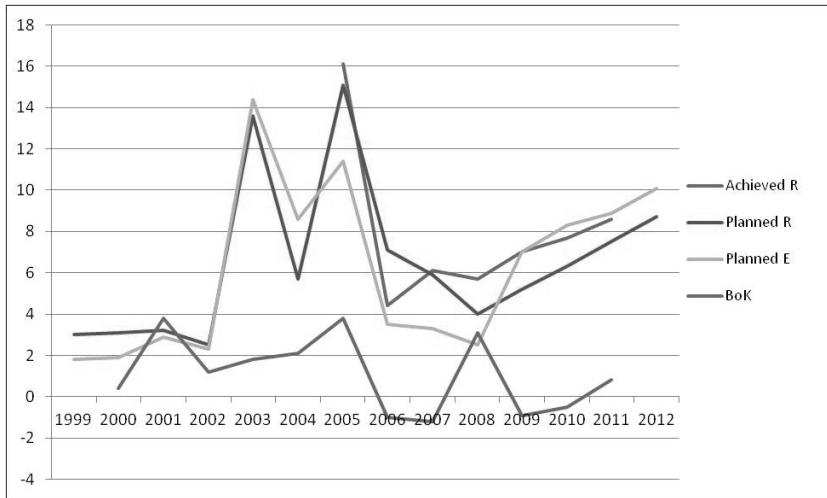


Graph 2: Cumulative Economic Growth in North Korea According to the DPRK Budget  
(base year 2004 set as 100, annual rates applied)  
Source: author's calculations based on [www.kcna.co.jp](http://www.kcna.co.jp).

Graph 1 almost shows what we expected, although we note a rather sudden increase between 2003 and 2005, and a widening gap between the values for revenue and expenditure after 2005. It also seems that the North Korean government applies good fiscal discipline, as the graph for planned expenditures is below the one for revenues.

But if we look at the same data separately rather than cumulatively, we find a very different graph 2 that is quite dynamic, zigzagging up and down. In particular since 2008, we also see that fiscal discipline has been given up; North Korea now deliberately runs a modest deficit, as it plans to spend more than it plans to earn. We see a correlation with political events: the reform period after the June 2000 inter-Korean summit and the July 2002 economic reforms; the reversal after the war on Iraq, and in 2005 when the idea of the introduction of market elements was finally put on hold; the 2008 stroke of Kim Jong Il and the (alleged) continuous growth ever since.

<sup>23</sup> “Achieved Expenditure” has not been considered in the graphs because data are scattered and the value seems to be more or less congruent with planned expenditure for the respective year.



Graph 3: Economic Growth in North Korea According to the DPRK Budget and the Bank of Korea (annual growth rates in %)

Source: author's calculations based on [www.kcna.co.jp](http://www.kcna.co.jp), and Bank of Korea at [www.bok.kr](http://www.bok.kr).

How do we interpret these data? First of all I would discourage you from taking them as exact GDP growth rates, or in any other way as a reflection of reality. Sometimes I ask myself whether, in the absence of money as a reliable means of accounting, even the North Korean leader himself has such numbers. He surely knows how many rubber boots or Kimjongilia flowers have been produced; but the value of these products, of the inputs necessary, and in the end, of profitability are not calculable as long as prices are naturally distorted in a centrally planned economy with no money market.

The budget growth rates thus tell us something else: how the North Korean leadership estimates the performance of its economy. Graph 2, with its ups and downs, makes me believe that this is not just propaganda, but rather more or less the contribution of the North Korean leadership to the guessing game about numbers. Clearly that is not the final answer on the GDP question, but certainly something we should contrast with our own insights, in particular, given the latter's flaws.

So we find that the self-perception of economic growth has been relatively moderate until 2002; suddenly we see a dramatic increase that reflects the high hopes pinned on the July 2002 economic measures. Was it the failure of these measures or the changed order of priorities after the USA fully embarked on its "War against Terror" with the Iraq invasion in 2003 that resulted in the drop a year later? We can only speculate why also in 2005, we see another peak of optimism before 2006, the year of the first nuclear test, when expectations of economic performance drop as suddenly as they had jumped up a few years before. From 2008, the rates grow more steadily. The reform period with its enthusiasm was over, and a more conservative

outlook seems to have taken hold. This is interesting to note as 2008 was the year of Kim Jong Il's stroke, i.e. a time when the leader was probably less effective and others had to take on greater responsibility. Note also that from 2008, achieved revenue is above planned revenue—a typical feature of orthodox socialist planning that regards “over-fulfillment” of the plan as a key indicator of success. I have called this “socialist neoconservatism<sup>24</sup>.” Furthermore, we find that from about the same time, planned expenditure grew at a higher rate than planned revenue. Without absolute numbers, and looking at the opposite relationship between the two indicators in graph 1, we should be careful interpreting this as a deliberate policy of deficit spending. But if the latter was the case, we should ask where the funds to bridge this gap come from. To be really speculative, we could even argue that a new reform period is imminent with official growth rates reaching the levels of 2003.

Graph 2 also includes the North Korean GDP growth estimates by the Bank of Korea (purple line). In absolute terms, these are much lower than the North Korean data. But remarkably, the correlation coefficient for this South Korean estimate and North Korea's officially announced achieved revenue (blue line) from 2005 to 2011 is relatively high with  $r=0.65$  (Pearson's product-moment coefficient; indicates the strength of linear dependence between two variables; range from -1 [very strong inverse correlation], 0 [negligible], to 1 [very strong positive correlation]). In other words, although both sides seem to differ about the amount of growth, at least there is some moderately strong agreement about its general direction.

Last but not least, the first budget report in the Kim Jong Un era contained major differences, two at least, if compared to previous years. There was the first ever mentioning of a transaction tax (거래수입금), called “a key source to budgetary revenue” (기본원천). The only occasion where I encountered the transaction tax in a North Korean context before was related to the Kaesong Industrial Zone, where it was applied to tax foreign enterprises. Either Kaesong has had such a major impact that revenue generated there is more or less openly regarded as a key source of income by the North Korean state, or some of the experience generated through operating Kaesong has migrated into the North Korean economy. Both would be sensational. Also, let's not forget that taxes are a relatively unusual tool of economic and fiscal policy in socialist economies, where production units and their finances are part of the plan. Why would the state tax itself if it gets all the profits anyway and can influence companies' decision making simply by administrative order? More than once I have heard from North Koreans—with great pride—that the abolishment of taxation was a major achievement of the post-1945 socialist econom-

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<sup>24</sup> Ruediger Frank, “Policy Forum 08-032: Socialist Neo-Conservatism in North Korea? A Return to Old Principles in the 2008 New Year Joint Editorial”, *NAPSNet Policy Forum*, April 22, 2008, <http://nautilus.org/napsnet/napsnet-policy-forum/socialist-neo-conservatism-in-north-korea-a-return-to-old-principles-in-the-2008-new-year-joint-editorial/> [27 April 2017].

ic reforms under Kim Il Sung. Such prominent mentioning of a tax in 2012 thus has a number of potential implications that deserve investigation. For example we could ask, again speculatively: Do we see a paradigm shift in fiscal policy, even the preparation for another round of market-based economic reforms or at least a change of the state's tools to direct the economy?

Furthermore, for the first time since 2004, Premier Choe Yong Rim, in his report on the work of the cabinet, mentioned a specific growth rate for "gross industrial output value" (공업총생산액), standing at 2 percent (KCNA, 13.04.2012). It remains to be debated how such a low number corresponds with the much bigger budget increase rates; but this is North Korea. In any case, an optimist would see a cautious return to a higher rate of professionalism (by North Korean standards) of macroeconomic reporting, if we consider that in 2010, the gross industrial output value grew "remarkably" (KCNA, 09.04.2010), and in 2008, it "swelled" (KCNA, 10.04.2008). Besides, 2 percent sounds rather modest and might thus even be true. And if last year's industrial output grew only 2 percent, where was the 8.7 percent increase in state budgetary revenue in 2011 generated? In agriculture? Through trade? Is the production of local industries included in "gross industrial output value," which might not be the case as "local budgetary revenue" supposedly grew by 12.8 percent (see table 1)? The answers would be quite telling in terms of understanding the sources and dynamics of North Korea's economic development. We could learn something about the impact of SMEs on the economy, debt, and the resulting pressure on economic policymakers. Having the role of rural enterprises in China's early reform period in mind, we should certainly keep an eye on those local industries.

To conclude, I would argue that the annual budgetary reports provide ample food for thought if approached with an open and creative mind. There is no need to push tea-leaf reading too far, but ignoring what little official data we get from the North Korean side would be as wrong as blindly trusting the numbers produced further to the south, north, east, or west.



## An Atmosphere of Departure and Two Speeds, Korean Style: Where is North Korea Heading?

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### The Country Is Changing

Not that it has ever been static, but within the few months between my travels to North Korea in spring and autumn of this year, the country has changed to the degree that even a foreign visitor cannot avoid noticing. While in April, everyone seemed to be somewhat tense and edgy, unsure about what would happen under the new leader and torn between hope and concern, by September, the atmosphere was almost upbeat and optimistic. It is even now clear which is the new standard badge<sup>25</sup> (the big red flag with the two leaders), and everyone is waiting patiently to receive his own. Admittedly, the season is nicer in the fall than in the spring: the temperature is warmer, the landscape greener, and food from the new harvest is on the table, while hard manual labor in the fields and the cold of winter are still a few weeks away. But there is more.



Figure 6: South Hwanghae, September 2012 (Photo: © Ruediger Frank 2012)

<sup>25</sup> Ruediger Frank, “North Korea’s Ideology after April 2012: Continuity or Disruption?”, *38north.org*, May 9, 2012, <http://38north.org/2012/05/rfrank050912/> [27 April 2017].

This may just be the beginning. The people in the DPRK have noted a new wind blowing from the top and seem to be welcoming it. In some cases, we have even seen an instant reaction, like the small but growing number of short haircuts among women that I noticed on this trip, particularly in Pyongyang. With remarkable speed, the new leader's wife Comrade Ri Sol Ju has become a fashion icon in a country that previously has been rather conservative regarding hairstyle and dress code. Kim Jong Un has been in power for nine months now. If we can believe the image produced by the DPRK state media, he started showing his own personality earlier than expected and went beyond a mere preservation of the status quo. While continuity is being emphasized, his public scolding of officials at Mangyŏngdae, the somewhat bizarre Disney performance in July, the quick ending to the career for rising star Vice Marshal Ri Yong Ho, the growing and shared media spotlight on top-level officials such as Premier Choe Yong Rim and Vice Chairman of the Party's Central Military Commission Choe Ryong Hae, and not least, the appearance of a first lady both in public and in the media are markedly new sevals.



Figure 7: Pyongyang, September 2012 (Photo: © Ruediger Frank 2012)

In many regards, Kim Jong Un is just harvesting what had been sown years ago, be it long-term macroeconomic trends like marketization, monetization and intensified foreign trade with China, or specific construction and renovation projects. But as noted by leading Russian expert Georgy Toloraya over beers in Pyongyang, in traditional East Asian fashion, North Koreans regard the new leader's fortune (re-

ardless of its causes) as a sign of approval from Heaven. What a contrast to how his father's rule started—with the Arduous March.

One noticeable difference on this trip was that the number of sales booths selling bread, soda, pingsu (water ice) and cigarettes has multiplied; they can now be found at almost every intersection in the capital, as well as in provincial cities and the countryside. Particularly in the big cities, there is seemingly an atmosphere of departure. Not only the simple stalls, but also the more sophisticated sangjŏm (literally: “shop”; usually housing a store on the ground floor, and a restaurant and a sauna on the top floors) seem to have mushroomed in the past months. Again, Pyongyang is taking the lead, but Namp'o, Sariwŏn and Kaesŏng also seem to be catching up. Prices are horrendous; three kilograms of apples cost as much as one (official) month's wages. But the fact that even things like bananas are being sold is remarkable. The problem does not seem to be access anymore, as was the case in classical socialist economies. All that counts now is having the right amount of the right currency. This is hard enough for many, to be sure. But as much as this is a new type of challenge for many North Koreans, it is not uncommon in Western market economies. The bottom line: the DPRK is catching up.



Figure 8: Kaesong, September 2012 (Photo: © Ruediger Frank 2012)

I also noted that the number of taxis I saw in Pyongyang was the most I have ever seen, and the diversity in clothing for both men and women has increased markedly. Inline-skating is the latest trend among kids and can be observed on squares on both sides of Taedong River, including Kim Il Sung Square. In the Pyongyang Gold Lane, a bowling alley that the Eternal President himself once visited, youngsters in t-shirts and sweaters enjoy bowling and play billiards and table tennis. Some of them even spend their hard currency at slot machines. The cafeteria sells opulent meals, of which, much (including strips of beef) is left behind by North Korean customers.

Museums and other places that are visited by foreigners now also inevitably have shops; visitors with hard currency can even buy souvenirs and snacks on the top floor of the Grand People's Study House. For someone like me who twenty years ago had to walk a few miles from his dormitory to the Rakwŏn Store in East Pyongyang or the Koryŏ Hotel to be able to spend some Western money, this is a remarkable development. If you have the cash, you can even buy a small brush painting by Chŏng Chang Mo, one of the country's leading artists, for 1,400 EUR. There are not one but at least two cash cards (the red-blue narae issued by the Foreign Trade Bank and the golden koryŏ issued by Koryŏ Bank) that can be used in taxis and in dedicated shops, not to mention the number of mobile phones has long passed the one million mark.



Figure 9: In front of Pyongyang railway station, September 2012 (Photo: © Ruediger Frank)



Figure 10: Inside Pyongyang Gold Lane, September 2012 (Photo: © Ruediger Frank 2012)



Figure 11: Inside Pyongyang Gold Lane, September 2012 (Photo: © Ruediger Frank 2012)



Figure 12: Old trolley bus in Pyongyang, September 2012 (Photo: © Ruediger Frank 2012)

The number of traffic lights replacing the “Flowers of Pyongyang” (a.k.a. traffic ladies) seems to have increased further, and smaller traffic jams are frequent. The streets are now dominated by a great variety of passenger cars manufactured both at home (Pyonghwa Motors) and abroad—still a far cry from Seoul’s crowded highways, but already much more diverse regarding represented brands. The number of yellow license plates, indicating “private” ownership, is increasing, although white state owned license plates still dominate, along with black military ones. The old trolley buses, some of which have run millions (!) of kilometers (you can easily tell: a red star is painted on their side for each 50,000 kilometers they have survived) are being replaced by new ones.

The newly built and meanwhile opened Mansudae apartments are not only a good example of modern city architecture, they also tell the story of a new management philosophy: Kim Jong Un allegedly informed the builders that he would prefer quality over speed, and that there was thus no need to finish everything rashly in time for the April 15th centenary of his grandfather. This does not seem to have been the case for all projects, however; the new statues of the two previous leaders on Mansudae Hill that were unveiled in April have been covered in white cloth since 11 September.



Figure 13: New trolley bus in Pyongyang, September 2012 (Photo: © Ruediger Frank 2012)



Figure 14: Pyongyang's Mansudae apartments, September 2012 (Photo: © Ruediger Frank 2012)

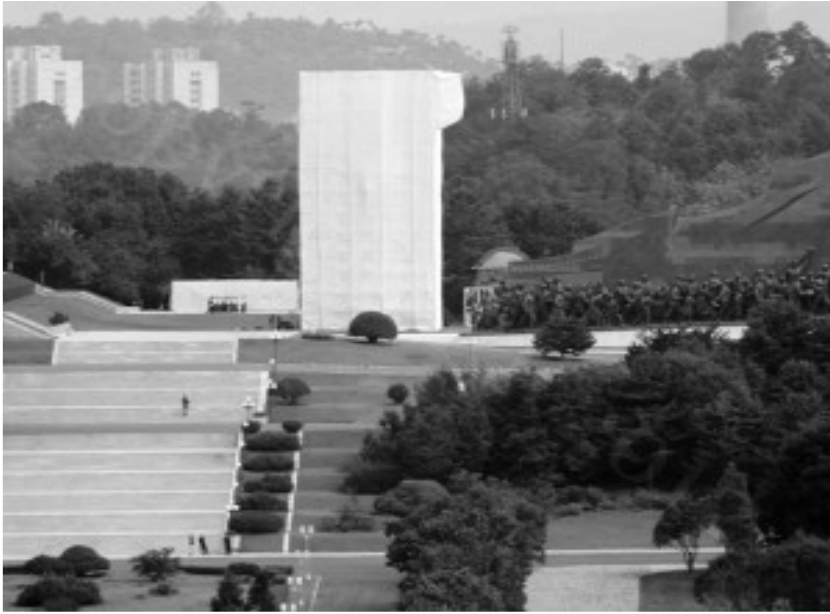


Figure 15: Cloth-covered statues of Kim Il Sung and Kim Jong Il, September 2012 (Photo: © Ruediger Frank 2012)

On the ideological side, we note an ongoing renovation of slogans and monuments. Unlike in April, when Kim Jong Un was referred to as the “dear respected comrade” on most banners and steles, he is now frequently called “great sun of songun” and “Great Leader.” While the former is at least in part different from “great sun of the 21st century,” a title used for his father Kim Jong Il, the latter term (*widaehan ryōngdoja*) is identical. Who would have thought that within less than a year, Kim Jong Un would assume the same status as his father?

Another interesting detail concerns the very appearance of the slogans. Traditionally, they have been painted in white letters on a red background. Some were carved in stone above the entrance to public buildings, and often the carvings were painted in red or more recently, in a less conspicuous gold-bronze. In September, however, I noticed that in a few cases, the color was skipped altogether. Unless there was simply a shortage of paint, this more subdued and modest (for North Korean standards) new appearance invites further speculation about the new leadership style.

Last but not least: the Arirang mass performance. While it did take place again this year, the rumor is that from 2013, it will be completely updated or even changed. I attended two previous performances (2005 and 2010) and noted this time that there was an absence of any aggressive messaging. The only weapons shown were the two handguns that Kim Il Sung had received from his father along with the slogan “aim high.” The chapters on Chinese-Korean friendship and on unification were still



included, but the main focus was on nationalism and the country's economic and social achievements.



Figure 16: “Let’s complete the feat of the chuch’e revolution to the end like Dear Respected Comrade Kim Jong Un!” (Photo: © Ruediger Frank 2012)

## Pyongyang First?

Like many other visitors have reported recently, I was impressed to see the widening gap between Pyongyang and the countryside. Paying particular attention to the nation's capital is neither a new policy nor is it limited to the DPRK. But my impression was that stagnation in the countryside regarding road conditions, houses, service facilities, clothes and overall standard of living stood opposed to almost breathtaking development in Pyongyang. How will North Koreans react? We should not necessarily assume that the widening gap will be regarded negatively. Deng Xiaoping himself had coined the idea of “two speeds,” arguing that it was alright for one part of China to achieve prosperity first as long as the other would have a fair chance to follow.

Perhaps we could even argue that such huge differences in affluence within the country smartly divert attention away from the outside world. Rather than dreaming about life in Shanghai or Seoul, young and ambitious people in North Korea can dream about the lights of Pyongyang. Besides, this makes living in the capital an even bigger privilege and relegation to the provinces a more severe punishment.

Developmental economists will be familiar with the debate of balanced versus unbalanced growth. It seems that at least for some time, the DPRK leadership has decided in favor of developing one city as best as they can, rather than spreading their scarce resources across the country with a watering can and achieving no visible results. With some optimism, as a next step we could expect a spill-over effect to the provincial cities and the area around the capital. My evidence so far is rather arbitrary, so due caution is advised. Nevertheless, I dare say that I noticed slight improvements in the larger cities along my travel route in September; most notably, the above mentioned sales booths and a number of newly opened *siktang* (restaurants) and *sangjŏm*. Not only do they indicate more diversity on the supply side, they also imply that people have more money to spend. In any case, the appearance, the attitude and the body language of Pyongyangites is still notably different from the rest of the country.

### Reforms In Agriculture: Catching Up?

Is the countryside next in line for a major improvement? Or was the beautification of Pyongyang a deliberate step to make up for an expected welfare boom among farmers?

If the rumors spread by Reuters<sup>26</sup> on 24 September are true and reforms in agriculture will once again take place after a decade, then we need to ask what the leadership wants to do about inflation this time. External conditions for a reform effort are not necessarily better than in July 2002: George W. Bush is long gone, but Barack Obama has not been as forthcoming as many had hoped; the government in Seoul is much less supportive than the Kim Dae Jung administration; and the abduction issue still stands in the way of normalization with Japan. On the other hand, China's potential to help has grown; there is a new young leader in Pyongyang; and the past decade of ups and downs have taught painful but valuable lessons to the DPRK's economic policymakers.

No matter what the balance is: a few structural restraints remain unchanged. North Korea is not an agricultural society. A liberalization of prices and production decisions will benefit the farmers, which by way of incentives might eventually lead to increases in productivity and output. But in the DPRK, farmers are a minority. Given the country's chronic shortage of staple food, after liberalization, prices will soon skyrocket and fill the pockets of the few producers (which is good) at the expense of the majority who are consumers (which is very bad). In China in the early 1980s, it was the other way round—the vast majority was farmers who saw

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<sup>26</sup> "Exclusive: North Korea plans agriculture reforms - source", *Reuters*, 23.09.2012, <http://www.reuters.com/article/us-korea-north-agriculture-idUSBRE88S05O20120929>.

their incomes exploding, while the minority population of the cities was protected by the state's subsidies, which were in turn financed by income from rural taxes.

But there is no way the Chinese blueprint can work in North Korea. Income from taxes on farmers will be too low, and demand for subsidies by urbanites will be too high. There are two ways out of this dilemma: either the agricultural reforms are flanked by similar measures in industry, so that the urban incomes can rise along with food prices; or there is a large injection of cash to allow the state to import food for a few crucial years. This would reduce upward pressure on domestic food prices and/or finance subsidized food distributions to the urban population until domestic production has reached the level of market saturation. This does not only sound risky, in fact it is.

The announcement at the 25 September session of the parliament to extend compulsory secondary education by one year fits very well into this analysis. Note that the extra year is explicitly not to be spent on ideology; students will be taught "general basic knowledge and basic knowledge of modern technologies" (KCNA, 25.09.2012). Kim Jong Un kills two birds with one stone: true to his promise to improve the people's living<sup>27</sup>, he gives a gift to North Korean parents who, like their compatriots to the South, are highly concerned about getting their offspring the best possible education; he also invests in training a future workforce for the new and dynamic domestic industry that will form the backbone of a reformed, or rather, call it "adjusted," national economy. Experience tells us that the parliament might also have deliberated on a few more issues, about which we will hopefully learn in the next few weeks.

To conclude, we should give the new leader due credit for having acted faster and more decisively than we had expected. The direction he is headed seems to point toward pragmatism and economic development. Meanwhile, the capital has turned even more into an object of admiration or envy for the rest of the country. The stage has been set; expectations have been created. Now comes the tough part: finding ways to deliver on the economic front while maintaining stability of the political system and managing the new diversity in DPRK society. Investment in education is not the worst idea in this context. However, to cure the disease without killing the patient won't be easy.

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<sup>27</sup> Ruediger Frank, "North Korea after Kim Jong Il: The Kim Jon Un era and its challenges", *The Asia-Pacific Journal: Japan Focus*, Vol 10 (2), No. 2, January 6, 2012, <http://apjjf.org/2012/10/2/Rdiger-Frank/3674/article.html> [27 April 2017].

## The North Korean Tablet Computer Samjiyon: Hardware, Software and Resources

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A few months ago the ever-growing community of those interested in the DPRK aka North Korea learned that there is now something like a local version of the iPad - the Samjiyon tablet computer (p'anhyŏng k'omp'yut'ŏ samjiyŏn). After having had a chance to test it briefly during a visit in May 2013, I could not resist buying a Samjiyon in a shop in Pyongyang in September 2013. It cost me 180 Euros. After a few days of intensive use I can say that this is one of the few cases in my career as a consumer when I got more for my money than I had expected.

A necessary disclaimer first: No, this gadget is not available to all North Koreans; just as a Mercedes Benz S-class sedan is out of reach for most Germans. The existence of this tablet does not in any way change the fact that the DPRK is for many of its people a country of hard manual labor and simple living conditions. It is a developing country with an economy that has been devastated by decades of socialist inefficiency. Most North Koreans are worried about food and heating, not about electronic gadgets. But like meanwhile over 2 million mobile phones, the Samjiyon tablets exist and highlight one facet of this increasingly diverse society. The name of the device is ideologically correct: Samjiyŏn near Mt. Paektu is the place of a major anti-Japanese battle of 1939 commemorated by a large monument. This reminds us that the tablet is not just another toy of a typical consumer oriented society. It is a useful and entertaining device for a minority in a totalitarian system with a dominant ideology.

### Hardware

The model I bought is the SA-70. Built in March 2013, it is not the latest version. Michael who reviewed another Samjiyon<sup>28</sup> obviously got a better deal. I saw and briefly used an even more advanced Samjiyon in September 2013 but was unable to get it this time.

My SA-70 has a 1 GHz CPU, 1 GB RAM, 4 GB internal memory and a card slot equipped with an 8 GB micro SD memory card. The 7 inch screen has a resolution of 800x480 pixels, making it the only hardware component that is markedly below standard, at least for someone like me who owns an iPad 4 and a Google Nexus 7.

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<sup>28</sup> Martyn Williams, "Review: Samjiyon tablet", *Northkoreatech.org*, August 1, 2013, <http://www.northkoreatech.org/2013/08/01/review-samjiyon-tablet> [27 April 2017].

The quality of the screenshots, however, is remarkably good; they have the same resolution as the screen and are saved locally as .png files.

The camera above the screen has a resolution of 2 million pixels. Unlike the latest Samjiyon model mentioned above, there is no camera at the back of this model. The tablet has a microphone and a gyro sensor. The brand name Samjiyon is seen on the back side, as is the name of the manufacturer Korea Computer Center.

The tablet has an extendable antenna for receiving analogous TV signals. It is not entirely true that this tablet can only receive politically correct domestic TV. It is able to scan for channels; I tried it in China and in Europe, and it is able to tune in to stations there as well. This is a bit of a surprise as one would have expected a consequent application of the policy of not making TVs or radios tunable to other than the state broadcasting stations. Either this is one of the North Korean policy inconsistencies of which I have encountered quite a few in the last years, or our information needs to be updated.

Regarding connectivity, there seems to be no option to connect to the Internet, although it is not clear to me whether this is a matter of software or hardware. However, there are a number of other options, such as micro USB, a memory card slot, HDMI, a headphones connector and a connection to an external TV antenna. The tablet comes with a charger, white headphones that look very much like the standard apple phones (except for the logo), and a micro-USB-to-USB adapter. There is no SIM-card slot. The battery promises to last for 10 hours in audio mode and 5 hours in computer mode, which seems to be fairly accurate. Measuring 196x123x12 mm and with a weight of 250 grams, it is comparable to 7 inch tablets such as the Nexus 7. The operating system is a customized version of Android 4.0.4. “Ice Cream Sandwich”; judging from the menu options, it seems to have been made for phones rather than tablets. When connecting the Samjiyon to my computer, it is identified as an “MT65xx Android Phone”.

Allegedly, the tablet can connect to the DPRK’s intranet. I have not found the technical way to do so; there is no related option in the settings menu, and I could not find a LAN connector. As a foreign visitor, I would typically not have had access to North Korea’s intranet anyway. There is a browser icon “webŭ yŏllam” (web opening) among the apps. On my tablet, which had briefly been in use by the saleswomen at the shop where I bought it, five websites have been bookmarked: Naenara, Rodong Sinmun, Chosŏnchung’angt’ongsin (KCNA), Manbang, and Namsan. I do not know the latter two; Namsan seems to be technology related as far as I can guess from the low-resolution thumbnail. In any case, some kind of web access must be possible. But as most data files (about 7 GB) are installed on the external memory card, while only a fraction of the internal memory is used, I suppose the connection to the intranet for downloading applications could perhaps be established with another computer and data are then transferred onto the card or via a USB cable.

However it works: this limited connectivity has its advantages. The tablet has obviously been made for people who mainly use it offline. The number and quality of the pre-installed applications (apps) is remarkable and reflects the peculiarity of the market for this product. In reports by tourists and journalists, the existence of this tablet has been reported widely, including detailed discussions of the hardware. You can even watch on Youtube how the Samjiyon is opened.<sup>29</sup>

However, I could not find any detailed review of the software except perhaps for its least interesting part, the games. This is a shame, as the true value of the Samjiyon can be found right there. Just to give you an idea, my tablet contains a total of 488 (!) pre-installed dictionaries, reference works and eBooks.

It is the purpose of this article to show how rich in resources this device is, and to hopefully inspire North Korea researchers to make use of this wealth of information. As a side effect, we can gain a better understanding of the programming capabilities of North Korean engineers including such features as voice recognition and text-to-speech. Assume that, as elsewhere in the world, technology cleared for civilian use is less sophisticated compared to what military or security agencies have at their disposal.

## Games and other tools

What a surprise: North Korean customers, as many of us, seem to be fond of playing. The fourteen preinstalled games include Korean chess (chosŏn changgi), billiard (tanggu), Fishing Joy (“fish-catching”, kogi chabi), Angry Birds (“slingshot firing”, komuch’ong ssogi), picture puzzle (“image matching”, kŭrim matchugi), Basketball Shot (ronggukong nŏhgi), Tank Recon 3D (“tank war”, ttangk’ŭ chŏn), a brick game reminding me of Arkanoid (pyŏktolpusigi), Field Runners (pang’ŏ yuhŭi), Robo Defense (pang’ŏ chŏn), Air Control (“aircraft game”, pihaenggi yuhŭi), a marbles game (“ball rolling”, alkulligi), Racing Moto (ot’obai kyŏngju), and a slingshot game with pandas (ch’amdaekom ssogi). At least some of these games, most prominently Angry Birds, are known outside of Korea, too (hat tip to northkoreatech.org again for finding out the original names).

For many years North Korea, unnoticed by most Western users, has been producing games for mobile phones. Who in the West knows that SEK Studio in Pyongyang, also known as the April 26th Children’s Film Studio, has done significant work on mainstream cartoon movies like “Pocahontas” or “Lion King”? Some of the apps on the Samjiyon thus might even have been made in the DPRK. All of them

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<sup>29</sup> A detailed review of the hardware and the origin of the tablet - as it seems, Hong Kong based Shenzhen Yecon Industry Co., Ltd. - can be found from Martyn Williams, “Exclusive: North Korea’s Samjiyon tablet – Made in China?”, *Northkoreatech.org*, August 4, 2013, <http://www.northkoreatech.org/2013/08/04/exclusive-north-koreas-samjiyon-tablet-made-in-china> [24 April 2017].

have at least been language customized. It is needless to say that the user is not harassed by adverts or in-game shopping.

Aside from the games, a number of useful tools have been installed. They include a fully functional MS Office package consisting of Word, Excel and Powerpoint (saving files as .doc, .xls and .ppt); a calculator; a camera; a web browser; a clock; a file manager; a music player; a PDF reader; a sound recorder; a video player; a notepad; a phonebook; and a photo gallery. It should also be noted that all apps run very smoothly. A PDF file with a user's manual (sayong sŏlmyŏng) is saved in the root directory of the tablet.

All the above is quite impressive for a country that many believe is still living in Stone Age, but not really extraordinary for an Android tablet in 2013, except perhaps the MS Office pack. The real treasures are the country specific apps.

## Multi-language Dictionary

The multi-language dictionary (tagukŏ sajŏn) includes Chinese, English, French, German, Japanese, and Russian. It is a version of the Samhŭng software that has been around for quite some time; I bought one version on a CD in 2010 at the P'yŏngyang International Trade Fair. Unlike the PC version, the tablet edition of Samhŭng runs smoothly and without errors or freezes. Samhŭng data (including the Korean dictionary, see below) occupy about 1.28 GB on the internal storage.

The dictionary is not "intelligent"; all words have to be searched separately instead of entering phrases or whole sentences. However, the dictionary has the great advantage of using North Korean language, which is useful if one looks for the translation of idiomatic expressions such as single-hearted unity (ilsim tangyŏl). For search mode, one can choose between "regular search" (ilban kŏmsaek) for main vocabulary, or "text search" (ponmun kŏmsaek) for cases where the searched term appears in the examples provided. For the display of results the user can choose between comprehensive mode (chŏnch'e pogi) or detailed mode (sangse pogi), the latter offering a remarkably large number of sample sentences and phrases. The latter is particularly useful for those who are interested in the specifics of language use in the North. The searches are saved in a log file (riryŏk), which is a useful function for language learners who want to revisit the words they had to look up.

An unexpected gimmick of the dictionary is speech input; rather than typing a word, it can also be spoken and, with some luck, will be recognized properly. I was more impressed by the presence rather the functionality of this feature. Unlike Apple's Siri, this function does not require an Internet connection.

The quality of the dictionary is, I would argue, quite high. The number of entries is large; note the dominance of English if compared to Russian or Chinese:

LANGUAGE	ENTRIES (WORDS)	UPDATED (YEAR)
ENGLISH-KOREAN	300,000	2008
KOREAN-ENGLISH	200,000	2002
RUSSIAN-KOREAN	250,000	2004
KOREAN-RUSSIAN	150,000	2004
CHINESE-KOREAN	200,000	2009
KOREAN-CHINESE	150,000	1992
JAPANESE-KOREAN	150,000	1997
KOREAN-JAPANESE	40,000	1997
GERMAN-KOREAN	40,000	2004
KOREAN-GERMAN	60,000	2004
FRENCH-KOREAN	120,000	2009
KOREAN-FRENCH	100,000	2009

Table 1: Number of entries in the Multi-Language dictionary

## Korean Dictionary

Like in most other countries, a dictionary of the local language (chosŏnmal sajŏn) has been published in the DPRK. It is the equivalent of the Oxford English Dictionary or the German Duden. The version on the Samjiyon has 120,000 entries. The structure of the software is similar to the multi-language dictionary. The explanations on the single entries seem to be slightly more detailed and provide more synonyms. For example, there are over 100 entries beginning with kyŏngje (economy, economic). In case of Sino-Korean words, the respective Chinese characters are shown. The value of this dictionary is primarily in its detailed explanations of terms specific to North Korea, including the literary works contained in the liberal arts library (see section below).

## Encyclopedia

The tablet version of the Korean Encyclopedia (chosŏn taebaek kwa sajŏn) is based on the 30 volumes produced between 1995 and 2001. Related data occupy about 2.4 GB on the external storage.

The introduction informs us that the focus is on “the immortal achievements of leaders Kim Il-sung and Kim Jong-il and the revolutionary leadership of the Korean



Worker’s Party”, but there is much more among the 83,000 entries on politics, economy, science and culture, history, biology and geography of Korea and “a few foreign countries”. There are, for example, entries on Humboldt, Hegel, or Yuri Gagarin, all complete with images. A large number of entries covers Marx, Marxism, and its relationship to *chuch’e*.

Some articles include photos, paintings or maps; they can be enlarged. In the case of songs, the lyrics and notes are provided, and the melody can be played. If you type in “Kwangmyŏngsŏng”, there is a short video of the launch of the first North Korean satellite in 1998.

Search options in the encyclopedia are quite sophisticated. The user can for example choose search terms that begin or end with a specific letter or syllable. Rather than typing (*kŏnban imnyŏk*), one can also write with one’s finger on the touch screen (*son’gŭl imnyŏk*) or use text-to-speech (*ŭmsŏng imnyŏk*).

In the age of the Internet, encyclopedias have quickly become outmoded. For North Koreans, however, they remain a major source of information. A detailed analysis of the Korean encyclopedia will certainly yield interesting, sometimes even surprising results on the amount of available knowledge cleared by the state authorities. In addition to North Koreans, researchers on North Korea are a second group that would still stand to benefit significantly from such a reference work. For example, I have used the encyclopedia to extract the data for the tables on “immortal history” and “immortal leadership” below. Google or Wikipedia would have reached their limits quickly here.

## Liberal Arts Library

A liberal arts library (*munye tosŏ*) is published under the brand name *ŭnhasu* (Milky Way), a name known to many from the recently inactive *Ŭnhasu Orchestra* but obviously unrelated. It contains 141 (!) eBooks in six categories: “immortal history” (*pulmyŏrŭi ryŏksa*, 18 volumes), “immortal leadership” (*pulmyŏrŭi hyangdo*, 9 volumes), “on the path of loyalty” (*ch’ungsŏngŭi hankiresŏ*, 3 volumes), Korean literature (*chosŏn munhak*, 54 volumes), “children’s literature” (*adong munhak*, 29 volumes), and “foreign literature” (*woeguk munhak*, 28 volumes). These are no audio books, but there is a function to have the texts read aloud by a female computer voice. The result is not perfect but acceptable. The passage currently being read is underlined in red. Data occupy about 149 MB on the external storage.

As every North Korean knows, the first three categories correspond with subjects taught at school in North Korea up until graduation from middle school or high school. This is not necessarily new information; but who would be able to explain in detail what exactly that entails?

“Immortal history” refers to the standardized canon of literature on Kim Il-sung. His exploits are taught at school in courses on “The Great Leader Generalissimo

Kim Il-sung's revolutionary activities" and "...revolutionary history". There are 18 books in this section, each classified as a "full-length novel" (changp'yŏn sosŏl). They can also be found on the web, for example on the DPRK website uriminzokkiri.com.

Title in Korean	Title in English	Author, year	Topic/context
<b>Tach'ün ollatta</b>	The anchor has been lifted	Kim Chŏng (1982)	Anti-Japanese struggle 1925-1926
<b>Hyŏngmyŏngŭi ryŏmyŏng</b>	Dawn of the revolution	Ch'ŏn Se-bong (1973)	Anti-Japanese struggle 1927-1928
<b>Ŭnhasu</b>	The Milky Way	Ch'ŏn Se-bong (1982)	Anti-Japanese struggle from summer 1929 to summer 1930
<b>Taejinŭn p'urŭda</b>	The earth is blue	Sŏk Yun-gi (1981)	Anti-Japanese struggle from summer 1930 to February 1931
<b>Pom'uroe</b>	The thunder of spring	Sŏk Yun-gi (1985)	Anti-Japanese struggle from autumn 1931 to spring 1932
<b>1932 nyŏn</b>	The year 1932	Kwŏn Chŏng-ung (1972)	Anti-Japanese struggle from January 1932 to January 1933
<b>Kŭn'gŏjiŭi pom</b>	Spring at the headquarters	Ri Chong-ryŏl (1981)	Anti-Japanese struggle from early 1933 to January 1934
<b>Paektusan kisŭlg</b>	The foot of Mt. Paektu	Ch'oe Hak-su (1978)	Anti-Japanese struggle from March to May 1936
<b>Amnokkang</b>	River Amnok [Yalu]	Ch'oe Hak-su (1983)	Anti-Japanese struggle around February 1936

<b>Konanŭi haeng'gun</b>	The arduous march	Sŏk Yun-gi (1976)	Anti-Japanese struggle from December 1938 to March 1939
<b>Tumangang chigu</b>	The valley of river Tuman [Tumen]	Sŏk Yun-gi (1976)	Anti-Japanese struggle from May until early autumn 1939
<b>Pulg'ŭn sanjulgi</b>	The red mountain range	Ri Chong-ryŏl (1989)	Anti-Japanese struggle from late 1930s until early 1940s
<b>Chunŏmhan chŏn'gu</b>	A tough battle zone	Kim Pyŏng-hun (1981)	Anti-Japanese struggle from summer 1939 until spring 1940
<b>Pinnanŭn ach'im</b>	A shining morning	Kwŏn Chŏng-ung (1988)	From liberation until the foundation of Kim Il-sung University
<b>Samch'ŏlli kangsan</b>	The country of 3,000 Ri [Korea]	Kim Su-kyŏng (2000)	The efforts of Kim Il-sung for the formation of a unified Korean government and the foundation of the DPRK
<b>Yŏlbyŏng kwangjang</b>	The parade ground	Chŏng Ki-chong (2001)	The efforts of Kim Il-sung to establish the power of the Worker's Party and the People's Government, in particular the military and security forces.
<b>50 nyŏn yŏrŭm</b>	The summer of 1950	An Dong-ch'un (1990)	The heroic fight against the American imperialists in the Korean War.
<b>Chosŏnŭi him</b>	The strength of Korea	Chŏng Ki-chong (1992)	The leadership skills of Kim Il-sung who after a strategic temporary retreat in the Korean War embarked on a counter-attack.

Table 2: List of books in the liberal arts library

If anyone manages to read through these books as often as North Koreans do, it would be much easier to understand a number of references and associations in

North Korean propaganda that usually remain hidden to the Westerner. Take for example the official term chosen for the famine of 1995-1997. The Arduous March (konanŭi haeng'gun) is the title of the 10th volume in the above collection and a reference to an episode of the anti-Japanese struggle under Kim Il-sung in 1938/1939. This simple term thus includes numerous links to military struggle, the fight against invaders, hardships that need to be overcome on the road to independence and so forth, including a chance for the current generation to show that it can also stand the test of times like the guerillas before liberation.

The term “Immortal leadership” refers to Kim Jong-il. It is taught at school in courses on “The Great Leader General Kim Jong-il’s revolutionary activities” and “...revolutionary history”. There are nine books in this section.

Korean	English	Author and year of publication	Topic/context
<b>Yeji</b>	Wisdom	Ri Chong-ryŏl (1990)	Kim Jong-il’s guidance in the field of filmmaking.
<b>Tonghaech’ŏlli</b>	1,000 Ri along the Eastern Sea	Paek Nam-ryong (1995)	Kim Jong-il’s guidance in cities along the East Coast on the topic of Party affairs and various sectors of the economy.
<b>P’yŏngyangŭi ponghwa</b>	The beacon of Pyongyang	An Tong-ch’un (1999)	The leadership exploits of Kim Jong-il in organizing the 13th World Festival of Youth and Students in 1989
<b>P’yŏngyangŭn sŏnŏnhanda</b>	Pyongyang announces	Ri Chong-ryŏl (1997)	How Kim Jong-il carried on the cause of socialism in Korea despite its collapse in Europe in the late 1980s and early 1990s.
<b>Ryŏksaui taeha</b>	The grand stream of history	Chŏng Ki-chong (1997)	How Kim Jong-il in spring of 1993 coped with the war maneuvers of the US imperialists and reactionaries.
<b>Ch’onggŏmŭl tŭlgo</b>	Taking the arms	Song Sang-wŏn	How Kim Jong-il put forward the armed forces as the main

		(2002)	force of the revolution.
<b>Ch'ongdae</b>	The gun barrel	Pak Yun-i (2003)	Kim Jong-il's exploits during the Forced March (1998) and his revolutionary Military First (sŏn'gun) leadership.
<b>Pyŏrui segye</b>	The world of the star	Chŏng Ki-chong (2002)	Kim Jong-il's achievements for national unification after his victory over the Americans in the nuclear standoff in 1993.
<b>Sŏhae chŏnyŏk</b>	Evening at the Western Sea	Pak T'ae-su (2000)	Kim Jong-il's leadership in building the West Sea Barrage in the first half of the 1980s.

Table 3: List of books on Kim Jong Il

It will be instructive for DPRK specialists to read, for example, in “Pyongyang announces“ about the official response of North Korea to Soviet Perestroika (kaep'yŏn). The slogan “serving the people” (inminŭl wihayŏ pongmuham), which is still seen frequently in North Korean production facilities, originates from this book and reflects Kim Jong-il's emphasis on every day needs of the people as a protection against reform demands. Those interested in the nuclear issue will benefit from reading “The world of the star” to understand how North Korea regards the conclusion of the 1994 framework agreement as a victory.

The trinity of revolutionary works includes the collection “On the path of loyalty”. It refers to the exploits of Kim Jong-suk, wife of Kim Il-sung and mother of Kim Jong-il, who died in 1949 at the age of 32. North Korean students are taught about her as an example of total devotion and a female role model in courses on “Anti-Japanese Heroine Mother Kim Jong-suk's revolutionary history”. There are three books in this section: “Standard-bearer in the guerilla zone” (Yugyŏkkuŭi kisu), “On the way to the Headquarters” (Saryŏngburo kanŭn kil), and “Azalea” (Chintallae). Strangely, unlike the 27 volumes mentioned above, these books are not part of the North Korean encyclopedia (see below).

The section on “Korean Literature” (chosŏn munhak) contains a remarkable number of 54 volumes including classics like “The Story of Ch'unhyang” (ch'unhyangchŏn) or “Earth” (ttang) by Ri Ki-yŏng, and historical novels like the three volumes of “The Kabo Peasant War” (kabo nongmin chŏnjaeng).

The section on children's literature consists of 29 volumes with titles such as “The wish train” (hŭimangŭi ryŏlch'a) and “The first grader” (ilhangnyŏnsaeng), but also militant works such as “The fighters” (chŏnsatŭl).

The section on foreign literature contains 28 volumes. A little more detail seems to be justified in listing these works here as they provide an insight into which works of non-Korean literature North Koreans have access to. I must admit that literature goes slightly beyond my competence; I thus only list the works and their authors without much interpretation. Some volumes have an introduction, others don't. In a few of the latter cases, I was unable to identify the actual title of the works and therefore can only provide the Korean title plus translation.

Title	Author	Vols.
<b>"The Arduous Road"</b> ( <i>kŏnanŭi kil</i> )	??? (Russia after the 1917 revolution)	3
<b>"Dombey and Son"</b>	Charles Dickens	1
<b>"Les Misérables"</b>	Victor Hugo	5
<b>"An American Tragedy"</b>	Theodore Dreiser	3
<b>"Gone with the Wind"</b>	Margaret Mitchell	5
<b>"Suhojŏn"</b>	??? (Historical novel written in 14th century Ming China about the Sung dynasty)	1
<b>"Jean-Christophe"</b>	Romain Rolland	3
<b>"An officer's idea"</b> ( <i>han kunkwanŭi sangnyŏm</i> )	??? (The Soviet Union's Fatherland Liberation War against Nazi Germany in the early 1940s)	1
<b>"Vanity Fair"</b>	William Makepeace Thackeray	1
<b>"Ivanhoe"</b>	Walter Scott	1
<b>"Mother"</b>	Maxim Gorki	2
<b>"Eugénie Grandet"</b>	Honore de Balzac	1
<b>"Rickshaw Boy"</b>	Lao She	1

Table 4: List of foreign books in Korean translation

For most of these works, it seems easy or at least possible to understand why they have been included here. They depict either the miserable life under feudalism and capitalism (Balzac, Dickens, Hugo), the patriotic fight to repel foreign invaders ("Ivanhoe") or the revolutionary struggle against reactionary forces.

In some cases, the reasons for the inclusion in this canon will not be as obvious. Take, for example, "Gone with the Wind". Fortunately, there is an introduction to this work. The reader is informed that the exploitation of black slaves was the economic foundation of the colony founded by the British. The American civil war,

a struggle between the bourgeoisie of the north and the landowners of the south, was an important period in the formation of American capitalism. “Gone with the Wind” is thus particularly useful for understanding how modern capitalism spread to all of the United States.

Some works have received direct praise from the leaders. In the introduction to “Vanity Fair”, Kim Jong-il is quoted saying that this work, along with Dickens’ “Dombey and Son”, is a prime example of British realist literature.

## Modern Chinese Language

Reflecting the growing interest in learning the neighbor’s language, mostly driven by the desire to engage in profitable business, the Samjiyon offers a course on modern Chinese. As my Sinology colleagues assured me, the texts are read by actual native speakers (a male and a female). This is confirmed by a help text stating that the texts have been spoken “100% by Chinese people in correct Beijing dialect”. There are three volumes, with a total of 32 lessons (8+12+12). The course is interactive and contains multimedia elements. Each lesson comes with a vocabulary list, a text, additional information and grammatical explanations. By any account, this is a very modern tool for learning a foreign language.

## Textbooks

This section consists of a total of 141 books. They include 103 regular text books from 1st to 10th grade (4 grades for elementary and 6 grades for middle school). There are 22 additional books for the elite “No. 1 Middle Schools” (che 1 chunghakkyo) and 16 reference books. All works are full with elaborate illustrations. No wonder data for the textbooks section occupy about 3.27 GB on the external (memory card) storage.

The following table lists the textbooks available on my Samjiyon. “E” stands for elementary, “M” for middle school.

Grade/books	Subject
E 1	Childhood of Beloved Leader Generalissimo Kim Il-sung; Native language [Korean]; Drawing; Socialist morality/ethics ( <i>tođōk</i> ); Mathematics
E 2	Childhood of beloved leader Generalissimo Kim Il-sung; Korean; Drawing; Mathematics
E 3	Childhood of beloved leader Generalissimo Kim Il-sung; Korean; Drawing; Socialist ethics; Mathematics; Nature ( <i>cha-</i>

	yŏn); Computer; English
<b>E 4</b>	Childhood of beloved leader Generalissimo Kim Il-sung; Korean; Drawing; Socialist ethics; Mathematics; Nature; Computer
<b>M 1</b>	Korean; Russian; Art; Geography; Korean grammar; Computer; Classical Chinese ( <i>hanmun</i> ); Korean history; Mathematics; Socialist ethics and law
<b>M 2</b>	Russian; Classical Chinese; Music; Physics; Art; Geography; Korean; Korean grammar; Computer; Korean history; Mathematics; Socialist ethics and law
<b>M 3</b>	Korean; Korean grammar; Geography; Computer; Biology ( <i>saengmul</i> ); Physics; Art; World history; Korean history; Classical Chinese; Russian; Music; Socialist ethics and law; Mathematics
<b>M 4</b>	Revolutionary history of Great Leader Generalissimo Kim Il-sung; Revolutionary history of anti-Japanese heroine mother Kim Jong-suk; Russian; Biology; Physics; Computer; World history; Korean history; Drafting; Mathematics; Classical Chinese; Geography; Literature
<b>M 5</b>	Revolutionary history of Great Leader Generalissimo Kim Il-sung; Biology; Literature; Physics; Automobile; Korean history; Mathematics; Computer; World history; Geography; Psychology primer ( <i>simnihak ch'obo</i> ); Socialist ethics and law
<b>M 6</b>	Biology; Metallurgy ( <i>kŭmsok</i> ); Mining ( <i>kwangŏp</i> ); Russian; Forestry ( <i>rimŏp</i> ); Literature; Physics; Elementary electronics ( <i>chŏnjakonghak kich'o</i> ); Korean history; Mathematics; Computer; Machinery ( <i>kigye</i> ); Agriculture ( <i>nongŏp</i> ); Logic ( <i>ronrihak</i> ); Microelectronics ( <i>yakchŏn</i> ); History of American and Japanese aggression ( <i>miil ch'imnyaksa</i> ); Fishery ( <i>susan</i> ); Socialist ethics and law

Table 5: List of textbooks for elementary and middle school

In each province, there are so-called “No. 1 Middle Schools”. These schools gather the best students from all over the province; those from remoter areas live on campus in a dormitory. I have visited the Kim Jong-suk No. 1 Middle School in P’yŏngsŏng (capital of South P’yŏngan province) in September 2013. As far as one can tell from a one-time visit, the impression was clearly that of an elite education facility. The school grounds were large and well maintained, the teachers seemed to



be highly motivated, and the students were bright and active. The textbooks below reflect the fact that students in these schools proceed faster in selected areas. I should add, however, that according to one North Korean contact the separate curricula of No. 1 schools and regular schools have been abolished, perhaps in connection with the education reform bill passed in September 2012. This is anecdotal information that I have not yet been able to verify.

Grade	Subject
No. 1 M 1	Mathematics; Computer
No. 1 M 2	Mathematics; Computer; Physics; Biology
No. 1 M 3	Mathematics; Computer; Physics; Biology
No. 1 M 4	Mathematics; Computer; Physics; Biology
No. 1 M 5	Mathematics; Computer; Physics; Biology
No. 1 M 6	Mathematics; Computer; Physics; Biology

Table 6: List of textbooks for No. 1 middle school

The fourth section consists of 16 workbooks and reference works (ch'amgosö). Those on my Samjiyon included a Grammar workbook; Biology reference book; Chemistry reference book; Mathematics reference book for No. 1 Middle Schools; "The honor student's friend" (ch'oeudüngsaengüi pöt', a Mathematics workbook); Mathematics handbook; handbook of Geography; reference work on Geography; two volumes of "The broadly educated man's friend" (paksikkaüi pöt', judging by the contents perhaps meant to support the classes of socialist ethics and law); reference work on History; a workbook for preparation for the International Physics Olympics; and a total of three workbooks on Physics for No. 1 Middle School grades 2, 3 and 6.

Last but not least, there is "Life and humor" (saenghwalgwa yumoa). This book must be part of English classes as it is full with jokes and proverbs, some from Shakespeare, in English with Korean translation. It starts with a quote by Kim Jong-il saying that "A person not knowing any foreign language cannot be called a university graduate". The book seems to have been updated just recently, as the introduction also includes a reference to the leadership of Kim Jong-un in connection with the "education struggle" (haksüp chönt'u) necessary for achieving a socialist strong and prosperous country. Armed with such lofty thoughts, the reader can move on to the first joke right on the next page: "Pupils were asked to write about the harmful effect of oil and fish. One 11-year old boy wrote: 'When my mum opened a tin of sardines last night it was full of oil and the sardines were dead.'"

I have so far seen two original record cards of North Korean high and middle school students. Based on these, it seems that despite the enormous number of books included on my tablet, some of the textbooks are missing. This concerns most of the English books, some works on Kim Il-sung, all Chemistry books, and all of the books on Kim Jong-il. But help is near: press the button “Purchase new book” (saech’aek kuip). Unfortunately, the message suggesting “Connect with public service facility” (pongsa kigwan) is not particularly relevant to me living in Vienna.

## IT Dictionary

This dictionary contains 25,000 specialized terms in three different languages (Korean, English, and Chinese). I am not in a position to comment on the quality, but the dictionary is full of cryptic acronyms like “XSL-FO2”. I entered a few randomly chosen terms and could neither find “WLAN” nor “Android”. Apple and Yahoo are there, but not Google. “WYSIWYG” (what you see is what you get) was only available if entered in the English section. By the way, there is even an entry on “Anna Kournikova” - the computer virus, not the tennis player.

## Materials for the study of the chuch’e ideology

Well, in the end, this is a North Korean tablet. The canon of the leaders’ works occupies 159 volumes (129 MB) on my tablet. It is perhaps not on top of the list of every Western user’s priorities, but it is an indispensable resource for researchers with a solid interest in North Korea, its ideology, various policies and their origin. Many of these works can be found in libraries or online. Nevertheless, the collection on the Samjiyon is very useful: it is complete, it is searchable, and it integrates the dictionaries on the tablet, which makes the translation of specific terms fast and user friendly. All you need to do is out your finger on any term and wait for a second or two, and a context menu appears, offering a choice of six dictionaries to search in.

The “Collected Works of Kim Il-sung” (chōjakchip) has 50 volumes. Numbers 1-44 present a collection starting in 1930 until his last work on a “decisive turn in the economy” dated 6 July 1994 - two days before his death. Volumes 45-50 include the first 18 chapters of his autobiography “With the century” (segiwa tōburō).

The autobiography of Kim Il-sung is also available separately in eight volumes on the tablet, this time including the missing two volumes with the remaining six chapters, ending with liberation in 1945.

The “Complete Works of Kim Il-sung” (chōnjip) actually consist of 100 volumes. Of these, my tablet includes the first 85 volumes, covering the period from October 1926 with a speech at the “Down with Imperialism Union” and until July 1987 with a speech to Japanese visitors. It is not clear why the last 15 volumes are missing.

The “Selected Works of Kim Jong-il” (sŏnjip) include 15 volumes, starting with a speech to employees of the Central Committee of the Youth Organization in April 1964 and ending with a speech on soybean farming in October 2004.

The book “About the chuch’e idea” by Kim Jong-il has actually been published in 1982. On my tablet, there is one volume with this title page but obviously different contents, as it includes speeches and works by Kim Jong-il from September 2006 until October 7, 2011.

What is all this good for?

Utility is obviously in the eye of the beholder. I find it unlikely that somebody without a certain interest in North Korea would ever purchase a Samjiyon. For non-Korean speakers, the main treasures of this tablet will remain hidden, except perhaps the dictionary.

For experts and those who want to join this illustrious group, the Samjiyon can easily develop into one of their major research tools. The DPRK-specific dictionaries and the encyclopedia are tremendously useful as reference works. It does not take much imagination to see all the future PhD theses written about the North Korean educational system based just on the textbooks available on a single Samjiyon (don’t forget to give credit to the one who provided you with this idea). The selection of eBooks in the literature section is equally remarkable. A detailed analysis of the IT dictionary might disclose a focus on particular sectors or technologies. For those interested in the technical skills of North Korean programmers, the Samjiyon will offer a number of insights that are not overly spectacular but at least represent hard evidence in a world that is otherwise dominated by hearsay.

Some questions remain. As briefly noted above, there seem to be differences in the software and contents from tablet to tablet. It would thus be interesting to read a few more reviews and to find out which books are installed on all tablets, and which ones are optional. An open question is the procedure of connecting to the intranet; I find the presumption by northkoreatech.org to be a good shot: “it’s hard-coded to work on a certain network and cannot be changed like conventional tablets”.

In any case, the North Korean Samjiyon SA-70 tablet is in many ways a remarkable device that has so far not received its due share of attention. I hope this review was able to change this and to inspire further research, although - or because - I have only barely scratched the surface.

## Some Thoughts on the North Korean Parliamentary Election of 2014

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Elections for the 13th Supreme People's Assembly (SPA), the parliament of North Korea, were held on 9 March 2014. Such elections take place every five years. The last polls, originally scheduled for 2008, were held in 2009, most likely in response to the worsening health condition of then leader Kim Jong Il. The elections in 2003 had been postponed by a few months in reaction to the US invasion of Iraq and were thus held in August that year. Given all these previous exceptions, it is noteworthy that, technically speaking, the 2014 elections were rather regular. It would thus be wrong to interpret them as the expression of Kim Jong Un's desire to reshape the political landscape after the purge of Jang Song Thaek in December 2013. The elections might have been a welcome occasion to do so, but they were not primarily held to achieve that goal.

There are compelling reasons for regarding the elections as nothing but a farce. But SPA elections, as well as SPA sessions, are—unlike Party Congresses, for example—among the few regularly conducted political activities in North Korea. Given the fact that we have few alternatives, it is worth the effort to try and dig a little bit deeper.

### Media Campaign to Prepare the Election

On 8 January 2014, it was declared that the SPA elections would be held on 9 March. A number of steps followed, illustrating the strong determination of the state to create the impression of a formally correct procedure.

Among those steps was the nomination on 4 February of Kim Jong Un as a candidate in all constituencies of the country. He chose Paektusan Constituency No. 111, clearly a deliberately symbolic decision given the close connection of his two predecessors to that holy mountain of the North Korean revolution. But there seems to be no standard "leader's constituency." Kim Jong Il ran for the 2003 elections at Constituency 649, and in 2009 at Constituency 333; so in the future, Kim Jong Un will very likely make a different choice for the next SPA elections in 2019.

Repeated references to absolute trust, single-minded unity and monolithic leadership as well as the overall language of related reports were strong reminders of what we could call classical leader idolization during the rules of Kim Il Sung and Kim Jong Il. This is noteworthy, since I had the impression that such language had been somewhat reduced during Kim Jong Un's first two years in power, making room for a more pragmatic focus on actual projects. This period of restraint seems to have ended with the purge of Jang Song Thaek. The fact that the leader gave not one, but

two programmatic speeches in February—one on agriculture, and one on ideology—confirms this impression.

On 19 February, Kim Jong Un sent an open letter to all voters in what can be interpreted as a call to show loyalty to him and his leadership. In doing so, he closely followed the example of his father who sent such open letters to voters on 10 July 2003, and again on 18 February 2009. Obviously, Kim Jong Un, who in his public appearances differed so markedly from his father, decided that this time he would follow the behavior of his predecessor.

On Election Day, Kim Jong Un voted at the Kim Il Sung University of Politics, where the candidate was commander of a KPA unit, i.e. a member of the military. It is remarkable that among those who accompanied him on this occasion were not only the usual suspects including Choe Ryong Hae—now allegedly the number two official in North Korea—but also Kim Yo Jong, who is Kim Jong Un’s younger sister and has long been rumored to be politically ambitious and active.<sup>30</sup>

## The March 9 Elections

Paektusan Constituency No. 111, where Kim Jong Un was running as a candidate, might be in a remote area, but those registered there as voters are also an illustrious circle. They include Jang Jong Nam (Minister of Defense), Yang Hyong Sop (Vice President of the Presidium of the SPA), Ri Yong Mu (Vice Chairman of National Defence Commission), Kim Won Hong (Minister of State Security), Choe Pu Il (Minister of People’s Security) and Kim Chang Sop (Director of the Ministry of State Security Political Bureau). On 10 March, the Central Election Committee reported that 100 percent of the voters of the constituency took part in voting and all of them voted for Kim Jong Un.<sup>31</sup>

According to the official report issued by the Central Election Committee, 99.97 percent of registered voters cast their ballot (2009: 99.98 percent), and all of them voted for the candidates. The state media published the full list of names of the deputies in the 686 constituencies (2009: 687), although, as in 2009, only in the Korean version.<sup>32</sup>

<sup>30</sup> “Kim Jong Un Visits Kim Il Sung University of Politics and Takes Part in Election of Deputy to SPA,” KCNA, March 9, 2014, <http://www.kcna.co.jp/item/2014/201403/news09/20140309-19ee.html>.

<sup>31</sup> Not that it would matter much, but some Western media were ignorant enough to report that Kim Jong Un received 100 percent of the country’s votes. This was technically impossible as he ran only in one particular constituency.

<sup>32</sup> “중앙선거위 최고인민회의 제 13 기 대의원선거결과에 대하여” (Central Election Committee: On the Results of the Election to the 13th SPA), KCNA, March 11, 2014, <http://www.kcna.co.jp/calendar/2014/03/03-11/2014-0311-007.html>.

[illegible]

Figure 17: List of the SPA Deputies (Members) as a result of the March 9, 2014 election.  
(List reported in Korean by KCNA )

More detail on these members and who they are is typically provided a few weeks after the election, usually during the first regular session of the newly elected parliament. According to that report, in 2009, 316 deputies had been elected for the first time (46 percent); in 2003, that number stood at about 50 percent. It is useful to have these facts in mind before we jump to conclusions about an alleged attempt by Kim Jong Un to replace the elite after the Jang Song Thaek purge. Unless it turns out that he replaced 60 percent or more, it would be hard to argue that something extraordinary happened. The numbers are not out yet, but Table 1 is illustrative of what

additional information we can look forward to when the SPA soon convenes its first session.

	11 <sup>th</sup> SPA 2003	12 <sup>th</sup> SPA 2009
Military	N/A	16.90%
Workers	33.40%	10.90%
Farmers	9.30%	10.10%
Women	20.10%	15.60%
Winners of Order of Kim Il Sung, Kim Il Sung Prize and the titles of “Hero of the Republic” and “Labor Hero”	48%	42.40%
Holders of academic degrees and titles	89.50%	90.40%
University graduates	91.90%	94.20%
Below 35 years of age	2.20%	1%
Age group 36-55 years	50.10%	48.50%
Age group above 56 years	47.7	50.50%

Table 4: Detailed Results of SPA Elections in 2003 and 2009. *Source: KCNA (various issues) compiled by Ruediger Frank.*

If, in 2009, 16.9 percent of the deputies came from the military, 10.9 percent were workers, and 10.1 percent were farmers, who were the remaining 62.1 percent? Such gaps are somewhat typical for North Korean statistical reports (there are indications that the majority of SPA members were bureaucrats and party officials). If we compare the 2003 and 2009 election results, we find fewer women, a slightly higher rate of academics and university graduates, and a higher average age of the deputies. The most striking difference was in the class background: the percentage of workers dropped from 33.4 percent to a mere 10.9 percent. Despite what appears to be a general emphasis in the DPRK political discourse on the military and the working class, both groups are heavily underrepresented; bureaucrats seem to take almost two-thirds of all seats. It will be interesting to see how the 2014 elections compare to these results.

## The Relevance of the SPA Elections

Socialist systems have been notorious for holding elections with one candidate per seat and affirmative votes close to the 100 percent mark. We rightly ask why the

people in those countries are willing to accept such a charade. But what sounds like a joke in the ears of someone from a Western democracy with its focus on procedures is not devoid of a certain internal logic.

The fact that parliamentary elections take place at all reflects the claim included in the official name of the country (Democratic People's Republic of Korea). The North Korean leadership seems to agree, in principle, that elections are a necessary part of a democracy. However, the reality of these elections differs from Western ideals, as much as the North Korean image of a proper democracy is not the same as the one prevalent in the US or in Europe.

Democracy in North Korea is defined as the rule of the majority, and competition between political forces is seen as the expression of divergent interests. For a Marxist-Leninist, such competition, or antagonism, can exist only in capitalism—between the two classes of workers and bourgeoisie. But the socialist revolution eliminates this antagonism by giving power to the working class, with the Communist Party as its only representative. Since democracy is defined as the rule of the majority, the dictatorship of the proletariat<sup>33</sup> and the power monopoly of the Communist Party are seen as the perfect incarnation of democracy. For somebody who has been convinced of this logic through a life of political education, competitive elections simply make no sense.

For a North Korean, this idea is adjusted to the leader system; from early childhood, he is told that the existence of a leader is the only guarantee for the well-being of the people and the country. Once the idea of monolithic leadership is accepted, there is even less room for competitive elections. It is useful to be aware of this logic, as it helps us to understand that what we call fair and democratic elections is not only prevented by the barrel of a gun, but by a powerful and largely effective ideological indoctrination.<sup>34</sup>

A related point concerns the various political parties in North Korea. It may sound odd to many, but the North Korean state does care about its reputation. Legally, the DPRK is thus a multi-party state, where the Korean Workers' Party exists

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<sup>33</sup> Article 12 of the constitution: "The state shall...strengthen the dictatorship of the people's democracy..."

<sup>34</sup> Voices quoted by the state media reflect this idea. On KCNA, Koreans from Japan (a.k.a. overseas' compatriots) were quoted as saying, "Election in capitalist countries is a competition between a tiny handful of wealthy and powerful persons, but in the DPRK it is a synonym for happiness of electing representatives among ordinary people and becomes an important occasion to demonstrate the single-minded unity. Such election is beyond imagination in capitalist countries..." ("Election of Deputies to 13th SPA Under Way," KCNA, March 9, 2014, <http://www.kcna.co.jp/item/2014/201403/news09/20140309-11ee.html>). Other quotes include passages such as: "The ballots for candidates are an expression of profound thanks to the country," and "Through the election, I came to reconfirm my duty as a DPRK citizen" ("DPRK Seething with Election Atmosphere," KCNA, March 9, 2014, <http://www.kcna.co.jp/item/2014/201403/news09/20140309-13ee.html>).



together with the Korean Social Democratic Party and the Chondoist Party (조선천도교청우당).<sup>35</sup> But the leading role of the Korean Workers' Party has been written into the constitution<sup>36</sup>; how can that be reconciled with the existence of other parties?

The solution to this problem was the forming of a coalition or alliance, called the Democratic Front for the Reunification of Korea. Such a construct was not unusual in Leninist socialist countries. In East Germany, for example, this alliance was called "Nationale Front" and included, in addition to the ruling Socialist Unity Party, fifteen other political parties and organizations, including the Social Democrats, Christian Democrats, National Democrats and Liberal Democrats. Potential opposition was thus internalized before it could emerge. Voters were asked to vote for the candidates of the respective "front," not of a particular party.

With only one candidate per seat, and the stated principle that these elections are not supposed to be competitive but rather constitute a public confirmation in the people's trust in their leadership, the interesting point about the SPA elections is therefore not the election as such, but the selection of candidates and the actual impact they will have.

As far as we know, identification of the constituencies in North Korea with their assemblymen/women is weak. Voters know who they cast their ballot for, but that is it. That may sound odd for Americans, with their usually close relationship between congressional members and their constituencies. This is, however, not the global standard. In Germany, for example, the link is much weaker. Many candidates for the Bundestag are not elected directly. German voters have two votes: one for a particular candidate and another for a party list; the percentage of votes a party receives determines how many of its listed candidates will get a mandate. The loyalty of candidates elected in such a way is entirely with the party and those individuals who put them as high and safely as possible on that party list.

In a very remote way, things work somewhat similarly in North Korea. The loyalty of an SPA member will be with those who selected him for candidacy, not with those who elected him. The final say in this regard rests with the Korean Workers'

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<sup>35</sup> This party is quite interesting in many respects. Take, for example, the references to Kim Jong Un's father and grandfather that continue to be published in the North Korean media. They sometimes include the fascinating formulation "believing in people as in Heaven" (이민위천), which was pronounced as the lifelong maxim of Kim Jong Un ("Kim Jong Un's Feats Lauded," Rodong Sinmun, February 5, 2014, <http://www.kcna.co.jp/item/2014/201402/news05/20140205-08ee.html>). This phrase, which had been used by both of his predecessors, strongly reminds of the principle "people are Heaven" (인내천) of the semi-religious and ultranationalist Tonghak Movement of the late 19<sup>th</sup> century, which forms the legacy of the Chondoist Party.

<sup>36</sup> Article 11: "The Democratic People's Republic of Korea shall conduct all activities under the leadership of the Worker's Party of Korea."

Party, which is also true for the candidates from military units. However, how does one get the Party's trust? Like elsewhere: through ambition, connections, networking and exhibition of great loyalty. This is, definitely, a highly competitive process. To be sure, this is not about democratic competition for voter support, but rather about bureaucratic competition for the trust of one's superiors. But competition it is, and a fierce one at that.

Taking this into consideration, simply dismissing the SPA as a rubberstamp parliament consisting of faceless puppets on a string would not be entirely correct. Better to think of it as a group of ambitious and successful apparatchiks, each of whom managed to prevail in a rather tough competition. They know the rules of their system quite well; after all, this is how they got so far. If everything is stable in the system, they will keep their heads down and do exactly what they are told, reaping the material and social benefits of being a VIP in return for rubberstamping whatever the leader suggests. Flexibility exists in smaller tasks, which are usually of a local nature. Korea is notorious for its regional rivalry; the North is no exception. In particular, the western P'yŏng'an provinces and the eastern Hamgyŏng provinces are said to be engaged in fierce rivalry, and everyone is united in envy of the capital Pyongyang where most resources go. The standard priority of an SPA member will be to justify the trust of those who put him into his position by serving local interests as well as he can, for example, by humbly suggesting his home region as the perfect location once the leader decided to build a ski resort or a special economic zone there.<sup>37</sup>

There are historical examples, however, of how a ritualized and state controlled voting process can become the source of discontent and opposition. In East Germany, the frustration over a geriatric and inflexible government grew as news about Gorbachev's reforms spread. One way to express this dissatisfaction was, in lieu of alternative candidates, to simply invalidate the ballot paper, which a large number of voters, many of them openly, did in the local elections in May 1989.<sup>38</sup> When Egon Krenz announced the result—98.85 percent “yes” votes—it was clear to everyone that the state had conducted an act of vote rigging. Related accusations played a

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<sup>37</sup> Furthermore, there are indications that the SPA elections are used as a kind of census; since everybody is required to vote personally, the state can identify individuals who have disappeared—for example, by defecting to China (“Why does autocratic North Korea hold elections? It's not merely a political ruse,” *New Focus International*, January 24, 2014, <http://newfocusintl.com/autocratic-north-korea-hold-elections-merely-political-ruse> [28 April 2017]).

<sup>38</sup> On a side note, I participated in those elections, too. I served in the Navy back then and was ordered to vote. We waited outside, then marched into the voting office in one long row, received our ballot papers, marked them, folded them and put them into the box without any privacy and more like a ritual. Unless we wanted to make a public statement, we as young conscripts had no chance to invalidate the vote as many civilians did. We kept our mouths shut, but this did not prevent us from noticing the farce we were forced to take part in. Frustration grew.

major role in the early phase of anti-state demonstrations in October 1989 that led to the implosion of the system and eventually to German unification. This is not to say that North Korea is there yet; but asking the people for their opinion is always somewhat risky, even in a tightly controlled dictatorship.

In short, the SPA elections tell us a lot about the internal logic that holds the North Korean system together. Furthermore, they provide the background for fierce internal competition and thus contribute to the formation of an elite of ambitious mid-level politicians who one day might become much more than just rubber stamps. The SPA is a forum for rivalry between regions in a country that many of us tend to regard as more homogeneous than it actually is. Under certain conditions, the parliament can serve as one potential source for or focal point of discontent. Despite their questionable nature, we should thus not underestimate the role of the SPA elections and of the legislature in North Korea.

## **Fire the Speech Writers: An East German's Perspective on President Park's Dresden Speech**

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Following up on Aidan Foster-Carter's analysis<sup>39</sup> of ROK President Park Geun-hye's Dresden speech<sup>40</sup>, let me add a few subjective thoughts, since the event took place in my home region. All in all, this speech is a remarkably frank, but not necessarily a very sensitive document, particularly from an East German perspective. The subtle messages it sends to North Korea are not overly cooperative either. If I were President Park, I would start looking for better speech writers.

### **Location and Audience**

As an East German, I really and without any irony appreciate the fact that President Park decided to speak in East Germany. But I have no idea why Dresden was chosen. It is the capital of the federal state of Saxony, and a beautiful city at the river Elbe, full of Baroque buildings from the time of King August the Strong. Dresden is also a symbol for the inhumanity of war, as this cultural center without much military significance was burnt to ashes by three days of indiscriminate area bombings in February 1945. But what happened in Dresden regarding German unification?

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<sup>39</sup> Aidan Foster-Carter, "Trust or Bust: What is Park Geun-hye's Real Nordpolitik (Part II)", *38north.org*, April 1, 2014, <http://38north.org/2014/04/afostercarter040114/> [27 April 2017].

<sup>40</sup> The Korea Herald, "Full text of Park's speech on N. Korea", *Koreaherald.com*, March 28, 2014, <http://www.koreaherald.com/view.php?ud=20140328001400> [27 April 2017].

In Berlin, the Wall was opened by accident on 9 November 1989. Fair enough; that explains Kim Dae-jung's choice as a venue for his speech in 2000, although I found it regrettable that he went to Free University (in West Berlin). A location in the East (for example, Humboldt University) or at the former border (Brandenburg Gate, or Bornholm Bridge) would have been nicer.

President Park had alternatives. In Leipzig, one hour's drive west of Dresden, the first Monday demonstration on 9 October 1989 marked the beginning of East Germany's peaceful revolution that led to unification less than a year later. That would have been a good place. I admit, Leipzig is my home town, so my view is perhaps biased. But there are other options, for example Weimar, the city of Goethe. Willy Brandt, then the Chancellor of West Germany, famously waived to an excited crowd from the balcony of the Hotel Elephant in March 1970 on the occasion of first ever inner-German summit.<sup>41</sup> That was a true landmark event of reconciliation and trust building. But Dresden...

The official explanation for that choice: Because Helmut Kohl, the West German Chancellor, gave a speech there in December 1989. Alright then, that Kohl speech. Some die-hard revisionists still say with bitterness that this is the moment when he stole the revolution. He told East Germans that if they want the Deutschmark, they must want unification too (rather than indigenous reforms) and thus vote for his Christian Democrats (CDU) in the March 1990 parliamentary elections. A bit blunt perhaps, but it worked.

Speaking of those elections: among the crowd invited to listen to President Park's speech was a certain Lothar de Maizière, whom I never met in person but who seems to be a very intelligent and decent man based on his writings and public appearances in the media. He faced a tough task in 1990: negotiating the unification treaty as the representative of East Germany under hellish time pressure and without much political experience. A lawyer, a devout Christian (like Chancellor Angela Merkel and current German President Hans-Joachim Gauck, whom President Park also met during her visit) and leader of the East German branch of the CDU, he was elected as the last GDR Prime Minister in March 1990, with massive help from the Western branch of the party and Chancellor Kohl. His cousin, Thomas de Maizière, born in West Germany, is currently Minister of the Interior in the cabinet of Angela Merkel.

It is interesting to know that back in 1990, Thomas de Maizière (CDU West) was the advisor to Lothar de Maizière (CDU East) for the unification treaty negotiations. Just think about it: Side W and side E negotiate a merger, and the main advisor to the leader of E is a politician from side W. Leader E is also from the same political

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<sup>41</sup> I need to correct myself: In March 1970 Willy Brandt drove through Weimar, but it was actually the Hotel "Erfurter" Hof in Erfurt where he famously waved from the balcony. The "Elephant" in Weimar was the place of the press reception. Hat tip to Michael Haenel for pointing this out.

party as leader W and has received W's massive support to get elected. It is hard not to find this fascinating. The North Korean leadership will wonder if the South Korean president plans to offer them the same kind of fairness and impartiality in case of Korean unification negotiations.

De Maizière's predecessor as East German Prime Minister was Hans Modrow. He came to power after Honecker was ousted in October 1989 and his successor-turned-Brutus, Egon Krenz<sup>42</sup>, was sacked by his comrades just a few weeks later in November 1989. It was hoped that Modrow would be an East German Gorbachev, but he did not have a chance. Events had by then become hyper-dynamic, and the focus shifted from reform to unification. He tried hard, but there was little he could do. Much has been speculated about a different course of events had he been chosen as Honecker's successor in October, but this is one of those useless "what if" discussions. But returning to President Park's speech, it is useful to know that Modrow had, until 1989, been First Secretary of the East German Communist Party (SED) in—guess where—yes, in Dresden.

However, I did not see Modrow's name on President Park's guest list. Perhaps because he is still a member of Die Linke, a leftist party that got 8.6 percent of the votes for the Bundestag in 2013 and is currently the third strongest (democratically elected) political force in Germany after the CDU and the Social Democrats. Twenty-five years after the collapse of East Germany, they are still seen as "Commies" by those whose Cold War indoctrination has survived unaltered until present day. And I suppose the last thing President Park is looking forward to is to see how a democratic Korean political party, built on the foundations of the Korean Workers' Party, wins a significant number of seats in a unified Korean parliament. Demographics suggest that this "problem" might actually be twice as big in Korea. The relation between North and South Koreans is 1:2; that between East and West Germans was 1:4.

In any case, Hans Modrow is an interesting man who is very symbolic of the complicated and conflicting nature of the German unification process. He is a controversial person, no doubt about that. He was a part of the old system, but also represented East Germany's last chance to reform itself from within, rather than being integrated into West Germany. He was a member of unified Germany's parliament, the Bundestag, until 1994. People like him are disturbing proof that the old elite were not homogeneous. True: all were pro-system; but many were, at the same time, reformist and progressive. So yes, indeed; why invite Modrow? Better to get rid of all this inconvenient ballast of the past. Things ought to be dichotomous

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<sup>42</sup> Krenz was for many years Honecker's designated successor. In October 1989, after receiving Moscow's blessings, Krenz turned against his mentor in a kind of palace revolt within the Politburo and kicked him out of office in government and party. Honecker in his memoirs recollected this with great bitterness, which is a bit ironic since he himself had replaced Walter Ulbricht in a similar way in 1971.

and easy to understand. East Germany's history starts in 1990; before then was simply the Dark Age. Just in case the millions of North Korean Party members are wondering what their place will be after unification...

### Praise the West, Neglect the East

The contents of the speech were in accordance with the choice of location and company. Take the reference to the good old days of German-Korean relations: "The Korean president who visited Germany at the time felt that Germany's rise from the ashes of the Second World War and its Miracle on the Rhine were feats that could be replicated in Korea." Yes, it makes good sense to recall her father's visit and the good aspects<sup>43</sup> of relations between West Germany and South Korea in a speech held in Germany. But he has never been in Dresden or in East Germany. Talking extensively (mentioned four times) about the miracle at the Rhine (West Germany, 1950s) and the Korean nurses and miners who came to (West) Germany (1960s and 1970s) as proof of this long-standing bilateral relationship is a bit, how shall I say, insensitive when you grab the mike in Dresden, the capital of Saxony in East Germany.

The local representative did not mind, I suppose. Hans Mueller-Steinhagen, the Rector of the Technical University Dresden, who stood next to President Park, comes from Karlsruhe (West Germany). Coincidence, perhaps, and there is nothing wrong about the fact that the Rector of an East German university comes from the West. But given the context of her speech, it is hard not to see this as deeply symbolic, because a quarter of a century after the takeover—oh forgive me, unification—the elite in East Germany still often speak West German dialects. A disclaimer: I do believe German unification was a great gift to us Germans, in particular, in the East. I even think that the way it proceeded was the only possible way under the circumstances. And I know about many cases of extraordinary Western generosity, on individual and institutional levels. But be it right or wrong: the feeling of colonization was and is strong, and a sensitive politician (or her advisors) would understand and consider that.

So, one hopes that native East Germans were standing too far away, did not listen too closely, or simply lacked the energy to be frustrated. Otherwise they might have got the absurd impression that in President Park's view, their lives were sad and worthless until 1990, and that only afterwards did the utterly ugly and desperate city of Dresden develop into something beautiful and noteworthy. "The years since unification have seen Dresden emerge from a backwater into a world-class city known for its advanced science and technology." Who cares that the renovated

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<sup>43</sup> To be sure, there was a little bit of rain amidst all the sunshine. In 1967, the South Korea CIA abducted 17 Koreans from West Germany and West Berlin in 1967, including composer Yun Isang and his wife. This triggered a massive diplomatic crisis, and three South Korean diplomats were expelled.

landmark opera house (Semperoper) was opened in 1985, that the TV and the LCD were invented in Dresden before unification. All of this must have been an accident; how could it be conceivable that something positive or successful was done in the “backwater” of East Germany? Or in the starving stone-age gulag state of North Korea?

The focus on West Germany is particularly regrettable since there would have been a lot to say about German-Korean relations that relates directly and positively to Saxony’s capital and its people. In and around Dresden, several hundred Korean children who lost their parents in the Korean War were raised for a few years in orphanages in the early and mid 1950s. Afterwards, hundreds of North Korean students graduated from Dresden’s Technical University. Does the fact that they come from the “wrong” part of Korea mean that they are not worth mentioning?

In short, I believe that President Park is herself, no doubt, well-meaning. But as an East German with an interest in Korea, I felt her speech suffered from a number of serious problems that reflected a lack of understanding of history, of the people and their sensitivities and, perhaps most importantly, of the message it sent to North Korea.

First, the location was chosen in what, at first glance, appears to be a reference to East Germany, but in fact, marks a Helmut Kohl speech that finalized the transformation of the indigenous East German reform movement into a pan-German unification campaign. The North Korean leadership reads: if you risk reform, this will be your end. We will try to use that opportunity in the same way as Kohl did.

Second, her entourage reflects the focus of President Park on West Germans. The North Korean elite reads: You are welcome to support me, and perhaps I will even bless you with my attention, but only if you play according to my rules. The rest of the elite will be ignored—if you are lucky. In any case, get ready to make room for South Korean bosses.

Third, the speech emphasized relations between Korea and Germany but focused entirely on South and West. East German-North Korean relations were ignored. North Koreans read: After unification, we will treat the North as being of secondary importance, an accident, a shame. Korea’s history after 1945 is South Korea’s history.

Fourth, East Germany was displayed as a miserable place that only saw the light after unification. North Koreans read: None of your achievements in culture, technology or elsewhere will be recognized. No matter what you accomplished, you did so under the wrong conditions, so it is worthless.

Regarding the current ROK government’s attitude towards the DPRK, the Dresden speech was very revealing. What a signal to the North Koreans on all levels, and what an intriguing way of trust building. I doubt that it has helped increase North Korean enthusiasm for fast, Seoul-led unification. Ironically, the speech rather might

have strengthened Kim Jong Un's rule. Unless that was intentional: fire the speech-writer.

## **Rasŏn Special Economic Zone: North Korea as It Could Be**

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URL: <http://38north.org/2014/12/rfrank121614>

If you have ever been to North Korea, you might know that feeling: you are in the country, and at the same time, you are not. Foreign visitors usually stroll through the streets as if they are caught inside a huge transparent rubber sphere. They can see and hear, but most of the time there is this invisible but tangible wall between them and the world outside. Foreigners manage to break through that barrier only rarely, and if so, only for brief moments.

This is what visitors then speak about with excitement: how they could raise a shy smile from a child, how one of the assigned guides after a long night of drinking finally opened up and provided a glimpse into his personal desires and worries, how they made brief eye contact with a stranger on the street. In the end, this is why most travelers go to North Korea—to look behind the scenes. In addition to the standard images of goose-stepping soldiers on Kim Il Sung square, rising rockets, leaders-looking-at-things, starving children, and nuclear threats, there must be more. But the country does not easily show its real face; xenophobia, nationalist pride and the state's information policy stand in the way.

My own experience during 23 years of researching and visiting North Korea has not been much different. I can count those few moments, when I did not feel like an isolated odd man out, on the fingers of my hands. But this changed dramatically in September 2014 when I travelled to the Northeast and visited the Special Economic Zone (SEZ) of Rasŏn (formerly referred to as Rajin-Sŏnbong). To get straight to the point: Rasŏn is simply mind-boggling.

But everything in turn now. Frankly, my expectations were not very high. I had been to the Industrial Zone near Kaesong in the southwest a couple of times. Whatever that is, it certainly has nothing to do with North Korea. Kaesong is a completely artificial world. South Korean factories, guaranteed free of communist propaganda, stand in a previously sparsely inhabited North Korean plain. About 50,000 selected North Korean women are brought in by buses every morning, work their shifts, and then return to their living quarters outside the zone. The area is off limits for ordinary North Koreans and for Western tourists alike. Call it a zoo or Disneyland.





Figure 18: Entering Rasŏn coming from Chongjin feels a bit like leaving North Korea. Buses, guides and driver are changed, passports are requested. (Photo: Ruediger Frank)

With Rasŏn however... if entering from North Korean territory via Chongjin, there is indeed the feeling of leaving the country. Buses are changed, drivers and guides too. A checkpoint is passed that reminds one strongly of a state border, although passports are only checked, not stamped. The zone is taboo for ordinary North Koreans. A friend told me how he was once able to bring in his Ch'ŏngjin guides, thanks to the fact that it was his birthday and that he has very, very good contacts within the North Korean leadership. The guides had not been there for ten years although they live less than 80 kilometers away.

At first glance, there is not much to be seen—which, as odd as it may seem, makes Rasŏn fascinating. Contrary to my expectations, it is not just another theme park. Even though Rasŏn has been an SEZ since 1991, and despite travel restrictions for locals, it has remained a part of North Korea that looks, smells, and feels like the original. The roads are a bit bumpy, there are villages with the typical low white buildings, kitchen gardens, surrounding walls, unpaved roads and long wooden chimneys seen everywhere in the DPRK's Northern provinces. Oxen carts pass by, children with red scarfs march to school, the city is covered with slogans glorifying the “Great Sun of the 21st century, comrade Kim Jong-un” or the Party's Military First (sŏn'gun) Policy. Public announcements on wallpapers, like everywhere in the country around this time of the year, remind people that September and October are “hygienic months” (wisaeng wŏlgan) and encourage them to pay extra attention to

cleanliness. A gigantic mosaic mural with the faces of the two deceased leaders sits on a hill, right next to the international telecommunications center that was once built by Loxley of Thailand. Two bronze statues of the leaders are under construction. Many windows in the apartment blocks in Rasŏn are equipped with solar panels, and the balconies are full of red Kimjongilias.<sup>44</sup> It is autumn. Long chains of red pepper dry in the warm September sun and wait to become a key ingredient of Korea's typical fermented cabbage kimchi.



Figure 19: Rasŏn's Central Square is typical for a provincial city in North Korea. Slogans and daily life are like everywhere else. Except that foreigners are allowed a much closer interaction with locals. (Photo: Ruediger Frank)

It is North Korea as usual even in our hotel, which was built in the mid-1930s by the Japanese and does not seem to have been renovated too extensively since then. Water is sometimes available, sometimes not. The same is true for electricity; the draught makes the operation of hydroelectric power stations difficult, say our guides. Hot water is provided upon request or twice a day for one hour each. During breakfast, entertainment is delivered on a huge video screen by an infinite loop of the newest performance of the short-skirted Moranbong Band, founded by the new leader in July 2012. With sweet voices and tough words, the band is praising his extraordinary personality and the heroic deeds of the armed forces.

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<sup>44</sup> "Kimjongilia" is a special breed of begonia that was named after Kim Jong Il on his 46th birthday.

Nothing new on the northeastern front? Not quite. After just five days in “ordinary” North Korea we got used to the fact that taking photos from the bus is deemed, well, not appropriate. Not that this would have prevented us from taking a snapshot once in a while, of course, but admonishment usually followed and made the experience a bit straining. Now in Rasŏn, what is the guide saying? “Take photos as you wish, no problem, you are tourists—isn’t it natural for visitors to do that.” Exactly; this is what I have been preaching to dozens of DPRK guides over the years. But it was like talking to a brick wall. Now that we have official permission to take pictures, it is almost no fun anymore.

Things continue along these lines. In the middle of town, at the central square, stands a huge monitor. Like the one in front of Pyongyang railway station it shows the state TV news and occasionally a movie. In the evening, people sit on the ground and watch. Around them are little stalls selling food and drinks. Photos? Yes, of course. Don’t we also want a beer? Say that again? Go and sit there, right among ordinary people who have neither been briefed nor brought here for a “spontaneous” party with foreigner?

Sure we want to. I somehow expect that our little stall will soon be empty, but no, none of the locals escapes. On the contrary, I see curious looks, and then broad smiles and excited conversation after I tell the waitress in Korean that I have studied one semester at Kim Il Sung University in 1991. I sit among these North Koreans with a strange feeling of happiness, and I think how sad it is that I am so excited about something that would be normal in most other parts of the world.

Without exception, we eat quite well in different profit- and service-oriented restaurants operated as joint ventures with Chinese or Japanese-Koreans. Many such restaurants exist in Pyongyang too. But after lunch, an extended visit to the market—this is something the capital does not offer these days. I visited Pyongyang’s T’ongil Market only once, in 2004, and at Ch’ŏllima speed, for no more than 20 minutes. Here in Rasŏn we get two hours. But as if to remind me that this is still North Korea: no photos please. I know that my explanations about how such pictures will actually improve the country’s image abroad might not be completely lost on the guide, but this will not change the rules that he has to enforce. I obey, grudgingly.

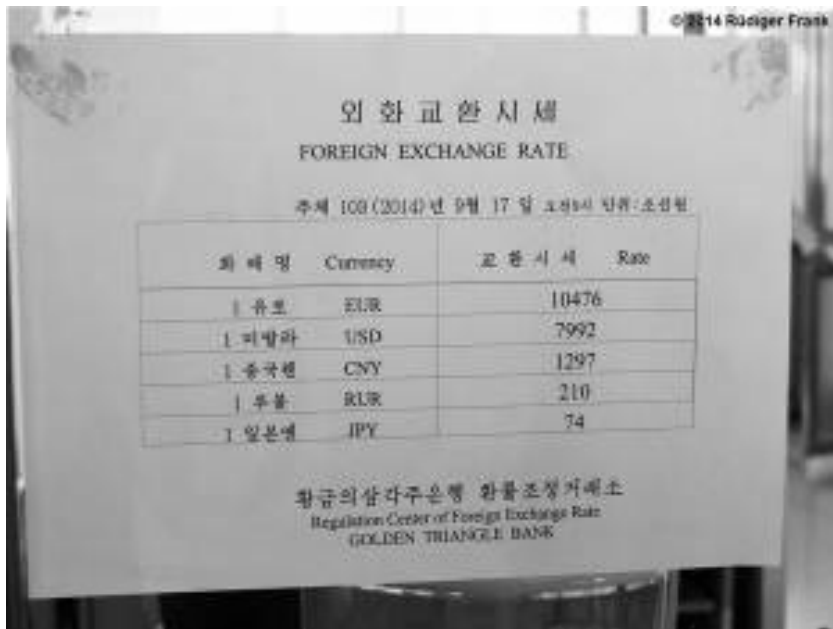
Disappointment quickly makes room for curiosity. At the entrance to the market is a group of women who obviously do not have a license; as soon as they spot a man in uniform, they quickly fold up their wooden boxes with cigarettes and get ready to run. After having passed their espalier, a huge area opens up in front of us, roughly the size of a soccer field, most of it indoors. The lanes of the market are closely packed with women of all ages who sell whatever you can imagine: from fresh fish to refrigerators. In the fruit corner almost anything is on offer: whole pineapples, bananas, nectarines, grapes, and more. The prices are hefty; all these goods are imported from China, as one of the women tells me. One Kilo of bananas

costs 14 Chinese Yuan, or Renminbi. I ask for the price of a kilo of bananas in DPRK Won and get an answer only after some hesitation. A secret? No, she simply did not know and had to recalculate, as hardly anybody seems to use the domestic currency here. The Renminbi dominates. But then I get an answer, and my guide even helps me with the calculation—the market rate is about 1:1,300. How is it possible that people here are so frank about a piece of information that is usually hidden from foreigners in other parts of North Korea?

The mystery of this unusual openness gets resolved when I visit the Golden Triangle Bank the next morning. This is a regular bank, right at the main street: a huge building, all glass, steel, and granite. When you ask at any bank or hotel in Pyongyang about the exchange rate of the Euro to the local Won, the answer is usually without hesitation around 1:132. It is such misinformation that lead some of our media to report the nonsense that a small “Orion” choco pie—worth less than 15 cents at Amazon—costs 10 US\$ in North Korea.

But here I see a list attached to the bank’s wall with the exchange rates of the day: 1 EUR is exchanged against 10,476 Won, 1 US\$ is about 8,000 Won, one Renminbi is about 1,300. I must admit my jaw dropped. To make things even better, I can actually exchange Euros into domestic currency at that rate. I am not allowed to take those bills out of the country, but that is of secondary importance. Anywhere else in North Korea the domestic currency is taboo for foreigners, for whatever reason. Here, I can buy it—at a rate now difficult to call “black market rate.”

This openness continues. During a visit to a textile factory—again, a regular one, full of propaganda and quite similar to what I saw in the capital—the manager readily answers all my questions, including about the wages of his seamstresses. He pays them 500 Renminbi per month, depending on performance. Try that in Pyongyang—you will get numbers that just make no sense. And while I am still trying to get used to actually receiving real answers to my questions, he asks whether we noticed that the ski suits that are currently produced have a sign saying “made in China” sewn into them. We nod; he explains that this must be done so his client can sell them in South Korea, and shakes his head in a mix of amusement and frustration. Again this pragmatism is nothing new; I have seen suits “Made in Italy” produced in Pyongyang many years ago. What is different is that people in Rasõn are so open about it.



외 화 교 환 시 세  
FOREIGN EXCHANGE RATE

주제 108 (2014)년 9월 17 일 조항5시 인위:조성원

외 화 명	Currency	교 환 시 세	Rate
1 유로	EUR		10476
1 미달러	USD		7992
1 중국원	CNY		1297
1 루블	RUB		210
1 일본엔	JPY		74

황금의삼각주은행 환율조정거래소  
Regulation Center of Foreign Exchange Rate  
GOLDEN TRIANGLE BANK

Figure 20: The official currency exchange rates in Rasŏn are what elsewhere in the country would be called the black market rate. (Photo: Ruediger Frank)



Figure 21: The Golden Triangle Bank is one of the major banks in Rasŏn and even sells the local currency to foreigners, something that is unthinkable in the rest of North Korea so far. (Photo: Ruediger Frank)



Figure 22: Chinese companies start outsourcing production to North Korea, since labor costs are rising sharply. (Photo: Ruediger Frank)

Our visit continues at the harbor. It has three piers; one leased to the Chinese, one to the Russians, and one left for the DPRK. The Russian pier has been upgraded recently, and huge brand-new cranes stretch into the sky. The Russians have renovated the about 50 kilometers of railway that lead to the harbor; the Chinese have completed a highway to their own territory. Is the history of the late 1950s repeating itself, with China and Russia competing on North Korean soil and Pyongyang pulling the strings?

So far, there is little activity. Road and railway are more or less empty, the tracks are rusty. A Russian fisherman from Sakhalin has quickly disappeared into his cabin as he saw our group approaching; he only comes back curiously after I shout a few words in Russian into his direction. Good to speak his native tongue, he says. It is boring here, he complains; nothing to do, no women, no Vodka. He wants to leave as soon as he can, and disappears with a grin.

But if you want to experience true drabness and tristesse, take the 20-minute ride to the Emperor Hotel. Built in 1999 by investors from Hong Kong, this five star hotel is located at a beautiful but deserted beach. Inside we only see Chinese who presumably never leave the building; all they do is sleep, eat, and gamble in the attached Casino.



Figure 23: The harbor of Rasŏn will be used by Chinese and Russian businesses. So far, we could observe little activity. (Photo: Ruediger Frank)



Figure 24: The Emperor Hotel is a bizarre world, built mainly for Chinese gamblers. Chinese promises for major investment at a nearby beach were not kept. (Photo: Ruediger Frank)

Next to the hotel stretches a decaying hulk of an abandoned project. Five years ago, a Chinese investor bought this top location property at the East Sea beach for 30 US\$ per square meter and promised to invest hundreds of millions more. But except a few smaller buildings, not much has happened. The Rasŏn city administration finally lost patience a few weeks ago, paid the fraudster his money back and is now looking for a new, serious investor. I am sure we will soon hear the story of another poor Chinese businessman who was treated “unfairly” by the evil North Korean authorities. I admit: my sympathy for the speculator is limited.

This lack of serious foreign investment is the tragedy of Rasŏn. Here, North Korea is what it could be without major reforms or effort: more open, more human, more approachable, more honest, and obviously very much more interested in business cooperation with the outside world. No insulating rubber sphere anymore for foreigners. The above is not much for us, but a lot by North Korean standards. And isn't this what we keep asking for all the time? When they have the heart to do it, reduce the restrictions to a minimum, adjust laws and regulations repeatedly to fit the wishes of investors, what happens? Nothing. North Korea opens up and nobody cares.

I leave the Rasŏn SEZ with excitement about what is possible in this isolated country, and full of hope that the reality as I see it in this enclave will sooner or later be extended to the rest of North Korea. After all, Kim Jong Un has announced the opening of 19 new SEZs. But in order for Rasŏn to become a model, it has to overcome the ideological concerns of skeptical cadres. The only way to achieve this is economic success. I feel sorry for the factory manager who gives me the phone number of his sales representative in Yanji so that I can help him with the acquisition of new clients; and I pity our guide who full of pride and enthusiasm lists all the economic projects that have so far been started in the Rasŏn SEZ. I do him the favor and am duly impressed.

However, it is obvious that all that investment into the “Golden Triangle of the Northeast” is mediocre in comparison to even the smallest Chinese city. The reason is clear: serious and well-founded concerns about the security threat posed by North Korea, and about human rights and humanitarian issues. But except for those who still believe in megaphone diplomacy, many observers agree that an economic opening of North Korea would help solve these problems in a more sustainable way, by making the country a stakeholder in peace and international recognition. Nonetheless, it seems that most of the Western world has decided to ignore Rasŏn and rather still waits for an Eastern-Europe-type collapse of the North Korean system—a “strategy” pursued since 1990, with little success so far.



## North Korea's Foreign Trade

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Foreign trade is, like elsewhere and for obvious reasons, one of the key indicators of North Korea's economy. However, since the state is notoriously reluctant to provide related figures, we have to rely on external sources to obtain this data. The South Korean Trade-Investment Promotion Agency (KOTRA) is one institution that has for many years collected data on trade with North Korea from Pyongyang's trading partners. Through this approach, called reverse statistics, KOTRA is able to produce one of the few macroeconomic datasets on North Korea that deserves at least a minimal degree of trust, even though there is still ample room for discussion regarding its completeness. At the end of September 2015, KOTRA published the latest of its reports on North Korea's trade, including data for 2014.<sup>45</sup>

### Main Findings

The most striking figure of the 2014 KOTRA report on North Korean trade is the trade volume (exports plus imports), which has grown by 3.6 percent over 2013 and reached \$7.6 billion (US), the highest value since the end of the preferential trade agreements with the socialist bloc in 1990. The rate of growth was slower than a year before, but happened despite the third nuclear test that took place in February 2013. By contrast, in 2009, the year of the second nuclear test, North Korea's trade had fallen by 10.5 percent.

While the overall trade volume has expanded, North Korea's exports in 2014 actually declined slightly compared to the previous year by \$154 million, from \$3.218 billion to \$3.164 billion. This can be explained by a reduction in the exports of anthracite, which dropped by \$261 million from \$1.439 billion to \$1.178 billion.

The reasons for this decline could have been lower world market prices, a lower production volume or a higher domestic use of coal. The latter would be a positive sign, because it implies more economic activity in North Korea.<sup>46</sup>

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<sup>45</sup> 2014 년 북한의 대외무역동향,

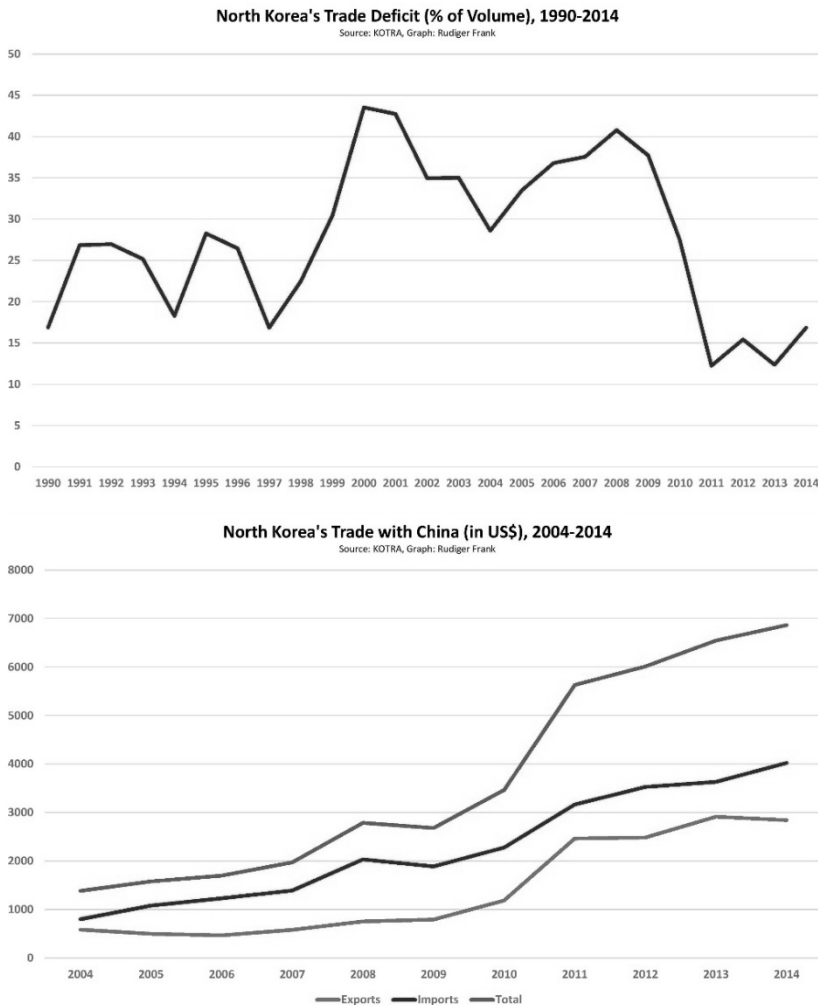
[http://www.globalwindow.org/gw/krpinfo/GWKITR020M.html?BBS\\_ID=16&MENU\\_CD=M10403&UPPER\\_MENU\\_CD=M10401&MENU\\_STEP=2&ARTICLE\\_ID=5031941&ARTICLE\\_SE=20346](http://www.globalwindow.org/gw/krpinfo/GWKITR020M.html?BBS_ID=16&MENU_CD=M10403&UPPER_MENU_CD=M10401&MENU_STEP=2&ARTICLE_ID=5031941&ARTICLE_SE=20346) [20.10.2015].

<sup>46</sup> See, for example, Benjamin Katzeff Silberstein, "North Korea's domestic impacts of lower coal prices," North Korea Economy Watch, September 22, 2015, <http://www.nkeconwatch.com/category/energy/coal> [28 April 2017].



As every year, North Korea's imports in 2014 exceeded its exports—by far. The gap is almost \$1.3 billion. While this is not a small amount, a closer look at the numbers shows that the deficit has been bigger before, most notably in 2008. More importantly, in relative terms, the deficit has been declining; it reached about 17 percent in 2014, which is the fourth lowest percentage since 1990.





The very fact that North Korea can have a structural trade deficit of that size remains odd. The country does not have a convertible currency and has virtually no legal access to international finance. It thus has no chance to cover a trade deficit with debt. Still, North Korea is obviously able to buy more than it officially sells.

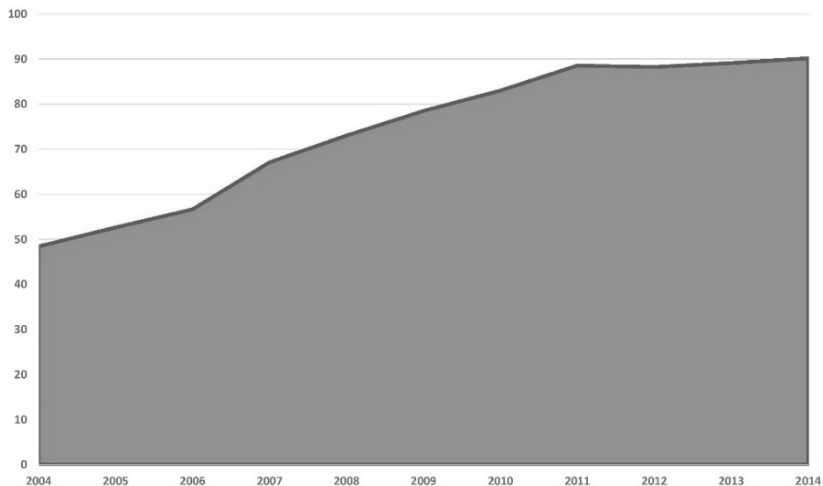
There is only one possible solution to this puzzle: North Korea must have other sources of income in addition to the exports listed by KOTRA. Such income can be political capital, which compels a major trading partner to deliver goods for free or, as this would typically be the case, to grant a long-term loan at no interest. “Invisible” income can also be generated from trade that partners usually are reluctant to report—arms trade, for example. In addition, gold could be used for direct payment. There is also trade that generates funds but does not show up in any statistics, like

smuggling. Transfers or remittances are another typical source of income; foreigners or North Koreans living and working abroad remit funds back home that enter the state's financial system. This also applies to fees that the state receives for sending laborers abroad.

The third remarkable feature of North Korea's trade is its massive dependency on China. This is a relatively recent phenomenon, since only ten years ago, China accounted for less than half of North Korea's trade. Until 2002, Japan was North Korea's major trading partner. However, this changed after the failed attempt to resolve the abductee issue in a summit meeting between Kim Jong Il and Koizumi Junichiro in September 2002. Trade with the rest of the Western world was heavily affected by the sanctions following the outbreak of the second nuclear crisis in October 2002, which needs to be understood in the context of the US "war on terrorism" after 9/11. This left a vacuum for China to fill, which at the same time, was pushing for economic development of its hitherto neglected northeastern provinces. In 2014, not less than 90.2 percent of all North Korean trade was with its big neighbor. That is yet another increase over the 89.1 percent rate in 2013, despite media reports about a worsened relationship between Beijing and Pyongyang after the North's third nuclear test that February, the death of Jang Song Thaek that December and the allegedly bad chemistry between the young leader Kim Jong Un and China's Xi Jinping. The attempts of the North Korean leadership to diversify its trade and the recently improved economic relationship with Russia do not seem to have had much of an effect on China's trade dominance. In fact, the volume of trade with Russia even decreased slightly from \$104 million in 2013 to \$92 million in 2014, although we should be careful to derive trends from such small amounts.

**Trade with China as Percentage of Total North Korean Trade, 2004-2014**

Source: KOTRA, Graph: Rudiger Frank



## Where Is Trade With South Korea?

The omission of inter-Korean trade is one of the laudable features of the KOTRA report. This might be primarily an ideological decision, along the logic that if trade with North Korea is treated as foreign trade, this would constitute a *de facto* recognition of that country as an independent state—which South Korea refuses to do. But no matter what the reasons are, excluding inter-Korean trade makes good economic sense. Why?

Because since the halt in inter-Korean economic activity under the South Korea's May 24th Measures, the only noteworthy economic exchange between North and South Korea these days takes place at the Kaesong Industrial Complex (KIC). South Korea sends semi-finished products and raw materials to companies operating in the KIC; these count as North Korean "imports." They are then processed in the KIC by 124 South Korean companies using North Korean labor. The processed goods are sent back to South Korea and recorded as North Korean "exports." Technically, it is hard to deny that this is trade. But in fact, South Korea is mainly trading with itself. This case reminds us to be careful with numbers unless we understand where they come from, otherwise we might be misled to believe that the two Koreas have a brisk exchange of various locally produced goods and services in the range of \$1 billion annually, which is just not the case. All that happens is that roughly \$100 million per year is transferred from South to North, in the form of wages for the 54,000 female workers in the KIC.<sup>47</sup> But not a single South Korean product makes it to the North Korean market (well, not this way at least), and neither is this the case for North Korean products in the Southern market. This should be considered when reading headlines about the Kaesong Industrial Complex having reached an accumulated production volume of \$3 billion in early October 2015.<sup>48</sup>

## Why Is North Korean Trade Relevant?

One reason why it is important to know about North Korea's trade is that it serves as an indicator of the status of the country's economy—on which we have almost no other reliable macroeconomic data. Whether for humanitarian reasons or in order to know how receptive Pyongyang's diplomats might be to economic incentives, we need to be able to feel the pulse of the economy.

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<sup>47</sup> Kim Tae-shik, "Inter-Korean Exchange and Cooperation Since May 24 Measures," *Vantage Point*, June 2015, 10-14.

<sup>48</sup> "Kaesong joint complex reaches US\$3 bln in accumulated production volume, 11 yrs after opening," *Yonhap*, April 10, 2015, <http://english.yonhapnews.co.kr/national/2015/10/04/52/0301000000AEN20151004000400315F.html> [28 April 2017].

Remember that the famine of the mid-1990s was accompanied, or even triggered, by the collapse of a foreign trade structure that was geared towards politically motivated exchange with allies from the so-called socialist bloc. Total trade dropped from about \$4.1 billion in 1990 to \$2.6 billion only a year later, and kept decreasing until it reached its lowest point in 1998 with a mere \$1.4 billion (see graph 1). Imports of fertilizer and fuel almost stopped in the early 1990s; electricity became even scarcer. The combination of inadequate crucial inputs for agricultural production, two consecutive natural disasters, and the typical low efficiency of state-socialist agriculture led to a sudden drop in output. Lack of hard currency, or the leadership's lack of willingness to use what little was available for that purpose, meant that no food would be imported. The resulting famine cost countless lives.

A repetition of such a catastrophe would be disastrous and thus needs to be avoided by all means. In addition to the human dimension, this time North Korea is a state equipped with nuclear weapons of unknown quality and quantity. Considering the changes in society during the last two decades and the new leadership, it is very unlikely that another major food crisis would leave domestic political stability unaffected. Given the difficulties assessing the actual macroeconomic situation by regular means, trade would function as an early warning indicator of a worsening economy and of a potentially multiplying security threat.

Furthermore, trade tells us something about the effectiveness of sanctions. If a country that is subject to continuous and actually growing restrictions on its external economic relations nevertheless experiences a growing trade volume, then the imposed sanctions obviously do not work as intended and need to be rethought.<sup>49</sup>

Not least, and to end on a somewhat happier note, expanding trade implies more economic activity. This includes more people-to-people exchanges, more learning by doing, more day-to-day business, perhaps more corruption, and certainly more purchasing power on the markets. The latter have come a long way from occasional gatherings of makeshift stalls on a dusty place at some intersection.<sup>50</sup> Some of them seem to have become more professional and permanent, as I could see during my last visit to Rasõn in September 2015. The old market there has now moved from the typical low-rise shed with its blue aluminum-roof into a complex of modern, two-story buildings complete with a parking lot and large, brightly illuminated shop windows. Needless to say, most products on sale there are from China.

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<sup>49</sup> For a more detailed discussion of sanctions on North Korea, see Ruediger Frank, "The Political Economy of Sanctions Against North Korea," *Asian Perspective*, Vol 30, No. 3 (Fall, 2006) 5-36, also at <http://japanfocus.org/data/frank.sanctions.pdf> [28 April 2017].

<sup>50</sup> For a satellite analysis of market expansion, see Benjamin Katzeff Silberstein, "Growth and Geography of Markets in North Korea," US-Korea Institute at SAIS, October 2015, <http://uskoreainstitute.org/wp-content/uploads/2015/10/USKI-New-Voices-BKS-Markets-Oct2015.pdf> [28 April 2017].

## The 2016 North Korean Budget Report: 12 Observations

Date of original publication: 8 April 2016

URL: <http://38north.org/2016/04/rfrank040816>

On 30 March 2016, the ninth plenary meeting of the 13th Presidium of the Supreme People's Assembly (SPA) of the DPRK convened at the Mansudae Assembly Hall in Pyongyang. Such meetings are routine events taking place annually in the spring. A senior official, usually the Prime Minister or the Minister of Finance, reports on the state budget for the past and current years and announces the cornerstones of economic policy.

Thus, while neither the plenum itself this year nor its timing was extraordinary, there were a few noteworthy features that justify taking a closer look at the typically sparse news about this event disseminated by the North's state media.

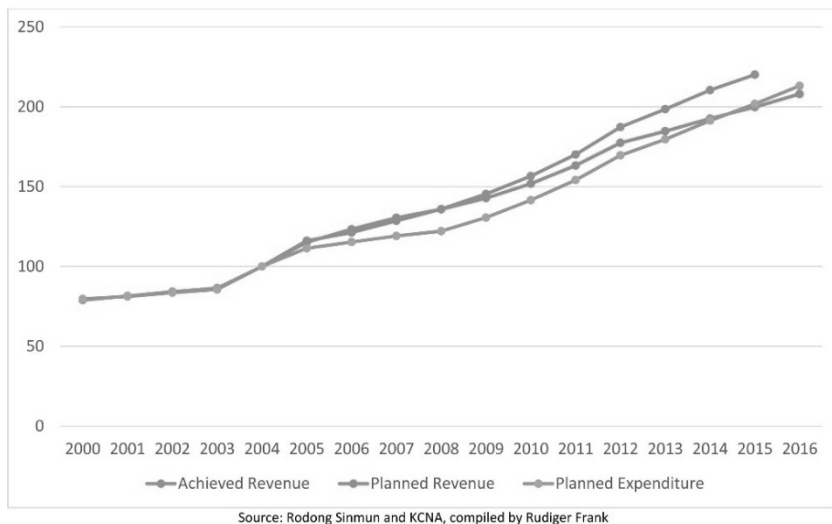
***The weight of income from sources that are explicitly not classified as “central” grows continuously.*** The revenue coming from “central” (중앙) sources is still high, but the slowly-but-steadily growing percentage of the state budgetary revenue coming from “local areas” (지방) is remarkable. It is now 23.2 percent compared to 16.1 percent in 2011, the first time it was reported in the last decade. The term “local” has a double meaning. Technically, it refers to enterprises in the provinces and could perhaps be understood as a euphemism for what used to be called Township and Village Enterprises (TVEs) in China. But according to information I was given during my visits to North Korea, it can also characterize the non-centrally planned part of the economy. It is admittedly a long shot judging only by the budget report, but it would be truly remarkable if almost a quarter of the value produced in North Korea is, indeed, coming from that sector.

***Moderate growth of expenditure on agriculture implies that no emergency is expected.*** The 4.3 percent for 2016 is similar to 4.2 percent for 2015, but much less than the 9.x percent in the years 2010, 2011 and 2012. The conclusion would be that the state is satisfied with agricultural production and believes it does not have to make growth one of its top priorities this year.

***Investment in infrastructure will grow above average in 2016.*** Extra budget for “capital construction” (기본건설부문) grew from +4.3 percent in 2014 to +8.7 percent in 2015 and now +13.7 percent for 2016. The North Korean media provided no explanation of this somewhat obscure term, but my conversations with North Korean economists indicate that this concerns infrastructure including roads and public buildings. Expenditure on education, another component of what we would call social overhead capital, is also supposed to grow above average in 2016 (+8.1 percent compared to +6.3 percent in 2015).

*The budget seems to be more or less balanced, i.e. no major external inputs are expected.* State expenditure is planned to grow by 5.6 percent in 2016. This is almost the same value as in 2015 (5.5 percent) and more than the growth rate for revenue. North Korea still plans to spend more than it earns, since the gap between the planned growth of revenue and expenditure for 2016 is 1.5 percent. This could indicate the expectation of external transfers or other sources of income to cover that gap, feeding a popular Western narrative of secret or illicit sources of income. However, we should be careful interpreting the official budget figures that way; this income could simply be generated by the over-fulfillment of the plan which was 1.3 percent in 2015-2016. This possibility is supported by graph 1, which shows that the value for achieved revenue has constantly been above cumulative expenditure growth throughout Kim Jong Un's tenure.

Cumulative Growth (in %, base year 2004 = 100) of the North Korean State Budget, 2000-2016

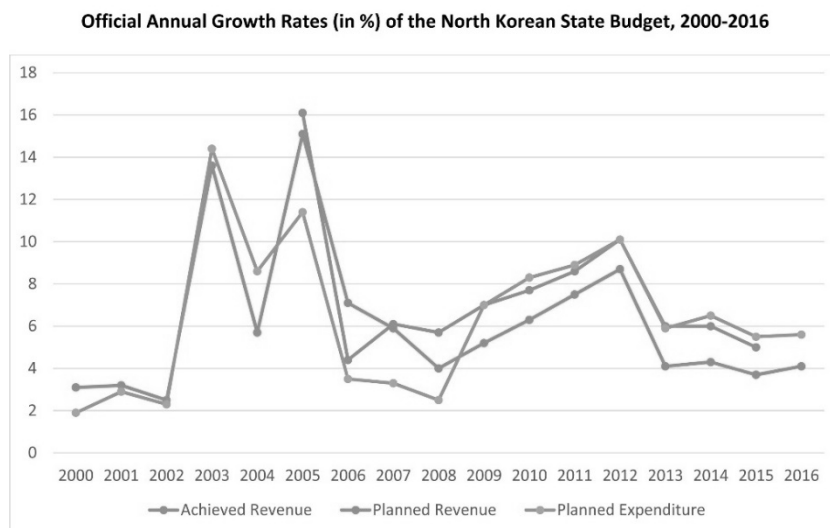


*The trend of setting lower official growth targets, evident since the emergence of Kim Jong Un, has continued.* The growth rate for “achieved” state revenue 2015-2016 was 5 percent, 1 percent less than the year before. This is the second lowest value since 2004. It is not clear whether this is an expression of reduced growth, or a sign of more realistic reporting.

*This year's special circumstances are not immediately visible in the budget report.* The first-ever Party Congress in 36 years to be held in May will most likely include some new directives on the economy. A few weeks ago, new sanctions potentially affecting all of North Korea's trade were issued, and the Kaesong Indus-



trial Zone<sup>51</sup>, an important source of hard currency, was closed. Considering the impact these events will potentially have on North Korea's economy, one would expect that they would somehow be addressed or at least reflected at the SPA plenary meeting, for example, in the form of increased or reduced growth expectations or by displaying a defiant “now more than ever” spirit. However, a closer look at the budget report reveals only marginal changes, but no major differences compared with the previous reports. Graph 2 shows the year-on-year growth figures in comparison to the values for the previous years.



Source: Rodong Sinmun and KCNA, compiled by Rudiger Frank

***The state's official outlook on the economy in 2016 is not pessimistic.*** The growth figure for planned state revenue in 2016 is 4.1 percent, slightly higher than last year's figure of 3.7 percent. In other words, the state is slightly more optimistic about the economy than it was in 2015.

***The Kaesong closure has not affected the state's expectations of revenue from special economic zones.*** Revenue from special economic zones is expected to grow 4.1 percent in 2016. This could perhaps be interpreted as a sign of defiance, but the number does not significantly deviate from the figures for 2015 (+3.8 percent) and 2014 (+5.1 percent). I would support an alternative interpretation: that the income

<sup>51</sup>Ruediger Frank, “The Kaesong Closure: Punishment or Shot in the Foot?”, *38north.org*, February 12, 2016, <http://38north.org/2016/02/rfrank021216/> [27 April 2017].

from Kaesong has never been part of the official state budget and thus the closure had no effect on these reports.

***The reduction in official military expenditure is marginal.*** The planned expenditure for the military in 2016 is supposed to be reduced from 15.9 to 15.8 percent of total expenditure. This has been interpreted by Western and South Korean media as a noteworthy signal. However, a change by 0.1 percent is hardly a major policy change, in particular, since we can expect the real expenditure to be much higher. The military has its own sources of revenue which are, for obvious reasons, not made public. But even if this number is treated seriously, we only see the return to a value that was standard for a long time. The official military budget has been 15.8 percent of the total budget in every year from 2009 to 2012. For 2013, no value was provided; only in 2014 and 2015 was it 15.9 percent of total. The explicit mentioning of “nuclear strike means” (핵타격수단) is unusual for state budget reports but in the context of the bellicose rhetoric of the past weeks can hardly be seen as extraordinary.

A few other observations worth noting include:

***Reporting this year was subdued even when compared to previous years.*** Unlike in past years, there was only one article about this event in the news rather than the usual three. This could have been for technical reasons, or the state may not have wanted to divulge more detailed information on the economy before the seventh Party Congress in May.

***No individual participant was mentioned explicitly.*** This time, only the general term “rapporteur” (보고자) was used without indicating who actually delivered the budget speech. Pyongyangologists would perhaps suspect a reduced role of the Premier or the Cabinet, or interpret the fact that the budget speech contained a direct quote from Kim Jong Un as that he intends to concentrate all attention only on himself.

***No report on economic development strategy.*** In previous years, before the budget report, there was usually a general speech “On the work of the DPRK Cabinet and its tasks.” However, this year, the media wrote only about the budget report itself. This could possibly mean that the more programmatic speech was postponed until the Party Congress in May, or that North Korean media simply did not mention it. The same is true for “organizational matters.” Usually, a few personnel changes are announced during the spring SPA plenary session; however, none of this took place this time around.

## Conclusion

The hope to be presented with some real macroeconomic data by the North Korean government was, once again, left unfulfilled. There wasn’t even a return to the pre-2002 custom of providing budget figures in North Korean won instead of percent-

ages. We still face a situation where official data on North Korea's economy is, in many ways, too vague to draw solid conclusions.

Nevertheless, the budget report did provide some food for thought and, as usual, for speculation. If I had to single out the three most noteworthy among my twelve observations, they would include the growing income from "local" sources; the substantial increase in infrastructure investment planned; and the absence of any visible effect of the latest sanctions and the Kaesong closure on budget projections for 2016. If we take the report at face value, which admittedly is a somewhat risky endeavor, it points to a belief by the North Korean government that international punitive measures will not affect the economy. The report also indicates that the part of the economy that produces outside of the plan is growing. At some point it will have reached a size where it becomes essential for the national economy, and thus less likely to be subject to state crackdowns/forced closures, etc. Finally, the systematic improvement of social overhead capital, a policy that included the introduction of an additional year of schooling in 2012, continues. At least from a developmentalist perspective, this is good news.

## **The 7th Party Congress in North Korea: A Return to a New Normal**

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The single most remarkable thing about the seventh Congress of the Workers' Party of Korea (WPK) is that it took place. After a 36-year hiatus, it was, without doubt, a noteworthy event, but the truly big news we were waiting for—such as an announcement of a drastically new economic policy or a switch to collective leadership—was missing. There wasn't even a major purge. Looking back at my November 2015 preview<sup>52</sup> of the Congress, of the two options presented for how the Congress would turn out, Option 1: a "return to a new normal," came closest to reality.<sup>53</sup>

I happened to be in North Korea for a few days until 2 May and thus had a chance to see how the country was gearing up for the event. Any effects of UN

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<sup>52</sup> Rüdiger Frank, "The 7th Congress of the Workers' Party of Korea in 2016: Return to a "New Normal" or Risk a "Take-Off"?", *38north.org*, November 11, 2015, <http://38north.org/2015/11/rfrank111115/> [28 April 2017].

<sup>53</sup> The Congress was announced on October 30, 2015, and was held for five days, from May 6 until May 10, 2016. The official number of participants, as reported by Kim Jong Un in his opening speech, was 3,467 plus 1,545 observers. The over 100 Western journalists who were allowed into the country were, not surprisingly, barred from the actual event. The 7th Congress of the Worker's Party of Korea was an internal affair.

Security Council Resolution 2270 issued in early March 2016 were not visible; on the contrary, during the week before the Congress, I experienced the most stable supply of electricity since my first visit in 1991. There was not a single blackout and there was running water everywhere, even outside of the capital. The rivers and reservoirs were full, which is crucial for the many hydroelectric power stations in the country. The chimneys of thermal power stations were smoking continuously, indicating the availability of coal. This could be a positive sign of increased production or, more likely, a first consequence of China's new import restrictions.<sup>54</sup> On the fields of Hwanghaedo, I counted significantly more tractors than oxen, which is also unusual. Large modern red trucks of a Chinese brand filled the streets of Pyongyang and the countryside. This points at brisk business activities, in particular construction, and above all a surprisingly good availability of fuel.

No official foreign delegation participated in the Party Congress. Foreign press has highlighted this as an important difference from the sixth Party Congress, but we should consider how much sense such a comparison makes. 1980 was not just 36 years ago; it was a time when Deng Xiaoping's reforms in China were still in their early infancy, when Mikhail Gorbachev was still five years and three predecessors away from becoming the Soviet leader, when South Korea was still a military dictatorship that had just bloodily suppressed the Kwangju Uprising, when the socialist camp still appeared to be rock solid and Germany was still divided. In North Korea, there had been no Arduous March, no nuclear weapons program, no space program, no succession of the top leadership, no monetization, no marketization, no inter-Korean summit, no special economic zones, not even a joint venture law. The term "apples and oranges" could hardly be more fitting.

The absence of the Chinese at this year's Congress was, nevertheless, noteworthy. However, after reading the full text of Kim Jong Un's speech on 8 May, it seems that they would not have enjoyed the show. Consider the following passage in Kim Jong Un's speech: "Despite the filthy wind of bourgeois liberty and 'reform' and 'openness' blowing in our neighborhood, we let the spirit of songun [military-first] rifles fly and advanced according to the path of socialism that we had chosen."<sup>55</sup> It is hard not to understand this as giving the bird to Beijing in the most undisguised way I have seen in official North Korean media for a long time.

Aside from the fact that many results of the Congress will not surface for weeks or months, a number of issues are worth mentioning. Few are encouraging. First, the Congress started in a stunningly old-fashioned way. As Stephan Haggard accurately notes<sup>56</sup>, the very idea of holding a 70-day battle right before the Congress

<sup>54</sup> If the Chinese don't buy the coal, more is left for domestic consumption.

<sup>55</sup> Author translation.

<sup>56</sup> Stephan Haggard, "Kim Jong Un Doubles Down I: The Opening Speech and the Central Committee Report", *Piie.com*, May 9, 2016, <https://piie.com/blogs/north-korea-witness-transformation/kim-jong-un-doubles-down-i-opening-speech-and-central> [28 April 2017].

was an early indicator of the neo-orthodox and socialist-conservative approach that would dominate the event. So-called speed battles (속도전) have been standard components of North Korea's political economy from the very first days of its existence.<sup>57</sup> The state has decided to continue relying on ideological motivation and mass rallies, on keeping individuals busy, and on attempting to perpetuate the spirit of revolution and a state of emergency, rather than laying more emphasis on decentralized, material incentives.



Figure 25: “Comrade, have you fulfilled today’s battle plan?” (Photo: Ruediger Frank)

The secretive nature of the preparation, too, is a reminder of old patterns. Classical socialist societies were typically obsessed with secrecy, even concerning minor details. When I arrived in Pyongyang on 26 April, no one I talked to knew when the Congress would start, how long it would last or what to expect. Almost everyone was practicing for the torch march or other mass ceremonies, streets were blocked for rehearsals and fireworks were prepared at Juche Tower, but it was not clear when the events would take place. There wasn’t even an official confirmation that the venue would be the April 25 House of Culture, though this became obvious a few days later as it was covered with white cloth, party symbols shining through.

<sup>57</sup> The so-called mass line has even found its way into the constitution (Article 13). In May 2016, state media emphasized that North Koreans would endure speed battles of 700 or 7,000 days if necessary: “우리는 ... 7 0 0 일, 7 0 0 0 일로 힘차게 이어나가겠습니다.” Rodong Sinmun, 12.05.2016, [http://www.rodong.rep.kp/ko/index.php?strPageID=SF01\\_02\\_01&newsID=2016-05-12-0010](http://www.rodong.rep.kp/ko/index.php?strPageID=SF01_02_01&newsID=2016-05-12-0010) [28 April 2017].

The announcement of a Five Year Plan, too, points to an old-school neo-orthodox socialist direction. We still must see more detail to pass judgment, of course.<sup>58</sup> Realistically, we will likely have to wait until this autumn or next spring to understand whether the plan will be implemented in the classical socialist-bureaucratic way of excessive micromanagement, or whether it will be more of a strategic and indicative nature. Strengthening the impression that this Congress signals a “return to a new normal,” Kim Jong Un mentioned the next (eighth) Party Congress, implying that it would take place around the end of the Five Year Plan—i.e., in 2020.



Figure 26: The April 25 House of Culture getting readied to serve as the venue for the 7th Party Congress.

(Photo: Ruediger Frank)

The creation of the post of Chairman of the WPK also was not a hopeful sign for those who were hoping that the Congress would serve as a milestone towards a reformed North Korea. It confirmed the one-person leadership of Kim Jong Un, rather than broadening the power base at the top level. One could argue that the appointment of less than a handful of additional individuals to the Presidium of the Politburo carries the seeds for a more collective type of leadership, but this is a long

<sup>58</sup> Both Stalin’s Soviet Union and Park Chung Hee’s South Korea had such plans, for instance. But while the former suffocated individual economic activity and led his country into economic and political bankruptcy, the latter pooled the limited resources of an underdeveloped country and opened the way to its current economic dynamism and prosperity, albeit at a high political and social price.

shot. Rather, it looks like the correction of a measure that had been pushed through too hastily in April 2012, when the party conference bestowed upon Kim Jong Un the newly created title of First Secretary. The position of Chairman does not change Kim Jong Un's status as the top man of the party in the slightest way, suggesting that the new title is just a cosmetic correction of something that had been done in a hurry immediately after Kim Jong Il's unexpected passing.<sup>59</sup>

A minor development of the Congress was the inclusion of Kim Yo Jong, said to be the leader's sister, as a member of the Central Committee. She continues making her way through the ranks of power, like Kim Jong Il's sister before her. It will be interesting to see whom she eventually marries, considering the 2013 purge of Kim Kyong Hui's hapless husband Jang Song Thaek. Speaking of Kim Jong Un's uncle, the absence of any major purge at the Congress should also be noted, though this was not very surprising given the clean sweep that had already been underway for years.<sup>60</sup>

Should we therefore conclude that the Party Congress achieved nothing except a normalization of the Party-based governance structure, the confirmation of Kim Jong Un as the undisputed top leader, and the announcement of a Five Year Plan for economic development? It is tempting to do so, but given the scarcity of information on North Korea, I suggest having a closer look at the complete version<sup>61</sup> of Kim Jong Un's speech on 8 May 2016. My focus is mainly on the passages related to the economy. Admittedly, they read like a laundry list of the usual suspects, but there are a few noteworthy details.

The bad news is that Kim Jong Un started by dismissing all ideas about reform,<sup>62</sup> but there are still a few positive signals. Kim Jong Un refrained from following the typical socialist fallacy of promoting producer goods over consumer goods. Rather, he emphasized the need for a balanced development of the sectors of the national economy. In fact, he even sounded slightly critical of past economic policies when he stressed that past investments, which were mainly in the economy's foundations,

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<sup>59</sup> Another mysterious cosmetic adjustment: In the autumn of 2012, the twin statues of Kim Il Sung and Kim Jong Il on Mansudae Hill were redone for no obvious reason. The only visible change was that Kim Jong Il is now wearing a parka rather than a Western coat.

<sup>60</sup> An entertaining detail was the re-emergence of Ri Yong Gil, which embarrassed the South Koreans who had reported him to be dead in February 2016. He became an alternate member of the Politburo and a member of the Central Military Commission.

<sup>61</sup> Kim Jong Un: "Opening Speech at the 7<sup>th</sup> Congress of the Korean Worker's Party", *Rodong Sinmun*, 07.05.2016, [http://www.rodong.rep.kp/ko/index.php?strPageID=SF01\\_02\\_01&newsID=2016-05-08-0001](http://www.rodong.rep.kp/ko/index.php?strPageID=SF01_02_01&newsID=2016-05-08-0001) [28 April 2017].

<sup>62</sup> Looking back at the period since 1980, he exhibited considerable pride in his country's ability to foil the "foolish" hope of the imperialists for a "change of direction" and "collapse of system." This is followed by the already mentioned passage on the "filthy wind of bourgeois liberty" in China.

need to translate into actual improvements of the people's lives. Developmental economists will feel reminded of the debate between supporters of balanced and unbalanced growth in the 1960s. Once again, we see that many of North Korea's problems are far from unique.

The three fields Kim Jong Un identified as being of key importance suggest that he and his advisors have a fairly good understanding of the country's actual economic problems: lack of energy, lack of food and lack of consumer goods. The strategies he emphasized for solving these issues were, however, not revolutionary. Rather than focusing on the comparative advantages of his country as a potential producer of manufactured goods and processed raw materials for export, which would generate the necessary funds for the import of food, he said explicitly: "We must realize self-sufficiency in food."

He did not, however, neglect foreign trade altogether. According to his speech, the country places particularly high hopes on the export of graphite, magnesite, silica and rare earths. The latter carries an ambitious undertone if we consider that the latest UN imposed sanctions explicitly ban the import of rare earth minerals from North Korea.

Regarding the energy shortage, which he correctly identified as the central issue for the development of the national economy, Kim Jong Un mentioned a major new power station at Tanch'ŏn and the need to build new nuclear power plants. But he also suggested a decentralized solution through the construction of a large number of small- and medium-sized power stations across out of the country. This idea is not new, but it appears realistic given that the weak national power grid could easily be overstressed by input from large power stations. In fact, the reduction of transmission losses was explicitly mentioned in Kim's speech.<sup>63</sup>

What is remarkable regarding the energy issue is the acknowledgement that the dependency on fuel imports is a strategic disadvantage, and that domestic substitutes have to be found. Adding to speculations<sup>64</sup> about domestic oil reserves, Kim Jong Un remarked that "...we must actively develop key natural resources including crude oil [원유]." Unless that is just wishful thinking, the fact that crude oil production has been mentioned on such an important occasion indicates that North Korea might indeed have found a possible solution to what so far constitutes one of the most crucial bottlenecks in the economy's supply chain.

Concerning food production, a further liberalization of agriculture was not announced. It seems that for the time being, the reduction in the size of work teams

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<sup>63</sup> It is in the eye of the beholder whether the emphasis on alternative sources of energy—wind, hydro, biomass and solar power—is the result of a sustainable and environmentalist approach or just born of necessity. In any case, the leader mentioned the elimination of pollution when, a few sentences later, he discussed the necessary modernization of the chemical industry.

<sup>64</sup> Leo Byrne, "North Korea takes first steps towards oil exploration", *The Guardian*, July 1, 2014, <https://www.theguardian.com/world/2014/jul/01/north-korea-oil-gas-exploration> [28 April 2017].



and the increase of the share of their harvest that farmers are allowed to keep and sell on the markets is deemed to provide enough incentives.

Reflecting the World Food Programme's concerns<sup>65</sup> that North Koreans generally have enough carbohydrates but lack adequate supply of fat and protein, Kim Jong Un stressed the need to dramatically expand animal husbandry. In fact, in addition to collectively owned animals, he explicitly mentioned the need to increase "private livestock" (개인축산) all over the country.

In a similar tone, Kim called upon enterprises to show initiative and creativity (주동, 창발) to normalize their production. He demanded that the state provide the necessary conditions for enterprises to use the management rights (경영권) they were granted to the fullest extent. This could be a very meaningful passage, but we should refrain from jumping to overly optimistic conclusions without more detail on these management rights.

Against the background of the intensified international sanctions, it is noteworthy that Kim Jong Un said: "We will need to expand and develop foreign economic relations." Joint ventures are supposed to facilitate the import of advanced technology, and through special economic zones, North Korea wants to actively lobby for investments from abroad. Again, this is an ambition that needs a reality check given the tightened sanctions regime.

The final economic remarks in Kim Jong Un's speech refer to more general economic policy issues. In particular, he criticized expediency, formalism and defeatism, and he demanded "realistic" (현실성있게) plans for economic development. He strongly reconfirmed the Cabinet's responsibility as the "headquarters of the economy" (경제사령부), a role reflected later in the Congress in the election of Prime Minister Pak Pong Ju to the Presidium of the Politburo.

A frequent misconception about the Party Congress deserves mention: foreign media interpreted it as a Party victory over the military in an alleged power struggle.<sup>66</sup> The idea of a power struggle between "Party" and "military" makes very little sense, but like the absurd hoax that a Choco Pie costs US\$10 on a North Korean market or that Jang Song ThaeK was ripped apart by 200 hungry dogs, it is dying hard. It takes a poor understanding of North Korea's power structure to ignore the fact that families matter, not institutions, and that the same families place their

<sup>65</sup> World Food Programme: "Democratic People's Republic of Korea", <http://www1.wfp.org/countries/democratic-peoples-republic-korea> [28 April 2017].

<sup>66</sup> I do not share this view but nevertheless noticed with some amusement that the venue of the conference was the April 25 House of Culture. April 25 is the official day of the North Korean army's foundation. A Pyongyangologist could draw all kinds of conclusions from this: that the military was the truly dominant force as the symbolic host of the event; or conversely, that the Party showed its dominance by holding its key event on the opponent's territory, just as the German Reich was founded in Versailles in 1871. Regardless of how you want to interpret this detail, it seems to have escaped the attention of most observers. Still, this omission might be more embarrassing than crucial.

members in all of the centers of power in the country, including the Party and the military. Besides, the Party has always suffused the military; for visual proof of this relationship, look at the number of military uniforms in the following photo or read the opening speech where Kim Jong Un mentioned 719 service men as regular participants. Every military unit is also a Party cell, and every leading military officer is a Party member.



Figure 27: 7th Party Congress participants pose for a commemorative photo in May 2016. (Photo: KCNA)

## Conclusion

However hard we search for details in Kim Jong Un's speeches, the Party Congress did not initiate a new age of reform and opening. On the contrary, it explicitly rejected such a prospect in the leader's rude words towards the Chinese, indicating a historical low point in the bilateral relationship.

A thin ray of hope is offered by the fact that solid Party rule formed the foundation for the successful changes in China and Vietnam, while the Party's disintegration was one reason for the Soviet Union's collapse. The explicit mentioning of the upcoming eighth Party Congress points into the direction of a further normalization. And although there was no big breakthrough, Kim Jong Un did not undo the changes of the past; he even talked about private economic activities and about flexibility and decentralized responsibility. He also repeated his four-year-old promise to improve people's lives. It will be seen whether the related expectations of his people were fulfilled or disappointed by the overall rather orthodox and conservative tone of the seventh Party Congress. The new leader had made big promises when he took

power in 2011<sup>67</sup>; it is now time to deliver. At the Congress, Kim Jong Un has praised the Party at length for its closeness to the masses and its spirit of devoting everything to the people. This description now, once again, must stand the test of reality.

## The Unification Cases of Germany and Korea: A Dangerous Comparison (Part 1 of 2)

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Germany's unification in 1990 has remained a popular model for future Korean unification, with its precedents on issues like the transfer of legal systems and technical standards, requirements for infrastructure investment, unification costs and social aspects.

A closer look, however, reveals that the differences between Germany and Korea far outweigh any similarities. This issue is not just an academic question; wrong assumptions can lead to wrong conclusions and to wrong policies. In the best case, such missteps would only waste money. In the worst case, however, they could lead to mismanagement of the unification process, with potentially disastrous consequences in the social, economic and security spheres.

In 1995, I wrote an article questioning the comparability of Germany's reunification and the hypothetical case of Korea, and I find my arguments still to be valid.<sup>68</sup> The numerous differences between the cases form six clusters, which I will present in two parts for the sake of readability.

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<sup>67</sup>Rüdiger Frank, "North Korea after Kim Jong Il: The Kim Jong Un era and its challenges", *The Asia-Pacific Journal: Japan Focus*, Vol 10 (2), No 2, January 6, 2012, <http://apjif.org/-R--diger-Frank/3674/article.pdf> [28 April 2017].

<sup>68</sup> A small selection: Rüdiger Frank, "German Unification: Of Relevance for Korea?," *Korea-Forum* 1-2 (1995): 9-11; "독일 통일은 한국에 대한 모범인가?," in *독일 통일은 한국에 대한 모범인가?* ed. Zanghyon Bak (Seoul: Munwŏn, 1999); Rüdiger Frank, "The Political Economy of Unification: North Korea and Implications of the German Experience," in *Troubled Transition. North Korea's Politics, Economy, and External Relations*, ed. Choe Sang-Hun, Gi-Wook Shin and David Straub (Stanford: Shorenstein Asia-Pacific Research Center), 229-254.; Rüdiger Frank, "Unification and Capacity Building: The German Experience and its Declining Relevance for Korea," in *Crisis of Peace and New Leadership in Korea*, ed. Chung-in Moon and John Swenson-Wright (Seoul: Yonsei University Press), 129-161.; Rüdiger Frank, "The Costs of Korean Unification: Realistic Lessons from the German Case," *Korea's Economy* 30 (2016): 93-100, [http://keia.org/sites/default/files/publications/kei\\_koreaseconomy\\_frank.pdf](http://keia.org/sites/default/files/publications/kei_koreaseconomy_frank.pdf) [28 April 2017].

In the first part, I cover two large clusters of differences: 1) the influence of external forces on unification; and 2) domestic attitudes towards unification in both Koreas.

In the second part<sup>69</sup>, I discuss whether the German model is relevant for estimating the costs of Korean unification; how one side will likely be dominant over the other and how that will affect the general process of political, economic and social integration. Last but not least, I examine the differences between the German and Korean cases that now exist but are about to disappear.

## Differences That Will Impact the Influence of External Forces on Unification

**Legal status:** German unification was a multilateral issue, whereas Korean unification would be a bilateral matter. By 1990, Germany was legally required to get permission from the four World War II allied powers to reunify. Not all of the allies were enthusiastic, considering the role a strong Germany had played in Europe in the 20th century. This problem was only overcome with massive support from then-US president George H.W. Bush and through major concessions to France and the UK with regard to the emerging European Union, which, appears to have been a mechanism to tame the German giant. The Soviet Union was offered substantial economic support to gain approval. The result was the so-called Two-Plus-Four Treaty.<sup>70</sup>

In the Korean case, an important international legal problem to overcome in the context of unification is the conclusion of a peace treaty to end the Korean War. Since the country was divided in 1948, prior to the start of the Korean War, a unification treaty does not necessarily have to address the end of the war, although it seems reasonable to expect the resolution of the peace treaty issue first. This is one reason why North Korea keeps bringing up this point in talks with the United States. If the two Koreas decide to negotiate reunification, no external powers need to be consulted. Interference by neighbors is nevertheless to be expected, but their legal means of doing so will be limited. Therefore, from the perspective of international law, unification of the two Koreas will likely be easier and in any case very different compared to Germany.

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<sup>69</sup> Ruediger Frank, "The Unification Cases of Germany and Korea: A Dangerous Comparison (Part 2 of 2)", *38north.org*, December 8, 2016, <http://38north.org/2016/12/rfrank120816/> [28 April 2017].

<sup>70</sup> For the full text in German, see: "Vertrag über die abschließende Regelung in Bezug auf Deutschland," Bundeszentrale für politische Bildung, 1990, [http://www.bpb.de/wissen/TOGO9Z,0,0,Vertrag\\_%C3%83%C6%92%C3%82%C2%BCber\\_die\\_abschlie%C3%83%C6%92%C3%82%C5%B8ende\\_Regelung\\_in\\_Bezug\\_auf\\_Deutschland.html](http://www.bpb.de/wissen/TOGO9Z,0,0,Vertrag_%C3%83%C6%92%C3%82%C2%BCber_die_abschlie%C3%83%C6%92%C3%82%C5%B8ende_Regelung_in_Bezug_auf_Deutschland.html) [28 April 2017].

**Foreign troops:** Prior to Germany's unification, hundreds of thousands of heavily armed foreign troops were stationed on both sides. In Korea, fewer than 30,000 foreign troops are present in the South and none are in the North. Foreign troop withdrawal from North Korea will not be an issue after unification. The actual circumstances of unification, however, might tempt the US to maintain its presence on the peninsula in a bid to repeat what NATO's Eastern expansion did in Europe—leave no vacuum and block the potential advance of a strategic adversary.

**Geopolitical environment:** The two Germanys were part of opposing sides during the Cold War. Their border ran through Europe's densely populated and highly developed central region. Any invasion route either towards the West or the East would have crossed Germany. The Korean peninsula, by contrast, is on the periphery of the continent and only shares a border with the Northeastern provinces of China and a 17-kilometer division from a sparsely populated area of Russia's Far East. North Korea is not part of any military block. The Cold War is long over, though a "Cold War 2.0" is developing, this time with the United States and China being the major strategic competitors. The impact of this situation is complex, and it will certainly differ from the German case.

## Differences That Will Impact Domestic Attitudes Towards Unification

**Origin of division:** Both countries were divided as a consequence of World War II. But while Germany's division was by many seen as a form of punishment for one of the war's aggressors, the Koreans were among the victims of Japanese aggression and thus regard their division as a great injustice. This history impacts the acceptance of division in both Koreas and adds a nationalist undertone to the unification debate.

**West Berlin:** This factor is among the most underappreciated. Complicated legal status notwithstanding (West Berlin was technically not a part of West Germany),<sup>71</sup> the divided capital city gave millions of (East) Germans a direct and daily encounter with the absurdity of division. They had ample opportunity to bump into the Berlin Wall, where they could hear life and see buildings, streets and neon signs on the other side. The West cleverly exploited this division, holding rock concerts<sup>72</sup> right at the Wall, for example. Korea has nothing even remotely comparable; the reactivated propaganda loudspeakers at the DMZ penetrate only a small distance into a sparsely populated area. Because Koreans have no everyday tangible experience of division, the resulting pain and frustration are smaller.

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<sup>71</sup> This made the city a popular place for young West German men who wanted to avoid being conscripted into military service and therefore moved to West Berlin.

<sup>72</sup> For example, Barclay James Harvest appeared in 1980, David Bowie, Genesis and the Eurhyth-mics in 1987, and Pink Floyd in June 1988.

**Naming:** East and West Germany both called their country “Deutschland”<sup>73</sup> and their nationality “Deutsch.” In Korea, the North uses “Chosŏn” and the South uses “Han’guk.” Unless a compromise such as “Koryŏ” can be found, the dominance of one side will express itself in the very naming of the unified country. This may intensify feelings of colonization and fuel social conflict after unification. The same danger lingers in the choice of a unified Korea’s capital. The Germans made the Solomonic decision to choose Berlin, which was half West and half East. But how will Koreans in the North feel being governed from Seoul?

**Ideological barriers:** By the time of unification, aside from relatively soft propaganda wars, East and West Germans had no major axes to grind against each other. They had not fought a civil war nor tried to assassinate each other’s politicians. Koreans, however, tortured and killed each other during the Korean War and continued to do so thereafter.<sup>74</sup> This is a heavy legacy that must be overcome to make unification work. Dealing with the past will be a much bigger challenge for Korea. The still lingering problem of South Korea’s society to come to terms with the colonial past and the legacy of the military dictatorships under Park Chung-Hee and Chun Doo-Hwan provides no reason for optimism in this regard.

**Ideological similarities:** Due to the German invasion of European countries during World War II, West Germany only reluctantly allowed nationalism to grow while East Germany vigorously suppressed expressions of nationalistic sentiment.<sup>75</sup> During unification, Germany’s European neighbors watched closely to determine whether it would become a threat again. German nationalism was therefore completely banned from official discourse, preventing its use as a much-needed unification ideology. Germans from the East and the West still, after more than a quarter of a century, have different identities. In Korea, nationalism grew especially strong in resistance against Japanese attempts at assimilation during the occupational period and is still widely accepted today in both parts of the peninsula. It can serve as a joint ideological foundation for a unified Korea. Using nationalism to “grow together,” to paraphrase former German Chancellor Willi Brandt, thus will be much easier

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<sup>73</sup> East Germany was quite reluctant to use this term and tried to circumvent it, because “Deutschland” was associated with imperial ambitions and the Nazi period. It did not, however, come up with an alternative term.

<sup>74</sup> A small selection: the assassination attempt against Park Chung-hee in 1968 that killed the mother of the current South Korean president, the bombing of Korean Air flight 858 in 1987, the sinking of the ship Cheonan in 2010. We know little about South Korean terrorism against North Korea, but the example of Unit 684 (as made popular through the movie “Silmdo”) provides a glimpse. See Norimitsu Onishi, “South Korean Movie Unlocks Door on a Once-Secret Past,” *New York Times*, February 15, 2004, [http://www.nytimes.com/2004/02/15/world/south-korean-movie-unlocks-door-on-a-once-secret-past.html?pagewanted=1&\\_r=0](http://www.nytimes.com/2004/02/15/world/south-korean-movie-unlocks-door-on-a-once-secret-past.html?pagewanted=1&_r=0) [28 April 2017].

<sup>75</sup> This is not to say that such attempts were successful. Besides, especially during the 1980s when Soviet interference got weaker, the GDR experienced a careful neo-nationalist revival driven from the top. The rediscovery of the Prussian heritage in Berlin or the Saxonian heritage in Dresden is just one example.

than it was in the German case. On the other hand, a unified Korea will have to manage the resulting concerns of neighboring countries.

**Contacts:** Decades before unification, East Germans could visit their relatives in West Germany on special occasions, such as around birthdays. East Germans of pension age could travel to West Germany regularly and move there freely. From 1980 to 1988, the number of recorded visits by East Germans to West Germany and West Berlin rose from 1.6 million to 7.8 million.<sup>76</sup> West Germans could travel to East Germany at any time, although registration was required and their movement was restricted. They could also use East German highways to drive through the country. There were daily phone calls and exchanges of letters. In the case of Korea, no people-to-people contacts exist except a few infrequent organized reunions of senior citizens.

**Knowledge about the other side:** Thanks to regular people-to-people exchanges and the legal availability of TV and radio programs on both sides, Germans had a fairly good understanding of each other. After unification, however, even this rather solid knowledge turned out to be often insufficient. The disastrous state of the East Germany economy, for instance, only became obvious to West German politicians after unification, and East Germans only knew what unemployment actually meant when they were personally affected. People in the two Koreas know much less about each other; North Koreans know almost nothing about reality in the South, except for the idealized images conveyed through smuggled soap operas. The South Koreans are equally banned from North Korean media<sup>77</sup> and direct contact, so perceptions of the North are shaped by propaganda and stereotypes. The post-unification reality shock therefore will be much bigger for the Koreans than it was for the Germans.

**Number of defectors:** In the 28 years between the construction of the Wall in 1961 and the peaceful revolution in 1989, a total of 3.5 million East Germans (on average 0.8 percent of the population per year) resettled in West Germany. In stark contrast, during the 63 years between the end of the Korean War in 1953 and 2015, only about 29,000 North Koreans (on average 0.002 percent of the population per year, or 400 times less in relative terms) resettled in South Korea. This is a complex topic, as the low number of North Korean defectors is itself a reflection of prevailing attitudes and structures. South Korea still does not encourage defection as much as West Germany did, even though recent statements by President Park seem to indicate a change in that policy.

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<sup>76</sup> Clemens Vollnhals, *Jahre des Umbruchs. Friedliche Revolution in der DDR und Transition in Ostmitteleuropa* (Göttingen: Vandenhoeck & Ruprecht), 109.

<sup>77</sup> Websites such as those of the Party newspaper Rodong Sinmun or the news agency KCNA are blocked on South Korea's internet.

**Legitimacy of government:** In East Germany, the government had long before unification lost the support of most of its people. Jokes about leading figures were popular and made rather openly. In North Korea, the leaders are highly revered and open criticism is very rare. Mass demonstrations leading to a change of system and government are not to be expected at the moment, although the outer appearance of strong internal coherence can be misleading. A growing number of recent informal visitor reports of openly expressed criticism indicate that the situation might indeed be changing, but such a process takes time to severely weaken government legitimacy.

## Conclusion

After looking at only two out of six clusters of arguments, we already see that a closer look at Germany and Korea reveals a large number of differences. Some of them are seemingly minor, such as the naming problem, while others are potentially more weighty, like geopolitical positions and international legal considerations. We see that the image of two very different cases emerges, making a simple comparison highly questionable. This impression is further strengthened in the second part of this discussion, where we look at important areas such as unification costs and the relative power of both sides.



## The Unification Cases of Germany and Korea: A Dangerous Comparison (Part 2 of 2)

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The first part of this analysis<sup>78</sup> argued against simple comparisons of German unification and the hypothetical Korean case by showing major differences in the external forces and domestic attitudes that would influence unification of the Koreas. This next discussion will consider differences that impact unification costs—an apparent area of major interest to South Korea in particular. It also will examine factors affecting the relative power of the two sides in each unification effort, as they are markedly different from the German case. It is important to note that external and internal conditions for Korean unification are subject to continuous change and adjustment, which makes comparisons and predictions even more complicated.

### Differences That Will Impact the Costs of Unification

**Structure of national economies:** The similar economic structures of East and West Germany limited their economic gains from unification. Excess capacities in the newly united country prompted the closure of production facilities, mainly in the East, creating massive unemployment. North and South Korea, however, have economic structures that are complementary in many ways; among the best known examples are South Korean capabilities to extract and process mineral resources of the North. This characteristic will influence the flow of post-unification investment and provide opportunities for immediate economic growth in the North that were absent in East Germany, ultimately reducing unification costs. However, new problems will emerge, such as structural change in the South. It is not unlikely that skyrocketing unemployment and the resulting need for social welfare spending will affect both North and South as well, whereas in the German case, such problems mainly afflicted the East only.

**Standard of living:** The economic gap between West and East Germany was undeniable, though mainly in the form of luxury goods: West Germans had *better* cars, *better* clothes, *better* consumer electronics, and *better* holiday travel destinations. In the case of Korea, the gap is more aligned with the lower (physiological and safety) levels of Maslow's Hierarchy of Needs. Despite improvements in the recent years, many North Koreans are still primarily interested in a stable supply of food

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<sup>78</sup> Rüdiger Frank, "The Unification Cases of Germany and Korea: A Dangerous Comparison (Part 1 of 2)", *38north.org*, November 3, 2016, <http://38north.org/2016/11/rfrank110316/> [28 April 2017].

and other basic needs. The economic tasks for the unified Korean government will thus be very different in nature, at least in its crucial first years. The lower standard that needs to be attained in the North in that time will result in lower unification costs.

**International economic environment:** By 1989, neoliberalism was the dominant economic policy in the West. Deregulation, privatization and globalization were at their height. In contrast, as of 2016, economic nationalism and economic regionalism are increasingly influential forces. Should this trend persist, it will be much easier for Korea to apply protectionist measures to reduce the costs of unification.

**Foreign trade structure:** A major reason for East Germany's dramatic post-unification recession was the near collapse of its foreign trade. Due to a number of simultaneous and often sudden events—the conversion of all prices into hard currency, the revaluation of major inputs such as labor and energy, and economic restructuring and crisis in the other socialist countries—the major markets for East German products as well as the supply chains collapsed almost overnight. North Korea also went through all of this in the early 1990s, with the famine as a result. However, this adjustment process is over and will not be repeated. Amid self-isolation and sanctions, what little is left of the North's foreign trade is "healthy" and will survive unification without major disruptions. A post-unification recession in the North will thus be much weaker than it was in East Germany, resulting in a positive impact on unification costs.

## Differences That Will Impact the Relative Power of Both Sides

**Official unification policy:** In Germany, only the West officially supported unification.<sup>79</sup> East Germany in 1972 even stopped using the lyrics of its national anthem (!) because the original version's reference to a unified Germany was no longer politically desirable.<sup>80</sup> In Korea, actual attitudes towards unification notwithstanding, unification is officially the top political objective of both sides according to the respective constitutions. Therefore, if Korean unification proceeds, there will be a competition of concepts (such as "one country, one system" versus "one country, two systems") that did not take place in Germany. South Korea will thus find it harder to impose its position on the North.

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<sup>79</sup> This support became rather halfhearted in the late 1980s. More and more voices even among conservatives demanded accepting reality, changing the constitution and officially recognizing the GDR as a separate state. See <http://www.welt.de/politik/deutschland/article132888340/Die-Irrtuemer-der-prominenten-DDR-Versteher.html> [28 April 2017].

<sup>80</sup> The problematic passage in German: "...lass uns Dir zum Guten dienen, Deutschland einig Vaterland" (Let us serve you for the good, Germany, united fatherland).

**Unification blueprints:** In Germany, only the West had some rough ideas about how unification could be administered in a technical sense. East Germany had no concept of its own, and there had been no serious public or expert discussion on the issue until 1990. This lack of planning by East Germany enabled West Germany to apply its own ideas almost without any resistance. In Korea, both sides have for decades been promoting their competing unification blueprints. A number of agreements have been concluded, including the often-cited joint declarations of 15 June 2000, and 4 October 2007.<sup>81</sup> Any attempt by South Korea to impose its own system on North Korea will have to deal with Kim Il Sung's alternate proposal of the Democratic Confederal Republic of Koryo.

**Status of major ally:** East Germany relied on the Soviet Union, which was about to collapse economically and politically by the time of German unification. North Korea is much more independent, and its ally China will soon challenge the global leadership of the United States. South Korea will find it much harder than West Germany to dictate the conditions of surrender to the other side.

**Type of socialism:** It is as easy as it is wrong to assume that "socialism equals socialism." In East Germany, socialism was of the Marxist-Leninist type. The leadership was collective, and the ideology and resulting rules were very specific and bureaucratically formalized. In North Korea, socialism is of the nationalist *juche* type. The country is led by a single leader who rules arbitrarily and through on-the-spot guidance. There is no handbook; socialism in North Korea is much more flexible regarding new elements and policies. It is also much more "Koreanized" and will thus be more resilient after unification.

## Differences That Will Impact the Process of Unification

**Potential for violence:** East Germans lived in a dictatorship that was supported by a vast secret police system. Their civil rights were severely restricted. However, the degree of such limitations and the level of force the state was willing to use both paled in comparison to the current conditions in North Korea. It was a big surprise to many that no major acts of revenge surfaced during German unification, but the situation is unlikely to remain as calm in the Korean case.

**Nuclear weapons:** East Germany's military was suspiciously controlled by the Soviet Union, which deliberately kept the number of East German heavy and offensive weapons at an absolute minimum. Not even submarines or frigates were allowed. Nuclear arms in the hands of the East Germans were not conceivable for the

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<sup>81</sup> For the June 15 declaration, see:

[http://www.usip.org/sites/default/files/file/resources/collections/peace\\_agreements/n\\_skorea06152000.pdf](http://www.usip.org/sites/default/files/file/resources/collections/peace_agreements/n_skorea06152000.pdf) [28 April 2017]. For the October 4 Declaration see:

[http://www.usip.org/sites/default/files/file/resources/collections/peace\\_agreements/n\\_skorea10042007.pdf](http://www.usip.org/sites/default/files/file/resources/collections/peace_agreements/n_skorea10042007.pdf) [28 April 2017].

Soviets. North Korea faces no such restrictions, and it already claims to be a nuclear power. The risk of a major military conflict in the event of political destabilization is huge, and if unification proceeds, policymakers will need to consider how to deal with the North's nuclear stockpile.

**Duration of division:** At the time of German unification in 1990, Germany had been divided into two separate states for 41 years, or less than two generations. As of 2016, the division of Korea continues after 68 years, or almost three generations—and counting. The impact of this longer period of division is reflected in the differences in attitudes towards unification depending on age as evidenced by regular surveys: in South Korea, the young generation's interest in unification is dwindling. In addition, formal and informal institutions in both Koreas including the use of language differ much more than they did in Germany. Harmonization will take much longer and will be harder to achieve.

**Status of the “weaker” part:** While East Germany was the most developed country of the socialist bloc and North Korea's development level is rather low, the Koreas may benefit from their more substantial economic difference. The West German government thought it would take over an economically successful country, and it paid a high economic price for this miscalculation. By contrast, South Korea expects to take over a very poor and desolate country, and it might be positively surprised. Furthermore, in the German case, two strong countries from two different economic blocs unified. In the Korean case, a strong and a weak country existing within the same global economic system will merge; this is a completely different task.

**Democratic and republican tradition:** Germany took part in larger European developments that had centuries to take root. They only needed to be reactivated in East Germany in 1990. Korea was a feudal kingdom until 1910 and the colony of an increasingly authoritarian and militaristic Japan until 1945. The import of Western democracy took decades in the South and is in some ways still ongoing. In North Korea, where this process hasn't even started, everything will have to be built from scratch. Building democratic institutions will take much longer and face huge difficulties in the Korean case.

**Population ratio:** In 1990, 16 million East Germans joined 64 million West Germans, at a ratio of 1:4. If Korean unification took place in 2016, 25 million North Koreans would join 55 million South Koreans at a ratio of roughly 1:2. We should further consider that demographic projections point to a growing population in the North and a shrinking population in the South, which will bring this ratio even further down. The consequences are manifold. Economically, fewer South Korean taxpayers would have to finance more North Korean recipients. Politically, an opposition party based in the North would have much greater weight in a joint parliament than any East German equivalent.

**Organized opposition:** In East Germany, hundreds of mostly Protestant Christian congregations across the country served as a nucleus for the assembly of like-minded political opposition forces. It is no coincidence that current leaders of East German origin have roots in these circles: Chancellor Merkel is the daughter of a pastor and President Gauck is a pastor himself. The high level of organization in Christian churches facilitated the quick emergence of political opposition and the foundation of political parties such as the Social Democratic Party in 1989. In North Korea, nothing remotely similar exists. This will lead to a very different institutionalization of post-unification political movements.

**Computers and the Internet:** Apart from a minority, both East and West Germans were computer illiterates at the time of unification. The growing dominance of information and communications technology in professional and daily life was an experience that Germans made together. In Korea, Southerners are far superior in their experience with computers, smartphones, the Internet, social media and so forth. The resulting disadvantage for most North Koreans will severely impact their chances on the job market and participation in society. Tablet computers, smartphones and an intranet exist in North Korea, but their use differs and their penetration rate is much lower.

## Differences That Are About to Disappear

Other major differences are slowly disappearing or becoming irrelevant. This includes the “overseas Koreans.” The *zainichi* and in particular the *chōsen sōren* (ch’ongryōn) in Japan were long regarded as a trump card by North Korea to tilt the majority situation in their favor, which is why North Korean unification proposals usually included the overseas Koreans as a separate group. This factor now disappears or might even become supportive of South Korea. Most importantly, it seems that after two decades of marketization and monetization, North Koreans are not only as accustomed to the use of money as East Germans were, regarding survival under market conditions, North Koreans are even more experienced.

## Conclusion

All of this is not to say that Koreans can learn nothing from Germany. The German example shows us that unifying two countries that are at different levels of economic development will be costly; there will be social aspects to consider; the process will affect the interests and draw the attention of outside forces; and legal questions concerning property rights and crimes against humanity should better be resolved beforehand.

However, none of these lessons are exclusive to Germany. While they concern complex matters of governance, they could have been derived from any case where

two previously opposing societies were merged quickly and under the clear dominance of one side, such as the unification of the United States after the Civil War.

Korean unification is a hard policy issue, not just an academic question, and a realistic assessment of the situation is imperative. Using the German case as an easy blueprint is more than naïve, it is grossly negligent. It provides the treacherous illusion of having a model, a trodden path that only needs to be followed.

Perhaps the only thing we can really learn from the German example is that a seemingly stable situation can quickly become very dynamic. Leaders who are better prepared will find it easier to shape the process. It does not hurt to scan the German experience for crucial issues, but planners must not assume that Korea will only face problems to which German solutions can be applied—this belief would be dangerously misleading.

## **Consumerism in North Korea: The Kwangbok Area Shopping Center**

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During my last trip to North Korea in February 2017, I noted a number of interesting developments that have taken place since my previous visit in May 2016. They include the disappearance of iron bars from windows and balconies on the first two floors of residential buildings in Pyongyang, a complete change of the design of license plates for cars, the emergence of a sports lottery, the widespread use of electric bicycles in the capital and an expanding number of shopping opportunities for the growing middle class.

The latter often remains little more than an impression, as foreigners can rarely witness regular shopping in North Korea. “Regular” means that the place is frequented mainly by North Koreans, that access is not restricted and that the local currency is used. Westerners’ experience of commerce is often limited to hotel lobbies, stamp and book shops, souvenir stands at major sights and other hard currency stores. In recent years, I had very few chances to go to places where normal North Korean citizens do their shopping. These included the T’ongil Street Market in Pyongyang and a major market in the Special Economic Zone of Rasŏn. In both places, photos were not allowed. In Rasŏn, one could purchase goods either with North Korean Won or Chinese Yuan. The latter was preferred; North Korean Won could be exchanged at the market rate<sup>82</sup> (about KPW 8,000: USD 1) at a local bank.

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<sup>82</sup> Ruediger Frank, “Rasŏn Special Economic Zone: North Korea as It Could Be”, *38north.org*, December 16, 2014, <http://38north.org/2014/12/rfrank121614/> [28 April 2017].



Figure 28: The new standard license plate for state-owned cars, blue with white script, resembles the Chinese example. (Photo: Ruediger Frank)

In February 2017, I was finally able to visit a third regular North Korean shopping institution, the Kwangbok Area Shopping Center (광복지구상업중심) in Pyongyang. Its opening was originally planned for December 2011 but had been delayed until early 2012 due to the death of Kim Jong Il. Kim Jong Il and Kim Jong Un had visited the place together on 15 December 2011 for on-the-spot guidance, the typical North Korean form of “fly-by micromanagement” that was developed by Kim Il Sung and is loosely based on the ancient East Asian tradition of rule by example. This means Kwangbok represents the best of what the regime can offer in terms of a shopping experience; nevertheless, access is not limited and prices are representative.

At the time of its opening, the Kwangbok Area Shopping Center was a joint venture with a Chinese partner (Feihaimengxin International Trade Co. Ltd). This bilateral cooperation was lauded in the state media and visibly expressed by the bilingual sign on the building’s storefront, something very rare in North Korea. In the latter half of 2016, however, the Chinese characters were removed, implying a possible change in ownership. On the other hand, the price tags are still bilingual, so we are, as often, left to wonder until more precise information emerges.



Figure 29: The Kwangbok Area Shopping Center in May 2016 and in February 2017.  
(Photo: Ruediger Frank)

In any case, the facility is operating, and what is most important, it can be visited by Westerners. Even though I was not particularly encouraged to do so, this time I was able to take a few photos and recorded about 100 prices of consumer products ranging from potatoes and pork to solar panels and refrigerators.

As its name tells us, the Shopping Center is located on Kwangbok Street. It consists of three floors. On the ground floor, there is a supermarket selling all kinds of groceries as well as a few kitchenware items. On the second floor, shoes, clothing and selected household items are offered. The third floor houses something like what we would call a food court; I did not visit this floor. The design and shopping experience resemble Western standards in their Sinicized form.



Customers in the supermarket use regular shopping carts, as they are ubiquitous in our globalized world. Products rest on shelves from which they can be taken directly. This is unlike the traditional way of shopping in North Korea, where goods are on display behind a counter and the help of a shop assistant is required.

Upon arrival at checkout, products are scanned into an electronic cash register and paid in North Korean Won. These can be exchanged against US Dollars, Euros, Japanese Yen and Chinese Yuan at a small counter that is also on the ground floor. The exchange rate as indicated on a small sign is 8,000:1 for the Dollar and reflects the market rate. For ten Euros, I received 83,000 Won, which was more than enough to pay for my purchase of drinks, fruits and snacks. I could also keep the change and take it out of the country with no restrictions. It seems that notes smaller than 100 Won are not being used; instead, locally made chewing gum is offered to customers as small change, each stick worth 50 Won.



Figure 30: Checkout at the Kwangbok Area Shopping Center. (Photo: Ruediger Frank)



미달러	8000
유로	8300
중국원	1100
일본엔	63

Figure 31: Exchange rates at the Kwangbok Area Shopping Center. (Photo: Ruediger Frank)

Among the notable features of the shopping center is the banking card “Chönsöng.” According to its promotional poster, it offers a number of financial services, including the option to swap deposits between different cards or saving at a fixed interest rate. The Chönsöng card, which is competing with the ubiquitous Narae Card and the less popular Koryö Card, is issued by none less than the DPRK Central Bank. I found no indication of a loyalty card yet, but that might be only a matter of time.

The range of goods on sale in the supermarket is very broad. It includes alcoholic and non-alcoholic beverages, different types of bread, vegetables, oil, snacks, sweets, meat, fruits, dairy products and cigarettes. Many products seem to be locally made, judging by the language used on the packages. I noted at least 25 different kinds of soju, with prices ranging from 1,900 Won to 9,200 Won per bottle. Red, white and sparkling wine can also be bought, with prices up to 100,000 Won. The bananas and melons I saw could either be imported or grown in the greenhouses built in the early 21st century with Dutch help. Oranges are likely to be imported. Pears and apples grow in North Korea, for example at the Taedonggang Apple Farm. Apples seemed to be available in large quantities, as I also saw them in numerous sales booths across the country—certainly a notable sight for February. The price tag is 5,500 Won per kilogram.

Also on the ground floor are Chinese-made Siemens washing machines, different types of refrigerators, Konka flat screen TVs, electronic products including DVB-T receivers and tablet computers, electronic calculators, staples and so forth. The washing machines are heavily overpriced compared to European standards, the rest

is reasonable at, for example, around 2 million Won for a six-foot fridge-freezer manufactured by Zhejiang Xingxing.

I mentioned the exploding number of electric bicycles above; the capital was full of them, my rough estimate is that about every 20th bike in Pyongyang these days is electric. After mobile phones, they are now an additional sign of rising affluence among the new middle class. Four types of locally made Rŭngnado and imported Meiying electric bicycles were available for about 2.6 million Won each, as well as regular bikes for roughly a quarter of that price.

A marked change from socialist consumer culture and another indicator of marketization is the availability of alternative, competing products. Rather than just buying “toothpaste,” for instance, North Korean customers can now choose from a large variety of locally made goods. At least ten different kinds are sold at the Kwangbok Area Shopping Center, including toothpaste for kids at 3,800 Won, toothpaste with a whitening effect, and a luxury brand with nano-technology at 30,000 Won. Local cosmetics brands include Chip’yŏngson, Pŏmgol or Malgŭn Ach’im.

The second floor offers a fairly large selection of men’s and women’s clothing and shoes; I saw at least 60 different pairs of pumps with prices around 200,000 Won and 25 pairs of men’s shoes priced between 50,000 and 250,000 Won. A few steps further, imported Chinese home improvement tools are sold. A cartridge of silicone costs around one Dollar.

Visitors to North Korea will have noted the numerous solar panels attached to apartment windows, particularly in the countryside where electricity supply seems to be less reliable than in the capital. Depending on size, they cost between 600,000 Won and 1.7 million Won.

## Implications

Why does all this matter? To begin with, hard facts on anything related to North Korea are rare, which is particularly true for the economy. Furthermore, and despite its privileged status as having been visited by the leaders, this marketplace is real; I saw hundreds of North Koreans shopping there. The Kwangbok Area Shopping Center is also a visible expression of the growing gap between the new middle class and the rest of the population. Less than 350 Dollars for an e-bike seems to be a bargain for us, but this is more than a half-year’s salary for most North Koreans.

The shopping experience was thoroughly modern and Western, obviously imported from China. Many products were locally made, but this often happens in joint ventures with Chinese companies. The Kwangbok Area Shopping Center thus illustrates the economic influence of China that goes far beyond trade; the Chinese are shaping the North Korean consumer. This is bad news for South Korea, which hoped to play that role after unification.

Most importantly, however, we need to understand that North Korea is in the middle of a consumerist transformation. Ten kinds of toothpaste? Who needs that? Such thinking was prevalent among state officials for decades but now has made room for a much more market oriented logic. Today, ten types of toothpaste? Fine, if customers buy and a profit can be made. This is the new thinking in North Korea these days. Competition is everywhere, including between travel agencies, taxi companies and restaurants.

Consumers stand to benefit through a greater variety of products, lower prices and better quality, and they will get used to these new opportunities and expect more. At some point, the North Korean government will have no option but to provide the necessary framework, which means further loosening of the rules and allowing more commerce. The West needs to ask itself whether it wants to support such trends, and if so, whether economic sanctions and denial of economic cooperation are the right way to proceed.