Is North Korea really changing?

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Ministry of Unification
Institute for Unification Education

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CHAPTER 1

APPROACHING THE SUBJECT OF CHANGE IN NORTH KOREA

1 Definition of Change

In general, the term social change is defined as change that takes place in social groups or to the basic structure of a society. Though occurring on an on-going basis, it tends to happen at a particularly rapid pace in modern societies. Modernization itself implies social change, and this concept includes industrialization, urbanization, and democratization. Given that social change has provided the fodder for the genesis of modern social sciences, it constitutes one of the primary foci of interest for these academic fields.

In addition to the above general definition of social change, various academic disciplines and researchers have developed different concrete definitions depending on their particular interests. Political scientists tend to focus on the success or failure of a political regime, democratization, and revolution. Economists, on the other hand, tend to be more interested in changes in the economic structure, economic growth and development of a country. From a social scientific perspective, the key areas of interest tend to be changes in the social structure and value systems of the people. In fact, the concept

of social change can be extremely broad in scope, entailing change of revolutionary proportions or a paradigm shift with far-reaching impact. Other social changes may have more limited and temporary effects. Due to this multifaceted nature of change, social change must be defined differently depending on the area being studied and purpose of the research.

Studies dealing with change in North Korea have generally been based on reform and openness as the key concepts defining social change. However, most research to date seems to look at reform and openness as the institution of key policies that depart from the past, without providing a clear definition of what these policies should entail. Koh Hyun-wook (1999), for example, also pointed out that most studies have been conducted without a clear definition of economic reform or development of a theoretical framework for analysis. He distinguishes economic reform from regime change by defining economic reform as "part of economic policies designed to achieve a continuous increase in productivity in the long term" that can "enhance economic efficiency without conflicting with the basic characteristics of a socialist regime."

Peter M. Beck and Nicholas Reader (2005), on the other hand, use the terms change, reform, transition, and transformation interchangeably. Although they fail to provide a clear definition of reform, they do provide a clear direction of change as being a transition to a market economy rather

than a strengthening of the socialist planned economy. They look at changes and reform in terms of a transition to a market economy, rather than measures to strengthen the socialist regime.

Defining changes in North Korea as reform in general (i.e. all policy measures aimed at strengthening the competence of the regime) can limit our understanding of change in two ways. First, such a definition sees reform as measures and institutional changes carried out by the authorities and as such fails to accommodate non-institutional changes like changes in the people's value systems or lifestyles. Change can be top-down, but it can also be bottom-up. Second, this definition fails to clarify the direction of reform. No country enacts policies that may hamper productivity or weaken the regime, and North Korea is no exception. In this sense, all policy changes in the North are viewed by the administration itself as reformative regardless of their direction.

Defining change as regime transition is also problematic as it limits change to policy decisions made solely by the authorities at the expense of changes from the bottom. Such a definition can also lead to an underestimation of the significance of reform within the regime itself, which can ultimately lead to regime transition. Nonetheless, it must be noted that social change implies movement forward rather than a return to the past. In other words, a more careful and precise definition of the concept of social change should take

into consideration the direction of change.

The on-going discussions on the nature of the changes taking place in North Korea revealing the complex and multi-faceted nature of social change. Depending on the level and direction of change, change can be categorized into one of four types as shown in Table 1. Changes occurring in North Korea can be categorized either as regime initiated/institutional level changes or as non-institutional/social and cultural level changes. The direction of change refers to whether the changes taking place are forward-looking or regressive. Based on this categorical framework, changes occurring in North Korea fall under one of the following four categories—regime transition, regime deviation, regime strengthening, and regime adaptation.

Table 1 Four Types of 'Changes'

	Regime/institutional level	Non-institutional/ social and cultural level
Forward-looking	Regime transition	Regime deviation
Regressive	Regime strengthening	Regime adaptation

Regime transition refers to forward-looking changes initiated at the regime/institutional level, i.e. top down efforts to make the transition from a totalitarian society to a free, democratic regime. Regime deviation refers to non-institutional/social and cultural change initiated at the grass-roots level, i.e., bottom

up changes from socialist and collectivist values and lifestyle to capitalist and individualistic values and lifestyle. Regime strengthening refers to regime-initiated regressive change that seeks a return to the totalitarian attributes of the North's one-party dictatorship under one supreme leader (Suryong). Regime adaptation refers to regressive change at the grass-roots level that reinforces the socialist and collective values and lifestyle of the totalitarian regime.

2 Perspectives of Change

A. Changes and the possibility for future change: recognition vs. denial

Perspectives of the relative significance of changes taking place in North Korea are divided between those recognizing that positive change has already occurred in the North (i.e. positive change is underway) and those that deny it (i.e. there has been no positive change). Both camps agree that change is inevitable in the long term in North Korea, and that the country has undergone partial rudimentary change. However, they are in disagreement in terms of the nature of existing changes and possibility for future changes.

Those who recognize positive change is underway point to the grassroots changes occurring in different sectors, rather than looking exclusively for changes in the regime itself, and take a particular interest in the degree and direction of change taking place at the grassroots level (Chung Chang-hyun, 2005; Lee Jong-seok, 2008; Im Su-ho, 2008). They look at changes in the North as being gradual and progressive, with

some expecting change to move beyond the stage of symbolic and ideological to include significant changes in the regime itself in the not too distant future. They argue that North Korea is now at least at the stage of symbolic change based on the introduction of free market concepts like cost and profits in the 1998 Constitution, Kim Jong-il's assessment of China's efforts at reform and opening, and calls for New Thinking. This school of thought also views the North's 2002 Economic Management Improvement Measures as partial but significant change[1]. While they don't view current changes as being fundamental, they forecast that the changes already made at the symbolic and ideological level will build up and have a spill-over effect in time into other areas, ultimately causing North Korea to enter a stage of fundamental change.

As the proposition "without change, there is no interest" goes, the argument supporting that change is underway in the North is significant in that it reflects the prevalent nature of change, which is an attribute of modern societies. Every society undergoes change, though it may differ in terms of pace, direction, and nature, and North Korea is no exception. However, this argument has a shortcoming in that it overlooks the possibility of reversion, i.e. the possibility that due to the uniqueness of its regime, the North will with all likelihood return to the status quo of being a totalitarian state after brief

1. Kim Young-yun, Cho Bong-hyun, Park Hyun-sun, North Korea is changing (Seoul: Korea Institute for National Unification, 2007)

flirtations with reform and openness. This is the argument made by those who deny that any positive changes have occurred in the North. They relegate any changes made thus far to being 'tactical changes' reflective of such reversibility of change.

Those who deny that any changes have occurred in the North do agree that the country has, over the last decade, partially introduced capitalist elements and sought to improve relations with Western countries and South Korea. However, they don't view such changes as being indicative of a change in the North's basic totalitarian nature. The country still maintains the same fundamental system of the Supreme Leader-Party-State as before, nationalizing all means of production in a planned economy and continuously suppressing its people through its use of the Juche ideology (Oh Il-hwan, 2000; Chung Sung-jang, 2008; Park Hyung-jung et al., 2009). Moreover, the North has continued to stubbornly maintain a a confrontational posture towards the international community, through its pursuit of its nuclear weapons program, while continuing to maintain a belligerent policy of military confrontation with the South, and refusing to relinquish its aspiration to unify the Korean Peninsula under communism.

Those who deny that any changes have occurred in the North recognize that partial changes have occurred but argue that they are merely a strategic ploy—a political charade—

being used for regime survival. They argue that the North will ultimately return to a totalitarian state in order to maintain the regime at all cost, while continuing to limit its relations with the South to humanitarian assistance and anything else that might be perceived by those in power as being in their own interests. The strength of this latter perspective of changes occurring in the North is that it focuses on the necessity of regime transitional changes for genuine long-term positive changes to occur, thus avoiding undue optimism and adding clarity and precision to the related discussions. Their arguments are particularly persuasive considering that there has been very little political and institutional change to speak of in the North thus far, and not the least bit of rudimentary, forward-looking change in their system of authoritarian social control.

The limitation of this latter viewpoint, however, is its insensitivity to the fact that North Korea is susceptible to economic, social, and cultural changes at the grassroots level. Also through its narrow focus mainly on political or military changes or fundamental changes associated with regime transition to the ideal of free democracy, it overlooks the crucial possibility that the on-going partial changes could gradually build up over time until they begin to have profound implications for other areas. In fact, history has shown that not all change is necessarily big bang in nature. Historically, 'revolutionary' changes like the agricultural and

industrial revolutions resulted from tens or even hundreds of years of the accumulation of knowledge and experience.

B. Conditions and causes of change: Structure vs. power. vs. intervention

There are three alternative approaches to understanding what can bring about genuine change in North Korea. The first approach, which views North Korea's changes in terms of conditions or causes of change, might be called the structural approach. This approach looks at the structural contradictions within the society at the micro- and macro-levels. A second approach called the power approach underscores the intentions and decisions of the constituents, while the third approach, the intervention approach stresses the importance of outside intervention for positive change to occur. All of these views agree on the structural issues facing North Korea, arguing that changes will be prompted by growing awareness of the problems existing in the society and proactive efforts by the constituents themselves to resolve them. However, whether or not the North has opted for change at the present time is a point of contention between those who recognize changes presently taking place in the North and those who deny that they constitute real changes.

Both camps agree that change is inevitable due to structural problems, such as the North's international isolation in the

aftermath of the breakup of the socialist bloc as well as the inherent problems of a socialist system that fails to provide adequate incentives to the workers. Given the dissolution of the socialist bloc in which most socialist states made a regime transition in favor of decentralized free market economies and participatory democracy, North Korea is now also faced with the need to change itself in order to revitalize the economic environment within the country for the current regime to survive.

The leading proponent of the structural approach to change is Theda Skocpol, who argues that "revolutions are not made, they just occur[2]." She argues that changes and transformations over time do not take place as the result of deliberate planning, they simply occur as a result of the circumstances surrounding a state at a given time. And since small changes can trigger the leadership to revert to the past at any time, the structural approach provides an argumentative rationale for those who deny that any significant changes have occurred thus far in the North. However, this approach can also be used by those who recognize the possibility that small changes can lead to fundamental changes should conditions

2. Skocpol paid attention to the similarities of the revolutions in France (1787-1800), Russia (1917-1921), and China (1911-1949) and made a comparative study with Japan, Prussia, and the U.K. where revolutions did not occur. She argued that "historically no successful social revolution has ever been "made" by a mass-mobilizing, avowedly revolutionary movement." Theda Skocpol, States and Social Revolutions (Cambridge: Cambridge Univ. Press, 1979), p. 18.

be ripe.

While recognizing the inevitability of change, the structural approach is limited in its ability to explain the timing, pace, and direction of change. More specifically, it is unclear on when positive changes will begin to take place in North Korea, whether they will be gradual or radical, or whether they will merely reinforce the totalitarian regime or prompt it to make a change of a transitional nature. Also, this approach is further limited by the fact that fundamental changes, whether top-down or bottom-up, will ultimately be realized by the collective decisions and efforts of the constituents themselves.

The power approach to the study of change considers the intentions and efforts of the constituents as the primary drivers of change and gives special attention to the purpose and direction of change. Changes are viewed as both bottom-up and top-down (Im Su-ho, 2008). Bottom-up change arises from the resistance of the common people and is in line with the Marxist concept of proletarian class revolution[3]. In the case of North Korea, bottom-up change is not highly likely to

3. In the Communist Manifesto (1848), Marx and Engels declared that "of all the classes that stand face to face with the bourgeoisie today, the proletariat alone is a really revolutionary class" as the lumpenproletariat had no special motive for participating in revolution because the members depend on the bourgeoisie for their day-to-day existence and are thus a counter-revolutionary force. Karl Marx and Friedrich Engels, The Communist Manifesto (1848) in David McLellan, Karl Marx: Selected Writings (New York: Oxford Univ. Press, 1977), p. 229.

occur given the North's efforts to turn the entire population into a lumpenproletariat (or subservient) class, the lack of experience in democracy, and the regime's iron-fisted policy of authoritarian control over every aspect of the people's lives. In this context, the marketization of the people's economy can only have a limited impact on the regime and its constituents.

Top-down change will occur when the leadership is faced with a sense of crisis and seeks change as a way to resolve the crisis. Given the strong totalitarian system and the very limited people power in the North, it is very important to note carefully the intentions and choices of the North Korean leadership. Any top-down changes will require a careful analysis of the pace and direction of change. Those recognizing positive change as in progress in the North argue that positive change and the regime/institutional level is occurring in the North, but those who deny it state that there have been no significant, forward-looking changes.

The power approach is persuasive in that it holds that change will occur as a result of the individual and collective decisions of the constituents themselves and that based on a careful analysis of the pattern of those decisions over time it is possible to predict the purpose and direction of regime change. Nonetheless, the timing, pace, and direction of change cannot always be determined by the intent of certain individuals or groups. For example, most socialist revolutions have been bottom-up, but not all such efforts to bring about

revolution have been successful. The Soviet Union's policies associated with perestroika were top-down changes but they ended up taking the society in a different direction than was originally intended by the leadership. Though Kim Jong-il once said, "Don't expect changes from me, not even by 0.001%," change is on-going in the North even though it has been partial and incomplete.

Finally, interventionism as an approach to change assumes that the only way to induce regime change in the North is through outside intervention. Though the regime could be further strengthened through intervention, such a possible outcome is not discussed at length in this paper due to the fact that outside intervention aimed at strengthening the regime in the North is now practically nonexistent. Given the uniqueness of the North Korean regime, the instability of the situation in the Korean Peninsula and Northeast Asia, and the unpredictability of inter-Korean relations, inducing change in North Korea through outside intervention may be the only viable long-term strategy for bringing about positive change in the country.

External intervention can take many forms, e.g., triggering change by altering the North's structural conditions, or prompting change by influencing the choices of the North's constituents. The policy of promoting reconciliation and cooperation is another good example of using an intervention approach to bring about change. This approach seeks to

'induce positive change in the North through engagement' with the goal of bringing change through improvement of structural circumstances (Ministry of Unification, Unification White Paper 1999: 35). From this perspective, change can also be induced by causing deterioration in the situation in the North through blockades or sanctions or by influencing the people to become disaffected with the current regime through an influx of foreign information. The so-called carrot and stick approach is also a form of intervention policy used to accelerate change by exerting influence on both the leadership and its constituents.

Despite the need to induce change in North Korea through outside intervention, such an approach has its limitations as well. First, reaching a consensus on how to intervene and what intervention to take is difficult both in South Korea and in the international community. The controversies over the kind of assistance to give to the North and the anticipated changes it will produce there, and the varying views of the international community with regards to the use of sanctions are clear examples of such difficulties. Another problem is the uncertainty of the direction of change as a result of intervention. In other words, either a regime transition or further reinforcement of the totalitarian nature of North Korea is possible. One cannot expect that a 'goodwill' policy on our side will automatically be answered with a 'goodwill' policy from the North. So the fundamental limitation of the

intervention approach is that it does not necessarily bring about a regime transition. In the end, regime transition will still be dependent to a large degree on the choices of the constituents.

By viewing changes in North Korea through the lens of the analytical framework presented above we can see that any forward-looking changes have been limited to non-institutional, social, and cultural areas. There have been little or no forward-looking changes at the regime or institutional level.

The people of North Korea have overcome the discontinuation of state food distribution system and the 'overall crisis situation' faced by the country since the 1990s through marketization. Only those living in Pyongyang, military personnel, and key members of the governing elite are still eligible for state distribution. Most of the general populace has had to resolve their livelihood issues and concerns on their own. The marketization of the people's economy has led to a rise in the floating itinerant population and the influx of information from the outside. As a result, the people's value system and perspectives have also begun to change to be more in line with those of a market based economic system, i.e., from collectivism to individualism, and from socialism to capitalism. The people have also become increasingly envious of South Korea as they have begun to gain increased access to South Korean culture.

The North Korean authorities have for the most part responded to such changes in the lives of the people in a hostile manner. While some have assessed the Economic Management Improvement Measures of 2002 to be reformative because they have partially introduced market economic elements, it is unclear whether they truly constituted forward-looking measures. Also, any positive elements of change that were beginning to take root in the North were effectively extinguished following the currency reform measures of 2009, as they only further strengthened the centralized command-control economy. Politically, North Korea continues to maintain a one-party dictatorship led by the Supreme Leader while enlisting its military to exert tighter and tighter control over the society under the Songun (military-first) policy introduced by Kim Jung-il. Finally, regardless of the views of its people, the country has established a hereditary power succession for a third generation (Kim Il-sung → Kim Jung-il → Kim Jong-un).

North Korea continues to pursue a policy of seeking unification under communism. In retrospect, it appears that any changes, if any, in its policies thus far have been merely tactical maneuvers intended to exploit South Korea to fulfill its own interests. The North on occasion has unilaterally suspended inter-Korean meetings, insisting on its positions and demanding changes in political conditions before continuing them. Despite concerns expressed by the South

and the international community, it continues to pursue a policy of military adventurism through the maintenance of its nuclear program. The country has repeatedly withdrawn from talks as it sees fit to realize its political and economic interests or in order to escape from the pinch of sanctions imposed by the international community. If this does not work, it has resorted to a strategy of nuclear brinkmanship, issuing military threats to annihilate the South, etc. In this contest, it is important to properly understand with extreme care the changing and unchanging aspects of the North Korean society and the totalitarian regime that dominates it.

Kim Jong-il and Kim Jong-un watching from a podium as soldiers march in a parade celebrating the 65th anniversary of the Workers Party in Pyongyang (October 2010)

CHAPTER 2

CHANGING NORTH KOREA

1. Marketization of the Economy
2. External Cultural Influence
3. Change in the People's Value System

1 Marketization of the Economy

A. Marketization of the people's economy

One of the most significant changes in North Korea in the last two decades has been the marketization of the grassroots people's economy. The weakening and disintegration of the officially sanctioned socialist economy in the mid-1980s, coupled with floods and other natural disasters from the mid-1990s onwards, caused the country to fall into dire economic straits. The authorities' response to the economic crisis was lukewarm at best, triggering a 'transformation from beneath' out of sheer necessity by the North Korean people themselves. In other words, the North Korean people dealt with the dire economic conditions and the discontinuation of the government's supply distribution system by trading in markets. They began exchanging capital, labor, and goods via an informal market system called jangmadang. To support the exchange economy through material means, private trade has become more commonplace and economic irregularities have proliferated. Since most commercial activities and private trade that are conducted outside institutional arrangements and the

legal framework also constitute economic irregularities, the way the people have responded to economic hardship has been no less than an irregular transformation.

The rise of jangmadang marketplaces is indicative of the marketization of the economy, which constitutes a formidable challenge to the planned economy that the state has aspired to uphold and sustain. As people get most of their daily necessities there, jangmadang marketplaces have become indispensable to the survival of the people. The jangmadang generally refers to both legal and illegal markets. Given the symbiotic relationship between the legally sanctioned markets and the illegal markets, a stronger functioning illegal market has gradually taken the place of the weaker functioning legal market.

Since the establishment of the Kim Jung-un regime, the Nongmin (Farmers') markets have continued to function as legally sanctioned markets. Given the ideological underpinnings of the regime, the North Korean authorities have strongly regulated these markets. Thus, the markets' role and function as part of the North Korean economy have undergone ups and downs as they have been subjected to repeated cycles of stringent regulation and control and of tacit acknowledgement and acceptance (Chung Jung-gil, Jeon Chang-gon, 2000; Lee Suk, 2005). As reorganization of the socialist planned economy got into in full swing in the 1980s, farmers' markets underwent a substantial period

of downturn. In the early 1980s, markets in the cities were either closed or relocated to the suburbs, with markets in the rural areas at the gun (county) level opened only once every 10 days. Furthermore, industrial goods and various types of grain such as rice were excluded from transactions.

After gradually increasing in numbers during the 1980s, farmers' markets expanded rapidly from the mid-1990s onwards due to the breakdown of the traditional state distribution system under the pressure of the economic crisis. They boomed and soon metamorphosed into so-called jangmadang markets where trade of illegal items became commonplace. In addition to traditionally traded agricultural goods, the trade of various types of grain such as rice and corn soon became commonplace along with various industrial goods like shoes, toothpaste, and sunglasses. The type of goods traded became so varied that people began to say that "everything was available [in the Jangmadang markets] except cat's horn" (Good Friends, 2000: 142). Unlike the farmers' markets, jangmadang markets were significantly more varied in terms of location, size, hours open, and items available for trade.

Beginning in the late 1990s, the jangmadang markets expanded further, opening up in undesignated areas such as along roadsides, in residential areas, in front of train stations, and even near and around bronze statues honoring Kim Il-sung and Kim Jung-il. Initially, the markets had been attended

Tongil Street market in Pyongyang

by tens of merchants daily, but soon they were being frequented by between 200 and 300 merchants and came to be opened even at night. Of course, prices in these markets were determined not by the state but by the law of supply and demand. By the end of the 1990s, jangmadang market prices had risen from 20 to even 100 times the rate of state-determined prices, leading the North Korean people to begin saying that "conscience and state-determined prices have vanished long ago."

Today, it would not be an exaggeration to say that the jangmadang market economy is participated in by the entire North Korean populace except a few military and political elites. Unable to depend on the authorities for even their minimum food necessities, the North Korean people became obliged to procure most of their daily necessities from the jangmadang, and to do this, they had to have money. There are a variety of regular customers of the jangmadang markets such as full-time or part-time merchants, and wealthy, powerful merchants (Seo Jae-jin, 1995), but this is just a classification for analytical purposes. Most North Korean

residents actually participate in the jangmadang market activities directly or indirectly, only their primary objectives differ for doing so, i.e. sheer survival versus the accumulation of wealth. Even the political party members and the military have begun to participate in the jangmadang market economy for money-making activities[4].

The emergence and expansion of these markets has resulted in numerous forms of social irregularities. For example, theft and prostitution have become a widespread means of making a living among the general public. Practically everything owned by the state has become subject to theft, including grain, daily necessities, parts and supplies, agricultural goods, telephone and electrical lines, and cultural assets. In busy jangmadang markets and railroad stations, it is common to see women advertising themselves for prostitution (Good Friends, 2000).

If the common North Korean people have resorted to economic irregularities for the sake of sheer survival, people in power have come to abuse their positions to accumulate wealth. For example, they have accumulated capital by

4. The North Korean economy is often defined as a three-way economy, i.e. the people's economy, the military's economy, and the party's economy. In the sense that each economic entity is basically dependent on jangmadang markets, the three forms of economies are inter-dependent. The movement of capital mainly flows from the people's economy to the economies of the military or the party; rarely does it flow in the other way direction. Park Jong-chul et al., Assessment of the Unification Environment, Neulpum Plus, 2010, pp. 369-370

misappropriating and misusing state-owned supplies, or by offering loan-sharking services (Seo Jae-jin, 1995; Choi Bong-dae, 2005; Cho Jung-ah et al., 2008). Accepting bribes has become the most common means of acquiring wealth among those in power. Bribes are accepted for university admission, employment, promotion, and issuance of travel and health certificates. Even houses that cannot legally be built or owned by individuals can now be traded through bribery.

B. Marketization of the economy

Despite the need to institutionalize markets in order to revive the economy, the North Korean authorities have long been hostile to the marketization of the economy. The introduction of markets has been traditionally seen as a threat to the regime, making authorities reluctant to adopt market-friendly laws and regulations. Change became inevitable, however, given the internal depletion of resources, so authorities began to adopt various measures to improve productivity. Such measures have thus far been sporadically and unsystematically adopted and in many cases then later cancelled rather than being consistently implemented.

North Korea sought to transform itself in its own way by adopting the Joint Ventures Law in 1984 to mobilize outside resources and by establishing the Nasun Economic Trade Zone in 1991. Some key examples of attempts to

transform the economy during the last decade include the amendment of the Constitution (1998) to include market economy concepts like property rights, profit, and cost, and the Economic Management Improvement Measures (2002). The Mt. Kumkang Tourist District, the Kaesong Industrial Complex, and other special economic zones that were formed in 2002, were also transformative measures for improving the economy.

In 1998, North Korea amended its Constitution to introduce some market economic concepts and ideas. Specifically, the Constitution now allows "the State to regulate the self-financing system to enable it to make proper use of such economic levers as cost, price and profit" (Article 33). Such terminology, which is associated with a market economy, is an indication that North Korea may be preparing for market reform. A new provision was also added in Article 37 of the Constitution, stating that "the State shall encourage....the establishment and operation of a variety of enterprises in special economic zones," thus laying the groundwork for the opening of some regions to more market-oriented economic activities.

The Economic Management Improvement Measures that went into effect on July 1, 2001 are considered to be North Korea's most significant step at economic reform thus far. They feature rudimentary steps to establish a free market economy such as rationalization of prices and wages and adoption of

incentive schemes. A summary of the major policy changes resulting from the July 1 measures is shown in Table 2.

Subsequently, a series of measures were taken aimed at revitalizing the economy (Kim Young-yun and Choi Su-young, 2005; Ministry of Unification, 2005). In 2003, the farmers' markets were reorganized into so-called Jonghap Sijang (general markets), where industrial products could be traded along with agricultural produce. Also, the managerial oversight of most state-run stores was transferred to institutions or public enterprises. In 2004, the authorities allowed foreign capital to form joint ventures with North Korean entities to build large-scale shopping centers or department stores by relaxing regulations on foreign capital while at the same time further enhancing the business environment through the reduction of the minimum wage from between 80 and 120 dollars to 30 euros. Partial reform measures were also taken in the agricultural sector in order to increase agricultural production. For example, sub-work teams at the farms were reduced, produce retained by the farms were allowed to be sold in the market, and individual farming was allowed. More specifically, sub-work teams were reduced from 20-25 persons down to 5-13 persons. Also, the individual share of the harvest was increased from 20% to 40%, while the size of farms available for private cultivation was expanded from between 30 and 50 pyeong to up to 400 pyeong.

Table 2 Major policy changes of the July 1 Measures

Classification	Key changes
More autonomy for enterprises	• Manager's right of business management (production, sales, fund use, etc.) strengthened • Labor/personnel management improved ('restructuring', reduced force mobilization on Fridays)
Increase in the number of privately-owned farms	• Vegetable gardens expanded from 30-50 pyeongs to 400 pyeongs • Pilot program of privately-owned farming system (Hoeryong, Musan in Hamgyongbuk-do)
Abolition of the rationing system	• Direct purchase using increased prices (purchase ticket issued) * Rations maintained for regime-maintenance organizations and vulnerable groups of children
Increases in prices, wages and public utility charges	• Prices (price of rice increasing from 0.08 won to 44 won per kilo, egg price from 0.17 won to 8 won per unit) • Public utility charges (bus and subway fares increasing from 0.10 won to 2 won per ride) • Wages increased by 20-25 folds for all occupations (payment of bonus) * Differential rates in proportion to intensity of labor
Increases in exchange rates and tariffs	• Foreign currency exchange rate: 2.2 won à 150 won per dollar • Customs on imported goods increased by two folds * No tariffs continue to apply for strategic materials like grains and crude oil

A series of additional measures aimed at revitalizing markets were also taken (Ministry of Unification, 2005: 55). In 2003, 300 or so jonghap sijang, or general markets, were opened in Pyongyang and other parts of the country. There, 95 percent of display stands were allocated to individual sellers. In 2005, markets for the exchange of imported goods were also opened as part of efforts to revitalize domestic

markets. Thus, North Korea's market system now consists of an informal jangmadang economy, in addition to the official jonghap sijang, socialist goods exchange markets, and imported goods exchange markets.

To conclude, the North Korean authorities tacitly recognized the marketization of the informal local economy by the people, legalizing it through the amendment of its Constitution and through Economic Management Improvement Measures. That is not to say that the authorities have turned out to be market-friendly or that the marketization of the economy is irreversible. The country's measures to marketize the economy still remain far from the fundamental change of introducing market institutions outside the framework of socialist ownership and a planned economy. Specifically, the authorities tacitly recognized markets but prohibited, under its criminal law, any commercial activities by individuals. Residents are still excluded from private ownership of the means of production. Also, though the size of sub-work teams has been continuously reduced, personal farming still remains illegal.

In this sense, there seems to have been significant progress in the direction of marketization of the people's economy but the institutional marketization of the economy still seems to be a far cry from reality. The currency reform in late 2009 in particular is reflective of North Korea's anti-market attitude. Given that the authorities are wary of the expansion of

marketization to safeguard the regime but that it cannot do so indefinitely because of the failing economy, markets have become something difficult to accept but also hard to give up.

2 External Cultural Influence

North Korea is one of the most isolated and closed country in the world. It is practically impossible for people to travel abroad, and even domestic trips require complex authorization procedures. Communication with the outside world is also strictly limited. Radios, TV, and other broadcast media must be registered with the authorities, and there is only one officially designated channel for each. This means that residents are institutionally blocked from accessing outside culture, and this is especially the case for South Korean cultural influences. This isn't to say that North Korean people are insensitive to outside culture; rather they seem to actively absorb them whenever the opportunity arises.

The first real direct contact that North Korean people had with the outside world was on the occasion of the '13th World Festival of Youth and Students' (a.k.a. Pyongyang Festival) in 1989. The elegance and enthusiasm with which foreigners participating at the festival spoke and behaved came as a shock to them. After experiencing foreign culture, North Korean people began to respond by emulating the way the

foreigners dressed or did their hair.

Subsequently, the economic hardship, marketization of the people's economy, and relaxation of social control allowed the people to have an increasing opportunity to get in contact with foreign culture, and particularly South Korean pop culture. In the mid-1990s and onwards, South Korean songs and TV dramas began to be distributed in North Korea, resulting in a wave of Korean influence there. However, South Korean pop culture is still subject to strict legal and institutional control.

South Korean songs that have become popular among the general North Korean public include: Lady Dongbaek, That time, that person, Labyrinth of love, and Please come back to Busan Port. Some oldies but goodies like The Dumangang River, Wild Rose, and Don't cry Hongdo are also widely enjoyed. In particular, as it was Go Young-hee's favorite song, it is said that Kim Jung-il enjoyed singing Sim Soo-bong's That time, that person during outings with her (Fujimoto Kenji, 2004).

Because South Korean songs originally reached North Korea via Yanbian in China, the North Korean people initially thought that they were Yanbian songs. However, from the 2000s onwards, they became aware that they were actually South Korean songs. The North Korean authorities still ban South Korean songs, but for some songs that date

back to the period of Japanese rule, they have lifted the ban on the grounds that they are 'songs from the period of the enlightenment.'

Beginning in the 2000s, South Korean TV dramas and other types of visual programs began to be widely distributed among the North Korean public as well. The Winter Sonata and Autumn in my heart are the top dramas that have enjoyed a wide viewership there. Also popular were Rooftop room cat and The Great Janggeum. South Korean TV dramas usually make their way into North Korea via China in the form of CDs and DVDs. It is said that North Korean youngsters enjoy South Korean dramas the most. Recently, the songs and dance moves of idol groups like Girls' Generation, Wonder Girls, and Big Bang have become popular among teenagers in Pyongyang[5].

Though television is not always readily available due to economic hardships and power outages, watching television has become one of the most common leisure activities in North Korea. Some residents have storage batteries on hand for use during power outages. Some powerful or well-off families also have an additional television in case of a

5. On August 15, 2011, Radio Free Asia quoted a Chinese trader and North Korean defector as saying that South Korean songs and dances are popular among teens and young people in Pyongyang. The report stated that disco is in fashion there, so much so that if one cannot dance at disco, they are not allowed into friends' birthday parties or gatherings. Some pay as much as 20 dollars a month to get private dance lessons from well-known instructors. Of course, all these are legally prohibited.

Winter Sonata, a hit South Korean drama in the North

crackdown.

South Korean broadcast materials are being viewed in practically all cultural spaces of daily activities in the North including schools, apartments, and workplaces. Called arae tapes (or "tapes from below"), South Korean dramas and movies have become commonplace in border areas, and in Hamheung, Cheongjin and other big cities in the Northeast regions. Wary of the public's wide viewing of South Korean programs, their emulation of the way Seoul people speak, and the singing of South Korean songs by North Korean teenagers, the authorities conducted inspections of bags of all the students of Kim Il-sung University and Pyongyang Senior Middle School No.1 and found a large number of video tapes and CDs containing South Korean content (Cho Jung-ah et al., 2008: 285-288).

Contact of the North Korean people with South Korean culture has also gradually influenced the way they view the South. Until the mid-1990s, the North Korean people viewed South Koreans as ragged and starved brethren who must be freed from the imperialist oppression of the United States. Seeing how much South Korean society has advanced, they have since that time come to view the South's lifestyle and products with envy. North Korean teenagers emulate the hairstyles and manner of speaking of the lead characters in South Korean dramas. Some popular lines like "Neona jal haseyo" ("Mind your own business") have also become popular buzzwords in the North.

In the North, there is an increased preference for products made in South Korea, too. North Koreans have developed a liking for clothes, cosmetics, household goods, and stationery with South Korean labels. The powerful and well-to-do classes rave about South Korean rice cookers, air conditioners, kimchi refrigerators, and even karaoke equipment. In many cases, the country-of-origin labels are intermittently controlled and then condoned, but products that are clearly identified as originating from South Korea are generally always traded at the highest prices in jangmadang markets. It is said that South Korean products are referred to in the North as products from araet maeul or araet dongne (both of which mean "town from below") because North Koreans cannot openly refer to them as coming from South Korea, and they are purchased without

the usual bargaining that takes place for other items (Lee Kyo-deok et al., 2007; Lee Jong-seok, 2008).

The North Korean people come into contact with foreign culture through a variety of channels, including via North Koreans living in China, communication with North Korean refugees, and broadcast media (Kim Byung-ro, 2008). In the mid-1990s, in particular, people frequently visited China to try to cope with the extreme food shortage they were faced with at the time. North Koreans living in China, known as jogyo, also frequently visited North Korea to engage in trade. These so-called bottarisang, or peddlers engaging in a brisk cross-border trade between North Korea and China, were the main propagators of foreign culture in the North. Not only did they bring news from the outside, they also brought in tapes and CDs containing foreign songs and videos. Recently, peddlers have also introduced South Korean pop culture content to the North on external hard disk drives like USBs.

North Korean refugees also have played a significant role in disseminating foreign culture in North Korea. It is estimated that there are between 100,000 and 300,000 North Korean refugees living outside North Korea, more than 20,000 of whom lived in South Korea by the end of 2010. Refugees have indirectly shared foreign cultures with their families left behind in North Korea by sending them money or goods from abroad. Some have even talked with their families directly via mobile phone from China.

Some North Korean residents have also acquired direct access to South Korean radio or television programs. Watching South Korean television is not easy in the North because of the difference in transmission methods. But based on defector testimony, there seems to be a significant segment of the North Korean population listening to South Korean radio. For example, a survey of North Korean defectors revealed that 45.7% of respondents had listened to South Korean radio broadcast and 51.9% of male respondents had listened to South Korean social and educational broadcast in North Korea (Sung Suk-hee, 2005). Though the survey respondents are not representative of the North Korean populace as a whole, the fact that half of North Korean defectors had contact with South Korean broadcasts in North Korea is an indication that the North Korean people have considerable access to South Korean information.

To a certain degree at least, North Korean authorities also seem to have grudgingly come to accept the spread of foreign culture as a fiat accompli. Beginning in 2001, for example, they began trying to attract FILA, Heineken, and other Western commercial ads while allowing South Korean singers

6. In a report dated February 3, 2010, the Chosun Ilbo quoted a parliamentary inspection report that KBS contributed 1 billion won to North Korea for its production of the Pyongyang Singing Contest (2003) on the occasion of the Korean Liberation Day, SBS 700 million won in cash and 200 million won worth of paints and other supplies for its Cho Yong-pil concert in Pyongyang (2005), and MBC 320 million won in cash and 5,000 televisions (worth 734 million won) for the Pyongyang concert of Lee Mi-ja and Yoon Do-hyun (2002).

like Kim Yeon-ja (2004) and Cho Yong-pil (2005) to stage performances in the country. They also allowed World Cup soccer matches (2002) and the Asian Games (2002), both of which involved South Korean teams, to be broadcast. Such changes, however, seem to have been driven more by a need to earn hard currency than by a genuine desire to open North Korea up to foreign information[6].

Needless to say, the influx of foreign culture, especially South Korean culture, has emerged as a major concern for the North Korean authorities as they have sought to safeguard the current regime from implosion. In lieu of this concern, they are exerting various efforts to cope with the dilemma in which they find themselves. One such effort was the revision of its criminal code in 2004, which introduced multiple measures against the influx of foreign information and culture such as making it illegal to import or distribute decadent culture, engage in acts of decadence, or listen to hostile broadcasts. The major revisions of the criminal code introduced at that time are shown on Table 3.

The authorities also increased the frequency of ideological education programs conducted throughout the country and strengthened police control in an effort to block the influx of foreign culture and ideology. They maintained an increased state of vigilance against the spread of foreign culture, recommending that the people "set up a strong mosquito net to block delinquent winds of capitalism's yellow gust." In this

way, they sought to heighten the public's awareness of the so-called 'ideological and cultural infiltration of imperialism.' From the 2000s onwards, as the 'Arduous March' finally came to an end and the society was finally able to restore some semblance of stability, they launched a major crack-down on the influx of South Korean culture (Lee Kyo-deok et al., 2007; Kim Byung-ro, 2008). The central party issued injunctions regarding the need for "a rigorous crack-down on South Korean videotapes and tapes that are regarded to be illegal" throughout the country and warned that violators who were caught during the "mop-up operations" to crack down on illegal CDs, etc., would be severely punished by the party itself. Any violations were to be cracked down on by

Table 3 Crimes associated with the proliferation of foreign culture in North Korean criminal law

Article 193 (Crimes regarding the importation and distribution of decadent culture) Those who import, make or distribute music, dance, paintings, photographs, books, recordings, floppy disks, or CDs which contain decadent, erotic content from other countries will be sentenced to two years or less of penal labor.
Article 194 (Crimes of engaging in decadent behavior) Those who watch, look at, listen to, or perform music, dance, paintings, photographs, books, recordings or CDs which contain decadent, erotic content will be sentenced to two years or less of penal labor.
Article 195 (Crimes of listening to hostile broadcasts or collecting, keeping or distributing printed materials) Those who, without anti-government intent, continuously listen to broadcasts or collect, keep or distribute leaflets, photographs, recordings or printed materials which oppose the Democratic People's Republic of Korea will be sentenced to 2-years or less of penal labor.

central government organizations like the Ministry of People's Security as well as party organizations like the Youth Union. In some cases, crackdowns were led by the Social Safety Agency and military institutions.

Despite such regulations, the North Korean government has failed to effectively control the influx and spread of foreign culture for the following reasons:

First, when caught singing South Korean songs, the people would insist that they were just singing a Yanbian song that North Korean people in China like to sing. To deal with this problem, the authorities tried to educate the people not to reveal the song's name when singing, but this did little to reduce the difficulty of cracking down on such singing.

Second, the first people to accommodate foreign culture were usually those in powerful positions such as party officials or the newly wealthy who had made their fortune through commerce. Cracking down on this leadership class was fraught with difficulty. As a result, crackdowns tended to be perfunctory at best while violators who got caught generally were able to use their connections, bribes or various other means to resolve the problem in a way that enabled them to avoid punishment.

Third, South Korean culture had already permeated the North Korean society to such an extent that there was not much that the authorities could do to crack down on it.

A significant number of South Korean songs had already become a part of the people's lives, and there was also a high preference for South Korean TV dramas. North Korean refugees have testified that the North Korean people watch South Korean videos 'at the risk of their lives,' but viewing them does not seem to be such a big issue with the authorities. However, a severe punishment is meted out against those who are caught smuggling South Korean videos into the country. The criminal law also provides stiffer penalties for repeat consumers of foreign culture who have watched or listened to foreign cultural materials "several times."

3 Change in the People's Value System

North Korea's overarching ideology is called the Juche Sasang (the idea of self-reliance), which states that "the masters of the revolution and construction are the masses of the people" and that "they are also the motive force of the revolution and construction." The North claims that the Juche ideology is a 'new human-centric philosophy that emphasizes the self-reliance, creativity, and consciousness of the masses. As nice as this all sounds, however, in the course of Kim Il-sung's rise to power and efforts to strengthen his grip on power through the installation of a hereditary power succession, the ideology has been tragically manipulated to serve the interests of the leaders at the expense of the freedom and autonomy of the people (Hwang Jang-yop, 1999). For example, by requiring that the masses support a revolutionary leadership in which "the Leader is brain of the living body, the Party the nerve system, and the masses the arms and legs of that body," it has served as an ideological tool for the Kim Il-sung clan to exclusively possess and utterly control the country. The socialist system is depicted as a great family consisting of the Leader as the father, the Party as the

mother, and the masses as the children. As a result, the North Korean people have been subjected to a position of complete subservience, exploitation and suppression in which one must remain fully committed to serving Kim Il-sung and Kim Jong-il without question or else be sent to the gulag as a traitor against the state.

Without regard for their own will, the people were forced to adopt a value system of socialist egalitarianism and collectivism befitting the North Korean regime. The market economy of the capitalist world was dismissed as being fundamentally opposed to socialism and any acts of self-interest were regarded as being illegal, or frowned upon at best. People were denied freedom and autonomy in their private lives, while the people were strictly prohibited from developing personal networks based on bloodline, academic or regional ties. From an early age in life, the people were forced to join a political organization as so determined to be appropriate by the authorities and to develop a collective mindset and values.

Notwithstanding these formidable constraints to their personal freedom and autonomy, the North Korean people, surprisingly, have not just developed the value system that only befits socialism that the authorities have sought to impose upon them from above. Individually, they also developed alternative ways of adaptation (Ministry of Unification, 2011: 251~255). For example, the people have reacted to collectivism

with 'social indolence,' (i.e. neglect of duty). Social indolence is a social phenomenon where the larger the group, the less the contribution from each individual member of the group. The stagnation of the North Korean society is part attributable to social indolence. The people also reacted to standardization and authoritarianism with 'preference falsification' and 'collective thinking.' Preference falsification refers to a phenomenon where individuals are only responsive to the demands of the authorities when in public spaces but then seek their own self-interests when in private. Though a socialist society may look from the outside like it is being run smoothly, internally its cohesiveness and productivity are very weak. This is the result of preference falsification. Collective thinking refers to the fact that decisions in a socialist society are made in such a narrow, limited way that they befit the regime at the expense of individual creativity.

The marketization of the people's economy in North Korea has spawned values and lifestyles that are fundamentally at odds with the traditional ones. Traditional values such as economic egalitarianism and collectivism have as a result begun to hold significantly less power to regulate the people's actions. In other words, the traditional values upheld by the regime are being subtly challenged and replaced with capitalist and materialist values and individualism. More specifically, the social norms of the emerging culture emphasize materialism above ideology, with people thinking

more about their own survival and individual profit than about their collective duty to be subservient to and dependent on the nation (Kim Byung-ro, 2008: 123). Young people and teenagers have shown a tendency to be more liberal and egocentric with a more relaxed stance toward ideological purity, an increased tendency to engage in deviations from the status quo, and a weaker professional consciousness (Lim Sun-hee, 2006).

North Korean people have shown the following changes in values:

First, there is a heightened consciousness of capitalism and materialism. The marketization of the people's economy has led to greater value being placed on money and materialism. Money-making has become a priority for the North Korean people and there is an increasing belief that money equates with ability (Ministry of Unification, 2006: 3). The key considerations when it comes to finding a job and getting married are now competence, business, and money-making rather than background, party membership and the ability to maintain a successful career. The widespread belief is that "one must be competent in order to survive." People in the middle and lower classes prefer jobs that bring material success (e.g. work in local or international trade, foreign currency acquisition and exchange, deep-sea fishing, restaurant management) rather than being a member of the Workers' Party. Also, following the announcement of the Economic

Management Improvement Measures in 2002, terms like economic reform and markets, which prior to that time had only been used tacitly, have now become part of the everyday vernacular.

Second, collectivist thinking, which places group interests first, has given way to a society burgeoning with individualism and family-centered thoughts. North Korean farmers have become more eager to grow crops on their own farmland than on the collective farms. For example, it has been reported that a significant amount of the fertilizer sent by South Korea is being used for personal use.

People living in the cities are becoming more focused on their personal business or side jobs than on their main jobs. Those who go to work early leave the office early to spend

Outing of a North Korean family

time on their own businesses. There is a saying that "the only person who can save me is myself. The only way to survive is by self-survival." The measures introduced by the North Korean authorities to reduce the size of sub-work teams and to allow women to engage in business are reflective of the rise in individualism and the priority that people have begun placing on their own families.

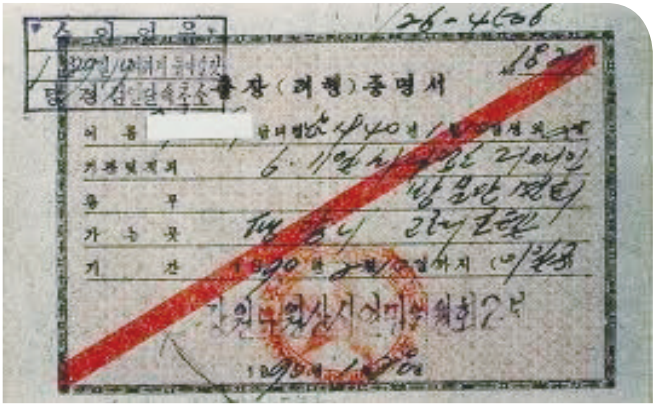
The above changes in values could result in changes in lifestyle, which could be seen as either positive and progressive or as negative and passive. If the role of the state diminishes and marketization progresses, positive and progressive changes would entail a minimum level of tacit approval and permission from the authorities. On the other hand, if the state continues to exert overwhelming control over residents, negative and passive changes would likely entail dramatically increased levels of deviations in the form of societally corrosive lawlessness and crime. A significant part of the changes in lifestyle of the North Korean people thus far has been negative and passive.

A positive and progressive life involves an attitude of being the master of one's own life and destiny through the self-implementation of a progressive competitive life. Engaging in trade or cultivating one's own garden are key examples of such efforts so far in the North. As the North Korean people have developed a materialistic view of the world and become deeply engaged in market activities, market economy terms

like discounts, bargains, or clearance sales are no longer new (Ministry of Unification, 2005: 61-64). In jangmadang markets, merchants tout their merchandise on the street. Big restaurants give away lighters with their restaurant name printed on them.

The growing people's tendency toward free market and individualism has also triggered a weakening of organizational life. On the outside, the North Korean people continue to display a collective ideology and lifestyle. However, in reality, they have very low interest or passion for indoctrination and try to avoid organizational life if they can. The self- and mutual critique sessions, which constitute the core of organizational life, are increasingly seen as a troublesome formality. The routine of organizational life, which in the past used to run like a well-oiled machine, has now become laissez faire. For example, there are a growing number of people who fail to show up at their workplace, and even if they do, most of them leave the office early with almost everybody out of the office by 5pm. Moreover, more and more people tend their own business or garden, or engage in activities for personal profit during their lunch breaks or any time remaining after work.

The rise in the itinerant population is also reflective of the noticeable rise in commercial activity and individualism. Despite the fact that the North Korean Constitution provides for freedom of residence and travel for its citizens (in Article



A travel certificate

75), in actuality, people must carry a certificate of permission from the government in order to travel. Also, people must follow special procedures in order to obtain a certificate of travel allowing them to go to a border area or to Pyongyang (Good Friends, 2000). So in effect, there is no such thing as free travel in North Korea and there are only a miniscule number of travelers on the roads throughout the country.

The reasons behind the considerable rise in the itinerant population following the economic hardships of the 1990s are as follows: First, it has become much easier to get a travel certificate than before. Certificates are easy to get for travel necessary for survival such as to purchase food. With regards to group travel, it has become commonplace for the authorities to check the personal information of the leader only. Second, a growing number of travel certificates are

issued on account of bribery. In the early days of the food shortage, in particular, travel certificates could be procured by giving a small contribution on the side like alcohol or cigarettes. Third, there has also been a significant rise in illegal travel (i.e., travel without a certificate). In fact, the majority of the itinerant population is illegal travelers without a travel certificate. A final reason is that punishment of illegal travel has also become considerably more lenient if the guilty parties are doing so merely for the sake of survival.

Both the rise in the North's itinerant floating population, coupled with an increase in smuggling along North Korea's border with China, have accelerated the influx of information and culture from the outside world. As a result, the North Korean people have begun to tacitly criticize the socialist system and the regime. Most North Korean people have long since discarded their traditional belief that South Korean people are ragged and starved and understand that China's economy is also developing through market reform and the opening of its markets to the West. As a result, it seems that the North Korean authorities can no longer hide these facts from their people.

The reduction in state functionality at the national level, the advancement of marketization, and the changes in values have also resulted in a rise in lawlessness and criminality. In fact, the widespread tacit acceptance of capitalism and materialism combined with the turn towards individualism and family-

oriented values are diametrically opposed to the socialist and collectivist values that the North Korean regime upholds. In this context, it seems plausible that the changes in the people's value systems and lifestyles may well have led to the increase in lawlessness and crime, which have become so widespread that they have become part and parcel of the people's lives. Most people now make a living outside the official state economy under the control of the authorities, such as through cultivating their own gardens or participating in commerce. However, some residents make a living instead by stealing or committing other criminal acts. On the other hand, people in power have accumulated wealth through the appropriation of supplies intended for the people, through accepting bribes, or through embezzlement (Ministry of Unification, 2005: 64). For example, powerful elites earn money by trafficking used cars, factory equipment and components. Even the Ministry of the People's Armed Forces mobilizes about 70 percent of its vehicles for profit-making activities.

These trends have led to a division of the merchant class into three groups: the (1) patrons who have accumulated capital in commerce, (2) intermediary (wholesale) merchants, and (3) retail merchants. The minority classes of power elites and merchants who hold a monopoly on capital and information have emerged as a new wealthy class (Choi Bong-dae, 2005). On the other hand, the gap between the rich and the poor is getting wider. This gap is fostering an

atmosphere of social disharmony among the people (Ministry of Unification, 2005: 63-64). The widening income gap resulting from a sharp rise in commerce and a proliferation of corruption through the abuse of power is changing the society from within. But the average income of the North Korean people still remains an absolute function of the power of the state based on educational level, job placement, and promotion criteria as so determined by the state (Choi Bong-dae, 2005).

The troubling rise in lawlessness among the North Korean people is also reflected upon in the amended criminal law. In 2004, North Korea reformed the law by providing penalties for additional crimes such as tax evasion, personal commercial activity, brokerage, smuggling, and usury, which were defined as capitalism-style crimes that undermine the socialist economic order. The revised Constitution also stipulates penalties for prostitution, lewd acts, gambling, and superstitious acts, defining them as crimes that undermine the community life of socialism (Koh Seong-ho, 2005).

In short, the North Korean authorities have employed both legal measures to try to induce the people's voluntary agreement as well as physical control in order to prevent changes in the people's value systems. According to the Ministry of Unification (2005: 64-65), the authorities have been striving to reinforce indoctrination to stop the rapid spread of capitalism and individualism in the country. For

example, in July 2002, by order of Kim Jung-il, they launched the Campaign to Block Yellow Winds. In 2003, they installed education halls in Kaesong, Haeju, Wonsan, Sariwon, and Sinuiju where they organized group indoctrination lectures to be held multiple times (more than twice) during a year. In 2004, similar facilities were opened in Chongjin and Kanggye. They also instructed borderline customs inspectors to make sure that no unusual elements make their way into the country. They also propagandized on broadcast media that "no acts shall be allowed that spread superstitions, mammonism, and bourgeoisie lifestyles, which are poisonous elements that strip the human soul and body and foster anarchy and confusion in the society" (August 5, 2004, Pyongyang Broadcasting Station).

In conclusion, the changes that have occurred in the value systems of the North Korean people are anti-socialism and market-friendly. They are anti-collectivist and individual-friendly. Such a transformation offers a great opportunity for the people in the sense that they are well-adapted to the new conditions and trends of the world economy and world history. The North Korean authorities, however, have defined such changes as elements that threaten the regime. In this context, whether or not the forward-looking changes in the people's value systems will be sustained over the long term or not will largely depend on the dynamic interplay of emerging economic conditions, the intent of the authorities in power, and the direction and effects of control on the people.

CHAPTER 3

UNCHANGING NORTH KOREA

1. One-Person Dictatorship and Hereditary Power Succession
2. Market Control and Currency Reform
3. State Control Over the People and Violations of Human Rights
4. North Korea's Policy Towards South Korea
5. Development of Weapons of Mass Destruction and Brinkmanship Tactics

1 One-Person Dictatorship and Hereditary Power Succession

Politics in North Korea is an area in which negative changes to reinforce the regime have been many but no real positive changes have occurred that would transform the basic nature of the regime. Despite on-going discussions on 'Juche ideology versus military-first policy' and 'Which comes first: the Party or Military?,' the general consensus is that there have been practically no positive changes (Yu Ho-yeol, 2000; Chung Sung-jang, 2008). Rather, over the last decade, North Korea has reformed its political institutions in an effort to further reinforce its totalitarian regime. More recently, it has only further reinforced these regressive political tendencies by instituting the third-generation of its hereditary power succession.

If truth be told, North Korea is a totalitarian society with a hereditary dynasty. As aptly depicted in George Orwell's Nineteen Eighty-Four, totalitarianism is a model dictatorship where the eternal Big Brother wields total control over the thoughts and actions of every citizen. Carl Friedrich and Zbigniew Brzezinski (1965) characterized the Soviet Union

regime under Stalin as being totalitarianism, arguing that a totalitarian system has as its defining characteristics elaborate guiding ideology, single mass party typically led by a dictator, system of terror, monopoly on weapons, monopoly on the means of communication, central direction and control of the economy through state planning, territorial expansion, and the government's control of the judiciary.

Politically, North Korea is a dictatorial regime dominated by one person who serves as the supreme leader (Suryong). The supreme leader wields absolute power in the political system and serves as the 'great leader' of the Party and the revolution. The Suryong position is not legally or bureaucratically constrained; it is a leadership position that has been created through concentration of all bureaucratic and military forces under the leader's absolute control through continuous iconic manipulation (Oh Il-hwan, 2000). The North Korean regime secured and reinforced the legitimacy of Kim Il-sung's leadership through continuous idolization, appeasement, and suppression. Subsequently, the one-person dictatorship of Kim Il-sung was succeeded by that of his son, Kim Jung-il.

As the sole governing party of North Korea, the Workers' Party is the highest authority and, as stated by the Constitution, is a supranational institution that comes before the state. The Constitution states that "the DPRK shall conduct all activities under the leadership of the Workers' Party of Korea." Though there are two other legal parties (the Social

Democratic Party and the Chondoist Chongu Party), they are only sub-entity coalition parties of the Workers' Party and do not seek or aspire to gain power. The immediate purpose of the Workers' Party is to 'achieve complete socialist victory' and 'finish national liberation and the historic task of the people's democracy revolution on a national scale.' The ultimate goal is to 'inculcate Juche ideology across the entire society and hence realize the complete independence of the masses.' (Preamble to the Rules and Regulations of the Workers' Party)

No political freedom is guaranteed in North Korea. The Constitution guarantees the secret ballot (Article 6) and recognizes the right of electors to recall deputies they have elected (Article 7). However, the secret ballot is in reality only a political charade. In actuality, there are only yes or no ballots allowed on single candidates preselected by the Workers' Party hierarchy. Consequently, all votes almost without exception have a 100 percent turnout and receive a 100 percent yes vote. For example, in one election to select a deputy of a Local People's Assembly (July 24, 2011), a North Korean broadcast channel reported that "99.97 percent of the voters cast their votes and they all voted as did Kim Jong-il for Kang Chul-ho, the manager of a quail factory in Yongsung." Given that Kim Jong-il is the final selector of all candidates, it becomes increasingly obvious that the party, Cabinet, and all other representative institutions in the country are being almost exclusively monopolized by one person.

Since the mid-1990s, the one-person dictatorship has only been further strengthened. To cope with the shortage of material lure and a general weakening of voluntary agreement among the people, Kim Jong-il elevated his position while reinforcing the use of physical coercion and control. Park Hyung-jung et al. (2009) described in a nutshell the political changes that have occurred in North Korea since the 1990s with the phrase 'from totalitarianism to despotism,' doing so on the grounds that to counterbalance an overall weakening of the party's status, Kim Jong-il strengthened the authority of the Defense Committee, reinforced the role of the Ministry of People's Security and other institutions specializing in the use of physical violence to control the people, and created a politics of terror through mass purges and public executions by firing squad.

The Preamble to the Rules and Regulations of the Workers' Party as amended in 2010 defines the Workers' Party as the 'Party of Kim Il-sung' and elevated the status of Kim Il-sung to that of 'an Eternal Leader,' while mentioning the name Kim Jong-il three times in order to establish that the party is ruled by a hereditary dynasty. It also made clear that Juche is the only ideology in North Korea and that capitalism shall continue to be opposed and denounced as a 'reactionary and random ideological trend.' The party still maintained as its ultimate goal the 'inculcation of Juche ideology across the entire society' and maintained its position in support of the

withdrawal of U.S. forces and 'the struggle for democratization and right to survival' of South Korea independent of imperialist domination and control by the United States.

The amended 1998 Constitution defines North Korea's Constitution as "the Kim Il-sung Constitution," and characterizes Kim Il-sung as "the Eternal Premier," mentioning his name no less than 17 times. The same definition is retained in the amended 2009 Constitution. Consequently, the party and the state are tacitly identified as being monopolistic possessions of Kim Il-sung and Kim Jong-il.

Since 1997, North Korea proposed Songun, or the military-first policy, as the unique guiding policy of Kim Jong-il, arguing that the military should oversee all aspects of the state and society, including politics, the economy, and the

People paying respect in front of Kim Il-sung's bronze statue

policing of the society. The amended 2009 Constitution describes Songun together with Juche as the guiding ideology of the nation. Military-first policy prioritizes the Korean People's Army in the affairs of state, such that military power is given priority over economic construction. In short, North Korea has shown itself to be politically regressive in that it has consistently sought to strengthen the power of its armed forces and establish absolute control of the society by a one person dictatorship rather than to resolve the food shortage problem.

The strengthening of the authority of the National Defense Commission as a means of strengthening the one-person dictatorship is also indicative of the regressive nature of the North Korean political system. For example, the Constitution revision in 1998 abolished the presidency, ostensibly in order to distribute power more widely by divesting more authority to the Presidium of the Supreme People's Assembly and the Cabinet. However, at the same time, the status of the National Defense Commission was elevated to 'an organ for general control over national defense' and the Chairman of the Commission was made the 'highest position of the State to direct and command all political, military, and economic competence,' thereby only further strengthening the one-person dictatorial control of Kim Jong-il. The revised 2009 Constitution dedicated a separate paragraph to describing the status and authority of the Chairman of the National Defense

Commission. It made Kim Jong-il the 'supreme leader' of the Commission and gave him the authority to ratify and abrogate treaties and the prerogative of showing mercy, which had hitherto been the under the auspices of the Supreme People's Assembly. In short, North Korea's one-person dictatorship has only continued to be reinforced institutionally as the years have progressed.

The institution of a third-generation dynastic power succession is reflective of the rigidity and backwardness of the North Korean regime and implies that the Kim family intends on maintaining its iron grip on power in the form of a one-person dictatorship for a long time to come. In September 2010, North Korea held a meeting of core party delegates for the first time in 44 years at which time Kim Jong-il was re-appointed as the General Secretary of the party, party rules and regulations were revised, and a personnel shuffle took place. The meeting assigned key members of the Supreme People's Assembly and of the Cabinet to the Central Committee of the Workers' Party as well as key members of the military to key posts, making the regime's intent to maintain its previous policies and hold on to Songun politics clear to all. In an effort to strengthen the institutionalization of the clan system, Kim Jong-il granted his younger sister Kim Kyong-hui the rank of Korean People's Army General and assigned her to be a member of the Political Bureau and Director of the party's Light Industry Department.

He also promoted his brother-in-law and the husband of Kim Kyong-hui, Jang Sung-taek, to the party's Central Military Commission (as a member), the Political Bureau (as a candidate member), and to the Administrative and Capital City Construction Department. Given the fact that these two subsequently became the guardians of Kim Jong-un's hereditary power succession, the practical purpose of the meeting of core party delegates appears to have been to unveil the succession plan, consolidate party support for it, and insure a smooth transition to the third-generation of the hereditary power succession.

Despite being only in his late twenties and having no military training or experience, Kim Jong-un was promoted to the rank of Korean People's Army General on September 27, 2010, under the order of the Chairman of the National Defense Commission. Then, at the meeting of core party delegates the next day, he was appointed vice-chairman of the newly installed Central Military Commission of the party. At the same time, North Korea set out to develop a cult of personality for Kim Jong-un through poems and songs adoring the 'Dear Young General.' High-ranking North Korean political figures publicly mentioned Kim Jong-un as Kim Jung-il's successor. Kim Jong-un was placed next in line after Kim Jong-il during the funeral of Jo Myong-rok, Vice Marshal of the People's Army who died in November 2010, making it clear that Kim Jong-un had become the successor in waiting

of Kim Jong-il. A relic from the monarchical era, hereditary power succession to a third generation is unprecedented in modern history in both democratic and communist countries.

Most hereditary power successions have faced a miserable end in recent modern history. Haitian President François Duvalier came to power in 1957 and ruled with an iron fist until his death. His son succeeded him and ruled for 15 years until forced to step down in 1986 following a public uprising. Syria's Hafez al-Assad came to power following a coup d'état in 1970 and ruled with an iron fist until 2000. His son succeeded him in power but his future remains uncertain due to persistent calls for democracy and a public uprising amidst the Arab Spring of public discontent against dictatorial rule that has been sweeping the Middle East since 2011.

In the heated debates over the changes presently occurring in North Korea, both those who recognize change as underway in the North and those who deny it seem to agree that there have been no meaningful political changes at the top thus far in the country. There have been some changes such as a generational change of leadership in the party and in the political circle, the appointment of economic personnel with practical work experience, and the introduction of more pragmatic socialist concepts (Ministry of Unification, 2005: 70). The significance of such changes has been largely eclipsed, however, by the North's execution of its stringent currency reform measures, the continuation of its military

adventurism, and the ongoing abuse of power by hard-liners in Kim Jong-un's inner circle.

In summary, it is perhaps safe to say that there have not been any real signs of forward-looking change on the political landscape thus far in North Korea. On the contrary, any changes that have occurred have been more regressive than progressive in nature. For example, by equating the Constitution and the Workers' Party as the 'Constitution of Kim Il-sung' and the 'Party of Kim Il-sung,' the regime has in effect made the country a possession of the Kim Il-sung and Kim Jong-il family. While focusing on boosting his own power, Kim Jong-il has also worked arduously to transfer his power to his son Kim Jong-un, so that the country would have the "good fortune" of continuing to be led by the Kim dynasty.

Propaganda poster extolling Kim Jong-un

2 Market Control and Currency Reform

Despite the fact that North Korea has officially adopted a socialist planned economic system, the marketization of the people's economy has advanced to a considerable degree. Since the mid-1990s, North Korean people have depended heavily on privately run markets like the jangmadang to purchase daily necessities. However, this doesn't imply a fundamental change in North Korea's economic system as a whole. The authorities have thus far only grudgingly authorized or else intermittently overlooked market activities as a desperate countermeasure to make up for shortages of available resources. The regime's anti-market colors were clearly revealed during its efforts at currency reform undertaken at the end of November 2009. In a series of "measures to establish economic order," the regime devalued its currency by 100 to 1. The reform ended up instituting a strict control over markets and effectively wiped out the wealth that people had begun to accumulate through those markets.

A. Market control

Because of the country's ongoing aspirations to implement a socialist planned economy, a market economy runs against the fundamental nature of the North Korean regime. At the same time, however, it has become difficult for the country to completely control and suppress the emergence of markets. The marketization of the people's economy can be attributed to the inefficiency of North Korea's mobilization economy and the collapse of its distribution system. Consequently, the authorities have repeated the dysfunctional cycle of first suppression and-connivance, and then reluctant authorization of market activities. For example, when the economy was faced with the food crisis in the 90s, they allowed people to grow their own gardens.

Then in 2002, they institutionalized private vegetable gardening through the Economic Management Improvement Measures. However, this did not mean that they completely authorized private farming. Rather than seeking constructive change through marketization, they are still more concerned about any negative side effects of further market expansion than about the benefits it might have for the people. In other words, they have continued to regulate markets because they perceive them as a threat to the very existence of the regime (Lim Kang-taek, 2009:99).

The same goes for commercial transactions. As already

explained previously, farmers' markets had their ups and downs depending on the economic situation and what control measures the authorities undertook to suppress them. More and more informal jangmadang markets, which have sprung up in significant numbers since the mid-1990s, have also gone through ups and downs. Following an initial period of connivance, suppression and control, the authorities finally grudgingly integrated the jangmadang markets into the system of more institutionalized general markets from 2003 onwards (Ministry of Unification, 2005). But again, this doesn't mean that the country authorized or has moved in the direction of a market-driven economy. The reason why the authorities were unable to fully suppress and control the fledgling and booming jangmadang markets was because of their implications for the people's survival Rather than adding to the pool of existing markets, the allowance of general markets was a means of relocating unofficial commercial transactions in places where they could be better kept under the control of the state. In the same vein, the Economic Management Improvement Measures were parsimonious to the currency reform in that they were aimed at absorbing the resources of the markets through a hike of wages and prices rather than through any real desire to expand the economic autonomy of the people (Yang Un-chul, 2008).

Due to its anti-market posture, the North Korean regime has exerted control over markets at every occasion possible.

For example, following the announcement of the Economic Management Improvement Measures in 2002, the North saw an expansion of both formal and informal markets, raising the authorities' level of awareness and concern on this issue. In consequence, the authorities began to tighten their grip over the markets through censorship and regulations. In October 2005, they prohibited the trade of food in the markets and re-institutionalized their former monopoly over the sale and distribution of food. Given that this measure was vital for a return to the days of the planned economy and public control, the state's efforts to regain a monopoly over food distribution represented a clear regression to the past.

From 2006, the authorities stepped up its control of the markets' opening hours and items sold. In December 2006, men 17 years of age or older were forbidden to sell at jangmadang markets, practically limited market participation to women. In 2007, the authorities further strengthened market control by pushing upwards the age limit for market participation and placing a limit on items authorized for sale and prices. In 2009, they reorganized permanently established markets into farmers' markets in a clear indication that they would tolerate the marketization of the people's economy no longer.

B. Currency reform

The high water mark of North Korea's attempts at centralized market control was the 2009 currency reform. At the end of November 2009, North Korea enacted currency reform measures aimed at abolishing the old currency and setting up stringent guidelines for the exchange of old currency for the new. Additional measures sought to reinstate state control over markets, restore the state-run centralized distribution system of the past, and induce laborers and farmers to return to the workplace. The currency reform measures are summarized in Table 4.

Table 4 Key currency reform measures

Classification	Key changes
Currency exchange	• Exchange of new currency for old currency at the rate of a hundred to one, with exchange allowed for up to 100,000 won of old currency per household * A future exchange certificate is issued for any amounts exceeding 100,000 won of old currency • New currency of 500 won distributed to every resident
Market control	• Individual commercial activities banned and general markets closed * All accumulated goods and money to be transferred to the state • Food and supplies to be supplied through state-run distribution network

Classification	Key changes
Foreign currency control	• All-out ban on the use of foreign currency (foreign currency held by individuals and businesses to be donated to the authorities) • Institutional mechanism for generating more foreign currency earnings improved(through foreign trade and attraction of overseas investment)
Incentives for laborers and farmers	• Laborers to be paid their pre-reform wage amount in new currency * An effect of a 100-fold increase in wages

Starting on November 30, 2009, the people were given only one week to exchange their old currency at a rate of 100 to one and were allowed to exchange up to 100,000 won of old currency per household. In addition to the currency reform directives, the authorities also enacted measures to prohibit the use of foreign currency throughout the country, control markets, supply goods through the state-centered distribution system, administer state-set prices and exchange rates, crackdown on private sector economic activities, induce laborers and farmers to return to their workplace, and attract foreign funding and investment.

In an official decree announced on December 28, 2009, the country banned the possession, use, or trade of all foreign currencies, making it illegal for individuals to make any commercial transactions using foreign currency and demanding that all those possessing foreign currency donate it to the authorities. The decree also required businesses to deposit all foreign currency earnings within 24 hours

from the time such income should be received. All general markets across the country were to be shut down in order to transition them over into farmers' markets. All goods held by individuals, trading companies, and foreign-owned stores were required to be transferred to state-run stores and all food distribution to be thenceforth conducted through the state-run distribution network only. The currency reform was thus a regressive attempt to in one fell swoop roll back the spread of privately run markets and return the economy to the old state-centered planned economy of the past.

The currency reform of 2009 is widely believed to have been driven by several underlying factors (Hyundai Research Institute, 2011: 44-46). The first was a desire to strengthen the planned economy. The state's coffers were almost exhausted, while the private sector was enjoying a relatively abundant flow of capital and goods through its flourishing markets. Against this backdrop, the authorities appear to have made the decision that to increase the productivity of the state-run economy they must absorb private resources and control them from the center. As we shall soon see, this approach ultimately boiled down to a classic example of a fallacy of socialist thinking.

Second, the currency reform measures may have been undertaken as a means of curbing inflation that had arisen during the economic crisis. As the 2000s were ushered in, North Korea began printing and using higher-denominated

notes of 1,000 won and 5,000 won. In view of the fact that the average monthly wage prior to the enactment of the Economic Management Improvement Measures (2002) was between 100 won and 130 won, such denominations are considerably higher than anything the average wage earner could afford or use. The exchange of new currency for old currency at the rate of a hundred to one was likely intended to stabilize prices and return them to levels corresponding to those of the 1980s.

The third factor driving the 2009 currency reform measures was to reestablish state control of markets and eradicate the emergence of free market forces in the economy. The people's economy had already been marketized, and some people had begun accumulating wealth through these markets. These new rich had continued to build their wealth through commerce and usury, and further expanding the reach of their activities through bribery of party officials. By setting a

Dull Onsung Market in Hamkyung buk-do Province after currency reform (March 2010)

ceiling on the amount of currency allowed to be exchanged, the authorities intended the exchange of currency measures as a way to take away the accumulated wealth of these individuals, ban their possession of foreign currencies, and make it impossible to amass wealth through other means.

North Korea's 2009 currency reform ultimately failed to achieve its objective. In fact, as conceived, it was bound to fail from the start. Due to market control and an exacerbated shortage of supplies, the state's attempt to reinforce the centrally-planned economic order by absorbing resources from the private sector only led to a hike in prices. After repeated price fluctuations in the aftermath of the reform, prices rose 10 to 15 folds in just two months[7]. Though the state needed a stable fiscal income in order to control markets and strengthen the centrally-planned economy, inflation resulted in a contraction of markets and plunged the overall macro economy into recession. Thus, the state failed miserably in its efforts to return the economy to the idealized centrally-planned economic management structure of the past.

The currency reform exacerbated the difficulties faced

7. Before the currency reform, a kilogram of rice had cost about 2,500 won in jangmadang markets. Right after the reform, the price fluctuated between 20 and 40 won, but by February, it rose to between 200 won and 300 won, representing a 10-fold hike. A year later, the price almost reached pre-reform jangmadang levels, an indication that prices have risen to such an extent that the value of the new currency became almost equivalent to that of the old currency. For more recent information on North Korea, please refer to Good Friends publications, Today's North Korea News, newsletters, and North Korea Intellectuals Solidarity.

by the people to make a living. The rapid dwindling of functioning private sector markets, coupled with the failure of government-led distribution mechanisms, made it more difficult for people to buy food and necessities and caused exorbitant inflation. The ceiling for currency exchange and the confiscation of foreign currencies triggered a rise in discontent among the general public, and resulted in a massive outflow of foreign currency from the country through unofficial channels. In the end, the currency reform measures failed due to an angry public backlash. It also resulted in the unintended side-effect of loss of public confidence in the authorities. Reports that Park Nam-ki, the chief of the planning and finance department of the Workers' Party, and Lee Tae-il, the vice-chief of the department, were publicly executed in March, 2010, as well as finance minister Mun Il-bong in June, 2010 are clear indications that North Korea's 2009 currency reform was a total failure (Kim Guk-sin et al., 2011: 423).

In sum, while the marketization of the people's economy has progressed to a significant degree, the authorities have continuously attempted to control and roll back the spread of these markets. It is not an exaggeration to say that there have been practically no proactive institutional changes so far to move the economy away from the basic framework of socialist ownership and a planned economy or to introduce market institutions. In light of this fact, market economy

concepts like cost, price, and profit, as well as terms like autonomy in economic activities thus far remain empty political rhetoric without any real purpose. The Economic Management Improvement Measures taken in 2002 amount to the temporary toleration of the marketization of the people's economy at best. Some may even be inclined to interpret them as a further regressive attempt at absorbing private market resources.

These forces notwithstanding, amidst a dysfunctional centrally-controlled distribution system, the 'change from the bottom' has advanced considerably in the form of marketization. To curb the growth of the market system, the authorities enacted the 2009 currency reform measures, which only triggered rapid inflation. In the end, the privately run market system was resumed and the people are allowed to continue to maintain their livelihoods through private market activities. Considering the abject failure of the 2009 currency reform measures, the marketization of the people's economy now seems to be irreversible (Im Su-ho, 2008). Considering the uniqueness of the North Korean regime, however, the regime might resume the full market control upon the right conditions if short supplies are to blame for the reform failure. Thus, any economic changes thus far have been limited to the marketization of the people's economy, and there has been precious little in terms of forward-looking change when it comes to political systems and institutions.

3 State Control Over the People and Violations of Human Rights

North Korea, a totalitarian state, presents a prime example of dictatorial rule in which the thoughts and actions of the constituents of the society are controlled and repressed. North Korea's totalitarian government is characterized by the one-person dictatorship of the Leader, a centrally planned economy, collectivist rule of the society, and the Juche ideology as the sole ideology of the people.

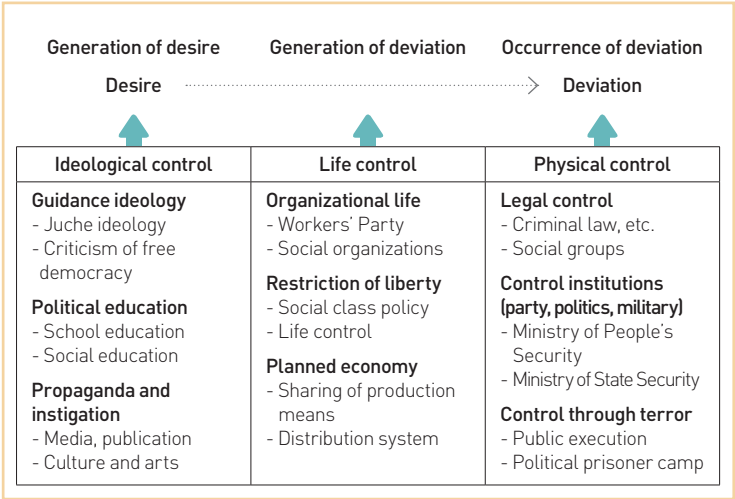
Due to the nature of totalitarianism, the liberty and basic human rights of the North Korean people have been seriously abused and suppressed. People have been denied their most basic rights, including their political rights like suffrage, their economic autonomy in terms of production and distribution, the freedom to move freely from place to place and to choose one's own residence, and the freedom of religion. Any acts deviating from the absolute will and control of the authorities have been met with measures that severely abuse human rights, such as public execution or imprisonment of offending parties as political criminals in addition to collective punishment. Especially following the social crisis of the

1990s, the authorities have resorted to more stringent physical coercion that suppresses human rights.

A. State control over the people

State control of the people encompasses ideology, livelihood, and physical control. The mechanisms employed to achieve this end are illustrated in Figure 1 (Naoki Takeda, 2010). For example, the authorities demand that the people conform to the will of the regime on the basis of the official Juche ideology promulgated by the regime. Any desire to deviate from the party line is suppressed through the enforcement mechanisms of the collective life of the people and through the centralized distribution system. Also, any acts deviating from the will of the administration are severely punished by law and through physical control mechanisms. Of course, each control mechanism is designed to complement the others rather than working at cross purposes with them.

Figure 1 Social control mechanism



The first control mechanism is that of control through ideology. The ideological basis for state control of the society is the exclusive Juche ideology. Juche is based on the premise that "the masters of the revolution and construction are the masses of the people and that they are also the motive force of the revolution and construction." Juche overtly emphasizes the self-reliance, creativity, and consciousness of the masses in engaging themselves in the revolution and construction of society; however, it has covertly been manipulated to give legitimacy to the ruler and achieve the political domination of the masses by a hereditary power succession. As a result the Juche ideology has degenerated into nothing more than a propaganda tool used to pacify and suppress the masses.

Table 5 shows the subsidiary theories of Juche used to

control the thoughts and life of the North Korean people. The Theory of Revolutionary Leadership, for example, defines the Leader as the brain of a living body, the Party as the nerves, and the masses as the arms and legs of that body. The Theory of the Great Socialist Family defines the Leader as the father, the Party as the mother, and the masses as the children. Again, the Theory of Socio-Political Organisms defines the Leader as the father. What the people call 'the father Leader' and the 'mother Party' are prime examples of the distorted nature of the subsidiary ideologies of Juche. What the imagery associated with these theories suggests is that the masses are the children and limbs of the Leader, and as such, that there is a superior-subordinate relationship between the Leader and the masses.

Table 5 Transformation of the Juche Ideology

Supporting theory	Key content
Theory of Revolutionary Suryong	The theory argues that, under the system where Suryong is the brain, the Party the body, and the masses the arms and legs, the Suryong must be supported 'unconditionally' and protected 'desperately.'
Theory of Great Family of Socialism	The theory promotes that, under the system where Suryong is the father, the Party the Mother, and the masses children, the masses must show full filial piety to their parents.
Theory of Social and Political Organism	The theory states that the Suryong who is the father in the social and political life must be eternally trusted and followed.

Though the Cold War has ended and despite being faced with an economic crisis, North Korea has continued to develop its ideology in a regressive rather than a forward-looking manner. The North's 'Socialism of our Own' and 'Joseon People First' Policies are stark examples of such. These policies both argue that North Korea's socialism is scientific socialism and has "never caused or experienced any problems in the course of its development." The state has also 'rebuilt' the Dangunreung Tomb in support of its Joseon People First Policy, thereby recognizing the existence of Daungun, which it had previously criticized as being a figment of historical fiction. It also has conducted excavations of relics in the Daedonggang River basin in an effort to substantiate the existence of the 'Daedonggang Culture.' It also refers to the Korean people as the people of Kim Il-sung and Kim Jong-il and enacted and continues to implement the Juche era name and the Day of the Sun.

By revising its Constitution in 2009 and the Rules and Regulations of the Workers' Party in 2010, North Korea put the Songun Sasang (the Military-First Ideology) on the same level as Juche (the Idea of Self-reliance). Songun is the ideological foundation of Songun Politics that the North made public in 1997. Songun Politics prioritizes the army over all other aspects of state and society and gives it control over the society. Thus, instead of guaranteeing the people autonomy in order to assist them in overcoming the economic hardships

they were faced with, the North strove instead to protect the vested interests of the Workers' Party elite by strengthening ideological indoctrination.

Organizational life is also a major form of social control. All North Koreans must be engaged in organizational life from 'cradle to grave.' Beginning even in day care centers, but more intensively once a person moves into the second grade of elementary school and becomes a member of Children's union, every person must participate in political activities. North Koreans engage in such political activities from then on until death. Only their affiliation differs. The major social organizations are shown on Table 6.

Review sessions, which constitute the core of organizational life (Saenghwal Chonghwa), serve as an effective means of suppression. Despite people's changing lifestyles and values, the sessions are still emphasized and held once a week at people's workplaces. With life at work becoming more loosely configured, some workplaces organize the sessions in the morning before beginning work or conduct them as a formality. However, self- and mutual critiques are still a part of the sessions.

Table 6 Major social organizations in North Korea

Organization	Eligibility	Size[1)]	Organization unit and activities	Established on
Children's Union	Children aged 7-13	2.8 million	• School level • Guidance and collective life	Jun. 6, 1946
Kim Il Sung Socialist Youth League	Youths aged 14-30	6 million	• School, workplace level • Party back-up forces, ideological education and efforts mobilization	Jan. 17, 1946
Women's Union	Women aged 31-60	700,000	• Women with no other affiliation • Party back-up forces, ideological education, efforts mobilization	Nov. 18, 1945
Korean Agricultural Workers Union	Cooperative agricultural workers aged 31-65 (60 for women)	1.3 million	• Workers engaged in agriculture • Ideological education, guidance on rural area initiatives	Jan. 31, 1946
General Federation of Korean Trade Unions	Laborers and office workers aged 31-65 (60 for women)	1.6 million	• Laborers, office workers, workplace level • Nine vocational unions by industry • Ideological education, technology training, efforts competition guidance	Nov. 30, 1945

Note 1: The above is estimated based on the age structure of the DPRK 2008 Population Census National Report (Pyongyang: Central Bureau of Statistics, 2009); the size of the Korean Agricultural Workers Union and General Federation of Korean Trade Unions may require a more detailed estimation.

Source: 2009 North Korea Overview, Korea Institute for National Unification (2009), p. 53

The use of physical coercion as a primary means of social control has also been strengthened in recent years. Traditionally, any deviations or crimes by the people have been suppressed and controlled by the party and institutions of political power. The key administrative organizations responsible for use of physical coercion as a means of social control are the Ministry of State Security and the Ministry of People's Security. Operated separately from the criminal justice system, the Ministry of State Security is North Korea's top secret police organization. It has the authority to conduct at its own discretion and without the necessity of following designated legal procedures the monitoring, arrest, imprisonment, and prosecution of political criminals. The Ministry of People's Security also conducts political surveillance of North Korean people. Recently, these two social control organizations have reportedly seen their overall power and authority elevated and their roles expanded.

Aside from the traditional social control organizations mentioned above, the North also began to enlist the power of military organizations in the control of society. In 1997, the Ministry of the People's Armed Forces began to identify and punish 'anti-socialist

Student review session

elements,' while military personnel were dispatched to monitor organizational units, businesses, cooperative farms, and even universities.

B. Violation of human rights

The key characteristic of social control organizations in North Korea is that they are often associated with human rights violation. Of particular concern to the international community has been the country's use of public executions and political prison camps as means of social control. From citizen and political rights to economic, social, and cultural rights, North Korea regularly commits wide-ranging human rights violations. Some specific examples of human rights infringements include the unlawful execution of North Korean defectors, unlawful detention and arrest, torture, human rights violations in juvenile offender institutions, abduction, and unfair trial procedures. The reign of terror is a typical characteristic of totalitarian societies, which employ any and all means necessary to maintain the regime's hold on power at any cost, including the gross violation of the right to life of its citizens.

A key indication of the ongoing reality of the violation of the right to life is the practice of conducting public executions, which has been on the rise since the food crisis of the 1990s and the growing sense of ideological alienation. For example,

in 1995, seven film production executives and actors were executed near Hyeongjesan Mountain in Pyongyang in front of a crowd of about 300,000 people. They were charged with producing a porn flick. In 1997, there was a public execution of people charged with stealing copper wires used for electricity and telecommunications transmission in Sinuiju. The agriculture secretary of the Worker's Party, Suh Kwan-hee, was also publicly executed.

With the advent of the 2000s, North Korea has continued to employ public executions as a means of social control (Kim Guk-sin et al., 2011: 62-85). People have been publicly executed on charges ranging anywhere from smuggling slogan trees to China, to selling porn videos, to slaughtering and eating a cow, to stealing corn at a forced labor camp. Also subjected to capital punishment have been people who smuggled drugs in and out of the country, misappropriated state export goods, and smuggled trees. Over the last five years, up to seven key political figures, including the former Director of the Planning and Financial Department of the Workers' Party's Financial Planning Office, Pak Nam-gi, were publicly executed.

In general, public executions are carried out at common gathering places. The general public is notified in advance of any upcoming public execution plans through schools, companies, farms, and other organizations. Before the execution, a public trial is held before a crowd of people

Scenes of a public execution

that have gathered for the occasion, addressing the background and crime of the person to be executed. After a judgment is made, the person is executed immediately. For example, Pak Nam-gi was reportedly executed before the cadres at Kangkon Military Academy near Pyongyang on charges of being a traitor working for South Korea in the aftermath of the public alienation and confusion created by the currency reform (Kim Guk-sin et al., 2011: 62-85).

The seriousness of the extent of public executions taking place on a regular basis in North Korea lies in the fact that the practice itself is not only inhumane in nature but also constitutes a gross violation of North Korea's own laws and regulations. First, North Korea's Criminal Law code provides clear guidelines concerning crimes that are to be subject to the death penalty. However, the authorities have made it a regular practice to ignore these guidelines and to publicly execute people for other general crimes. Second, the execution procedures used are also in violation of North

Korea's Criminal Procedure Law. The law stipulates that the death penalty be carried out in the attendance of a prosecutor by the punishment enforcement institution that received a written death penalty order along with a copy of the written judgment and that before this can be done it must first be approved by the relevant standing committee of the Supreme People's Assembly. However, these procedures are seldom, if ever, complied with.

Political prison camps called kwanliso are another prime example of gross human rights violations in North Korea. Since 1956, the country has imprisoned, executed, or sent to remote mountain areas hundreds of thousands of political prisoners deemed as counterrevolutionary elements. From April 1966, it began to put them in designated concentration camps. From 1973 onwards, and in particular, after the regime inaugurated activities of the Three Revolutions Teams for the purpose of facilitating a smooth hereditary power succession from Kim Il-sung to Kim Jong-il, until Kim Jong-il officially emerged as Kim Il-sung's successor at the 6th Workers' Party Conference in 1980, dissidents and enemies of the regime who were identified as being opposed to the hereditary transfer of power to Kim Jung-il were sent to prison camps along their families.

North Korea now operates six such concentration camps—including Kaecheon in Pyongannam-do, Yodok in Hamgyongnam-do, and Hwasong, Hoeryong, and Chongjin

in Hamgyongbuk-do—where between 150,000 and 200,000 political prisoners are incarcerated. Those imprisoned in the camps include conspirators against the state, violators of North Korea's ideological system, defectors, some abducted political figures who are under suspicion of being counter-revolutionaries, factional elements, liberal activists, and violators of party policy.

Those who enter a prison camp have their identification cards confiscated and are stripped of all their basic rights from the first day of their imprisonment. All visits by family or relatives are prohibited, and there is no contact allowed with anyone outside of the camp. Prisoners are forced to work 12 hours or more in their designated areas every day. In the evening, they are required to attend a self-critique and ideology improvement session for an hour.

The prisoners' daily activities may differ slightly from camp to camp, but in general, they get up at 4 in the morning and finish their morning meal and other personal business by 6am, after which they go to the workplace and begin work at 7am. The morning's labor ends at 1pm, and labor in the afternoon continues from 2pm until 9pm. Most labor is hard labor such as the mining of coal or other minerals, logging, or land reclamation. Because of a shortage of food, most prisoners suffer from malnutrition and various diseases, the cause of which is unknown.

Inside each concentration camp, there is another camp to which access is strictly controlled. These areas are reserved for those who violate the rules, steal something, engage in sex, or violate their supervisors' instructions (Kang Chul-hwan, 2003). Because of stringent security and control, it is practically impossible for prisoners to escape from the camps. The camps are situated in mountainous areas near mines or in areas bordering with China. They are surrounded by three to four meter high fences together with traps or mines buried in their perimeter areas. Armed security personnel with watchdogs also continuously patrol these areas, so as to make it impossible for prisoners to escape.

Prisoners engaged in forced labor at a concentration camp

In addition to the infringement of the people's right to life, the North Korean regime routinely violates all other basic human rights of its citizens as well, including the right of freedom of movement, freedom of the press, publication, assembly, association, thought, and religion. Though the freedom of movement, residence and travel is provided for by law in the Constitution, there are in fact many restrictions to it. Moving one's residences is limited to specified purposes such as the change of one's workplace. Because work

assignments are determined by the authorities, movement of one's residence is in the end beyond the scope of personal decision. Travel is in principle allowed within a given city or county, but beyond that, authorization must be obtained from the authorities, including the head of one's neighborhood unit and even the People's Committee. In particular, an approval number is required for anyone wishing to travel to the border areas of Pyonganbuk-do, Jagang-do, Yanggang-do, and Hamgyongbuk-do. An approval number is also required for travel to Pyongyang, and such numbers are rarely granted.

Though freedom of religion is guaranteed by law, neither is it so in reality. In line with Marxist belief, North Korea has aggressively suppressed religious activities throughout its 60 year history, characterizing religion as the "opiate of the masses," often relegating it to the realm of superstitious activities without any scientific basis. For this reason, there are almost no facilities allowed for religious activities or men of the cloth there. Though some religious facilities have been built since the 1980s such as the Bongsu Church and Jangchung Cathedral, such were primarily built for propaganda purposes in response to international pressure. By no means were they intended to be used in a way consistent with the Constitution's guarantee of religious freedom.

Suffrage is the right to express one's opinion through the public ballot or hold a public office. All citizens of a democratic country have the freedom to vote or not. Based on

their free will, they have the freedom to inform themselves on the issues and vote for their candidate of choice. Legally, North Korea also provides for secret ballot voting based on the principle of holding general, equal, and direct elections. In reality, however, votes are cast in favor of or against a single candidate only, and the voting takes place without secrecy. As a result, most voting in North Korea ends up with a 100% turnout and 100% of the votes in favor of the single candidate presented by the party.

Likewise, there is no freedom of the press. All political expression that is opposed to the position of the authorities in any way is strictly suppressed, while all means of communication through the mass media are controlled by the government to block the inflow of information from outside. Anyone who gets a radio, television, or recorder must report to the authorities within a week of the date any of these electronic devices were obtained and get a government seal of approval. Upon receipt of the seal, all radio frequencies are fixed to the frequency of the government's central broadcast station. If the seal is tampered with or broken, the owner is assumed to have been listening to foreign broadcasts and can be punished severely.

In sum, organized as it is across multiple lines of control, social control has been very nearly 'perfected.' As previously explained, social control of petty deviations has been relaxed to some degree in recent years, but the authorities have

compensated for this by tightening control of deviations against the regime in other ways (Chung Young-chul, 2005: 57). As a consequence, the human rights situation remains miserable and well-nigh hopeless. The existence of public executions and concentration camps, in particular, are indicative of the gross immorality and brutality of the regime.

4 North Korea's Policy Towards South Korea

In line with the Workers' Party's Rules and Regulations, which provides for 'national liberation and the historic task of the people's democracy revolution on a national scale' to the end of 'spreading Juche ideology across the entire society and establishing the complete independence of the masses,' North Korea has pursued as its first and foremost policy towards South Korea the goal of achieving unification of the entire Korean Peninsula under communism. To achieve this end, the North has continued to criticize South Korea, launch provocations and create tensions.

It is practically impossible to enumerate all the military provocations, tensions, and political propaganda that have been instigated over the years by the North. At the top of the list of North Korea's military provocations was the North's instigation of the Korean War. Additionally, during the 1960s and 1970s, the North made numerous smaller incursions into the South by infiltrating armed guerrillas to hamper economic development and cause social unrest. Key examples include the North's Blue House raid (January, 1968),

infiltration of armed guerrillas in Uljin and Samcheok (October 1968), and the axe murder incident in Panmunjeom (August 1976). In the 1980s, the North also began organizing terrorist attacks in an attempt to weaken South Korea's international standing. Specifically, it orchestrated an assassination attempt against the President of South Korea during his visit to Burma (a bombing commonly referred to as the Aung San terrorist attack of October, 1983) and the bombing of a Korean Air flight in an attempt to frighten athletes from attending the 1988 Seoul Olympics (November, 1987).

During the 1990s, North Korea's strategic goal of achieving unification of the two Koreas under communism was fundamentally challenged due to the weakening of its "Three Fronts Revolutionary Forces" (Lee Jong-seok, 2008: 192-195). The economic crisis in the North weakened the "revolutionary forces in the north;" while at the same time the economic growth and social stability in the South weakened the "revolutionary forces in the south." Moreover, the fall of the Communist bloc and the following international isolation caused a weakening of "the international revolutionary forces."

After the 1990s, North Korea adopted a two-fold policy towards South Korea, first, to continue to pursue its strategy of seeking to achieve unification of the peninsula under communism and second to begin pursuing a series of practical interests. North Korea's recently modified strategy towards the South largely consists of pursuing these more

limited practical interests through provoking border tensions, i.e. in order to pressure the South Korean government by means of these provocations and increased tensions to fulfill its demands.

Toward this end, the North has continuously created tensions on the peninsula. Despite the end of the Cold War and on-going inter-Korean dialogue, the North has continued to launch provocations and cause tensions. In the aftermath of the North Korean nuclear crisis of 1993, for example, it threatened to "turn Seoul into a sea of fire." The North continued its nuclear program and went ahead with two nuclear tests despite international pressure to the contrary (one in 2006, and the second in 2009). Additional examples of North Korean attempts to create tensions include North Korean troops entering the Panmunjeom in 1996,

The residential area of Yeonpyeong Island left in ruins following the shelling by North Korea

and the Gangneung submarine infiltration incident in 1996. The North also has repeatedly violated the Northern Limit Line in the West Sea to attack South Korean vessels (e.g., the First Battle of Yeonpyeong of 1999, the Second Battle of Yeonpyeong of 2002, and Battle of Daecheong in 2009). In 2010, it even went so far as to sink the South Korean warship, the Cheonan, and to shell Yeonpyeong Island.

In addition to its strategy of continuing to create tensions on the peninsula, North Korea has adopted a strategy of pursuing its own practical interests. In the face of an economic crisis at home, the North has partially changed its policy towards South Korea. It has sought limited engagement with the South to resolve its economic problems and ultimately to maintain and strengthen the regime.

South Korea's direct government assistance to the North began during the Kim Young-sam government and continued to expand following the inter-Korean Summit of 2000. Between 2000 and 2007 (excluding 2001 and 2006), the South provided the North with 400,000 to 500,000 tons of rice per year in the form of food loans. In 2006, it sent 100,000 tons of rice as disaster relief in response to North Korea's flood disaster. The South also sent fertilizer to the North, beginning with 160,000 tons in 1999 and then sending an additional 200,000 to 350,000 tons per year from 2000 to 2007. Since then, South Korea has continued to provide indirect humanitarian assistance to the North

through international aid organizations like the World Food Program (WFP) and the World Health Organization (WHO), and also through private organizations.

North Korea has also profited economically through inter-Korean economic cooperation on such projects as Mt. Kumkang tourism and the Kaesong Industrial Complex. Though cooperation on such economic projects with the North has also entailed some economic benefits for South Korean businesses, they are in actuality no different from the provision of economic assistance in that they provide the North with hard currency without it making any substantial financial investments in return.

North Korea has intermittently responded to South Korea's proposal to organize reunions of separated families. The first such reunion took place in 2000 on the occasion of the inter-Korean Summit. Since then, reunions have been organized 18 times through 2010, allowing 4,300 family members to meet. The fact that family members were unable to meet for more than half a century because of political reasons is unprecedented in the history of the world and amounts to an unfathomable tragedy for the Korean people. The North also bears a responsibility to resolve the problem facing the thousands of separated families all across Korea, and it is inhumane for it to use the reunion of separated families as a trump card for achieving its own policy goals.

To sum up, North Korea seems to have partially shifted its policy towards South Korea in favor of prioritizing practical gains. However, its overall intentions remain the same as the country continues to seek to realize its goals through the provocation of tensions.

A key indicator of shift in the North policy agenda towards the South and changes in inter-Korean relations has been the increased frequency of meetings between South and North Korean authorities. Following the summit meeting in 2000, there has been a notable quantitative rise in the number of inter-Korean talks. Two summit meetings and 21 ministerial-level meetings have since been held. Moreover, the scope and type of inter-Korean dialogues have also become more diverse such as the economic cooperation council meetings, inter-Korean military talks, and working-level contacts.

Organizing inter-Korean dialogues has not always been as easy as they may have seemed from the outside. The process of reaching an agreement to hold the talks, organizing the talks, and establish an agenda was marked by the North unilaterally insisting on its own position, and at times using the holding of talks as a means of attaining its own interests.

It can safely be said that North Korea has for the most part used the inter-Korean dialogues to advance its own interests rather than to genuinely seek to improve its relations with the South. Throughout the entire dialogue process, from proposal

to agreement or until the breakdown of talks, the North almost without exception doggedly insisted upon its own positions.

First, the North did not always stick to the talk schedule as agreed upon with the South. For example, in the 2000s, the two sides held talks at the ministerial level 21 times and agreed to hold subsequent talks 18 times. Of the scheduled talks, North Korea did not keep the agreed schedule seven times, each time citing such things as the South's increased security measures following the September 11 attacks, the South's refusal to send a group of representatives to Kim Jong-il's funeral, and the ROK-US joint military exercises as reasons. The North went so far as to notify the South that it would not attend the fourth ministerial level meeting "due to a number of considerations" on the very day of the meeting.

Second, North Korea often went on the political offensive when cancelling a scheduled talk. During the 12th ministerial-level meeting that took place in October, 2003, it alluded to its possession of nuclear weapons capabilities. At the 12th ministerial-level meeting in October of the same year, it implied that it possessed nuclear weapons by stating that it would 'physically disclose its nuclear deterrence' in the near future. It then threatened to cancel the meeting unless certain political demands were met such as the dissolution of 'anti-North Korean organizations' in the South, and the release of unconverted long-term prisoners. It also threatened to cancel

the 19th ministerial-level meeting scheduled to take place in July, 2006 unless the South Korean government withdrew the National Security Act.

Third, North Korea has been more forthcoming with respect to humanitarian assistance and economic cooperation when it serves their interest; however, they have maintained an impassive posture with regards to their nuclear weapons development program, with which the South has a legitimate reason for concern. The two Koreas have almost always been able to reach agreement upon rice shipments, food aid, and other assistance to the North. Other assistance projects such as the development of the Mt. Kumkang Tourist District and the Kaesong Industrial Complex were also easily agreed upon. The North has intermittently reciprocated to the South's requests for reunion of separated families as long as they have entailed assistance. However, concerning the nuclear issue, which is the priority security issue for the South, it has relegated it to being exclusively a problem between North Korea and the U.S. and thus far has refused to discuss the issue with the South. The nuclear issue was brought up at the 8th ministerial-level meeting in October, 2002, but the two sides were only able to agree upon the principle that the issue should be resolved 'through dialogue' and 'in a peaceful manner.' Some issues that the South has an interest in resolving such as the prevention of flooding of the Imjingang River and joint access to the fishing grounds of the East Sea

have also been agreed upon in principle on several occasions, but have not yet been implemented.

Fourth, North Korea has exploited inter-Korean exchanges and cooperation not for the purpose of expanding mutual understanding, but rather serving its own political agenda. Through ministerial-level meetings, it has made political demands such as withdrawal of restrictions placed with regards to sites that South Korean representatives visiting North Korea can be taken to visit, the discontinuation of ROK-US joint military exercises, the dissolution of South Korean conservative organizations, and the abolition of the National Security Act. For its proposed cause of greater unity 'among the Korean people,' it worked to include in inter-Korean agreements the selective entry of pro-North personnel and organizations into the North and the organization of meetings between South and North Koreans residing abroad.

North Korea's rhetoric of the need for greater unity 'among the Korean people' or of the need for 'Korean peoples to collaborate' is also a typical extension of its unification agenda. Given the North's objective of realizing socialism, which from its point of view transcends racial boundaries between peoples and promotes unity among all classes, the Korean people have always been underestimated. However, the North has trumpeted the concept of Koreans as a unified people since the mid-1980s and has used it as the storefront of its official policy towards South Korea for the last ten years. Its

real intention, however, has been to foster a favorable attitude for itself within the South Korean society and then to use this as leverage to gain the upper hand in inter-Korean relations.

First, North Korea calls for collaboration among the Korean people as part of its political offensive. In lieu of fundamental changes in the environmental milieu as well as the dynamics amongst Northeast Asian countries, the North has argued that the international cooperative system including the traditional ROK-US alliance infringes too much upon the autonomy of the Korean people. The North's calls for the withdrawal of U.S. troops from the South, the discontinuation of the ROK-UK joint military exercises, and greater unity amongst the people constitute its political offensive to block the South's efforts to take the initiative in inter-Korean dialogue and strengthen its hand in the international arena.

Second, the North has called for collaboration between the Korean peoples as a practical means of justifying its requests for economic assistance from the South. It has repeatedly appealed to the 'traditional virtuous custom of mutual help' and 'brotherly assistance' in order to get assistance from South Korea. It also has used the argument that 'the North should cooperate with the South militarily and the South with the North economically to protect the Korean peoples.'

Third, calls for greater collaboration among the Korean peoples have been used by the North as a way to interfere

in the South's internal affairs. In the Inter-Korean Basic Agreement, the two Koreas agreed to promote political reconciliation through formal recognition and respect for one another, non-interference in the internal affairs of the other, and an agreement not to slander each other in the media. Nonetheless, the North has frequently interfered in the South's political affairs, all the while arguing vehemently that its views are in line with the interests of the Korean people as a whole, and thus cannot be taken as interference in the internal affairs of the South per se.

There is no denying that the concept of greater unity among "the Korean people" is a major unifying link between the South and North and an important ideological rationale for eventual unification of the two countries. However, North Korea has used it only as a propaganda tool to fulfill its own self-interests, rather than in terms of its true significance. It has for the most part regarded the South not only as a true partner when agreeing to exchanges and economic cooperation, but rather as tool to be manipulated for its own short term economic gain. It has for the most part used inter-Korean dialogue, exchanges and economic cooperation programs primarily as a means of pursuing its own interests rather than promoting good will for the sake of the long-term benefit of the Korean people as a whole.

5 Development of Weapons of Mass Destruction and Brinkmanship Tactics

The ultimate objective of North Korea's South Korean strategy is to achieve unification of the entire Korean Peninsula under communism. Toward this end, it has pursued a strategy of communizing South Korea through the promulgation of its 'Theory of a Democratic Basis for Unification' and through 'South Korea Revolution Theory.' The revised Rules and Regulations of the Workers Party (October, 2010) also provides for the 'penetration of Juche ideology across the entire society' through continuing to 'oppose and denounce capitalism' and through 'maintaining the revolutionary principles of Marx and Lenin.'

Following the 1990s, North Korea made tactical changes in its relationship with South Korea, prioritizing practical economic gains for itself over ideological conversion of the South to its way of thinking. However, its efforts to fulfill its interests through military adventurism--such as through military provocations and the fomentation of border tensions--remains unchanged. Meanwhile, its efforts to develop weapons of mass destruction (WMD) such as nuclear weapons

capabilities and long-range missile technology provide further examples of the country's military adventurism.

Particularly troubling to security in the region has been North Korea's nuclear weapons development program, which upsets the tenuous balance of South-North military power, and threatens peace not only on the Korean Peninsula but also in Northeast Asia and the world. South Korea and the U.S., as well as the international community as a whole, have exerted considerable effort in an attempt to persuade North Korea to halt its nuclear weapons development program. The efforts made thus far by South Korea and the international community are summarized in Table 7.

In 1977, the International Atomic Energy Agency (IAEA) conducted the first nuclear inspection of North Korea's experimental nuclear power reactors. Subsequently, the agency advised North Korea to sign a safeguards agreement with the IAEA on several occasions (Cho Min and Kim Jin-ha, 2009: 4-6). In 1992, the IAEA demanded permission to conduct special inspections of suspected nuclear weapons production facilities, but North Korea responded to the demand by engaging

Inside the Yongbyon nuclear facility

in a series of 'brinkmanship tactics.' For example, it escalated military threats by declaring the pressure being placed on it by the international community as 'cause for war,' declaring that it was in 'a state of quasi-war,' and even threatening to turn 'Seoul into a sea of fire.' It then declared the armistice agreement null and void and that it was withdrawing from the IAEA and the Non-Proliferation Treaty (NPT). The first North Korean nuclear crisis was finally resolved through the adoption of the Agreed Framework in Geneva in 1994.

Table 7 North Korea's nuclear issue: progress and response

		1st NK nuclear crisis	2nd NK nuclear crisis
Background		• 1992, NK submits first report • 1993, IAEA demands special inspection of NK nuclear facilities	• Oct. 2002, NK runs HEU program
Progress	Initial position	• Differences in position on the use of the nuclear program - NK: Energy supply, research purposes - IAEA: nuclear weapons production	• Differences in position on how to resolve the issue - NK: Renounce hostility policy towards NK, sign nonaggression treaty, resolve the issue through bilateral meeting - US: NK cannot be trusted, demand Complete, Verifiable and Irreversible Dismantlement (CVID), resolve through multi-lateral channels
	Development	• 1993, NK announces it will withdraw from NPT • UN demands NK to return to NPT and accept inspections	• Jan. 2003, NK withdraws from NPT • US launches PSI and suspends shipments of heavy fuel oil to NK

1st NK nuclear crisis			2nd NK nuclear crisis
Progress	Dialogue	• US and NK meet - NK defers its withdrawal from NPT and agrees to consult with IAEA	• Six-party talks (Aug. 2003~) - 4th (Jul. 2005-Aug. 2005) →Joint Statement on September 19, 2005 - 5th (Nov. 2005-Feb. 2007) →Joint Statement issued on Tuesday, February 13, 2007 - 6th (Mar. 2007-Oct. 2007) →October 3 Agreement
	Crisis	• 1994, NK announces again that it will withdraw from NPT; threatens to "turn Seoul into sea of fire"	• NK - Declares it has nuclear weapons (Feb. 2005) - Conducts nuclear tests (Oct. 2006, May 2009) Launches long-range missile (Apr. 2009) Declares its non-participation to six-party talks (Apr. 2009) • UN Security Council - Resolution 1695 (Jul. 2006, sanctions NK's missile launch and demands that the country halt its nuclear development program) - Resolution 1718 (Oct. 2006, sanctions NK's first nuclear test) - Resolution 1874 (Jun. 2009, sanctions NK's second nuclear test)
	Turn around	• Former US President Carter holds discussions with Kim Il-sung • NK defers reprocessing	
Outcome		Geneva Agreement (Agreed Framework, 1994)	

The second North Korean nuclear crisis was triggered in 2002 by news that North Korea was still secretly engaged in a nuclear weapons development program using highly-enriched uranium (HEU). This meant that North Korea had violated its promise to stop its nuclear weapons development program. This revelation ultimately killed the Geneva Agreed Framework[8]. Again, North Korea responded with brinkmanship tactics. Initially, it denied culpability arguing that reports that it had an HEU program were completely unfounded. At the end of 2002, however, it officially announced that it would end a freeze on the operation of its nuclear power plant and, early the following year, it declared its withdrawal from the NPT. It next warned South Korea of impending "disaster", and said that it would "step up its efforts at strengthening its nuclear deterrence for its own self-protection." To address the situation, the international community worked to resolve North Korea's nuclear issue peacefully by proposing a multilateral framework for dialogue on the issue in the form of six-party talks.

North Korea's employment of brinkmanship tactics has not been limited to its nuclear weapons development program,

8. The light-water reactor construction project, which began based on the Geneva Agreement, was officially ended as the Korean Peninsula Energy Development Organization (KEDO) announced the termination of the project on May 31, 2005. Though a total of 1.56 billion dollars went into the project over the course of 10.5 years, the project failed to have tangible results due to its termination. For more information on the light-water reactor construction project, please refer to the KEDO White paper on support for the light-water reactor project (2007).

however. In August 1998, the North test launched the Daepodong-1 Missile. But North Korea argued that it wasn't a missile launch but rather the peaceful launch of "a satellite (the Kwangmyongsong No. 1), which was successfully placed into orbit for telecommunications purposes." It furthermore refused the U.S. demand that it halt its missile development program, requesting instead compensation of 1 billion dollars per year in exchange for an immediate halt to missile sales to other countries.

In 2006, North Korea launched additional missiles just before the 19th ministerial-level meeting with South Korea. Though the Taepodong-2 Missile disintegrated in the air shortly after lift-off, the North announced that "the missile launch was a success." It responded to criticism from within and outside of the country by threatening that it would "take stronger physical actions of other forms in the future."

North Korea launched long-range missiles again in April, 2009. Though it again attempted to claim that it was launching a satellite rather than a missile (the Kwangmyongsong-2), that same month the United Nations issued a statement from the President of the Security Council condemning North Korea's missile launch. The North responded to the UN by again engaging in nuclear brinkmanship, announcing that it would "never again return to the six-party talks." Soon thereafter, in a statement issued by the Foreign Ministry, North Korea warned that it would "continue to test-launch inter-

North Korea launching a long-range missile (April 2009)

continental ballistic missiles," in the process tacitly admitting that the Kwangmyongsong-2 was in fact a missile.

Despite its harsh economic conditions at home, North Korea has concentrated its limited economic resources on the development of WMDs such as nuclear weapons and missiles. It is not too much to say that the extremely poor economic situation in which North Korea finds itself is largely attributable to the distorted allocation of resources to areas such as the development of WMDs. How can anyone comprehend a situation where a country like North Korea focuses its scant resources on developing costly WMDs while at the same time asking for food and other economic support from other nations?

In the early days when the North Korean nuclear issue first emerged, arresting the attention of the international

community, the North employed deceptive tactics, claiming that its nuclear program was intended solely for peaceful purposes such as for scientific experimentation or power generation. In 1991, Kim Il-sung even proclaimed that "we have neither the capability nor the intention to develop nuclear weapons." However, the North gradually began to conduct its nuclear weapons development program more openly, with the Foreign Ministry finally issuing a statement in February, 2005 declaring that the country possessed nuclear weapons. In October of the following year, North Korea went ahead with an underground nuclear test, after which a mass rally was held to celebrate the successful test. In May, 2009, the North conducted its second nuclear test. Subsequently, despite concerns of South Korea and the international community, it began to use its nuclear weapons program as an overt threat to peace on the peninsula, even using words like 'nuclear holocaust' in its rhetorical diatribes in the news media against the South and the U.S..

As explained above, North Korea concentrated as much of its available resources into its nuclear weapons development program as it could. It employed deception, delay tactics, and nuclear brinkmanship to stave off the international community as a way to maintain its nuclear program. This of course made the life of its people even more difficult than it already was. Despite continued sanctions from the international community, North Korea has continued to maintain its nuclear weapons development program.

Though it said repeatedly that it would be willing to resolve the issue through dialogue and negotiations, all the while continued to argue that its nuclear program was intended for peaceful purposes and that these were 'Kim Il-sung's dying instructions.' However, as it has turned out, these were only delay tactics intended to extract as many concessions and as much aid from South Korea and the international community as it could.

CHAPTER 4

PROSPECTS FOR CHANGE

1. Drivers of Change
2. Inhibitors of Change
3. Assessment and Prospects for The Future

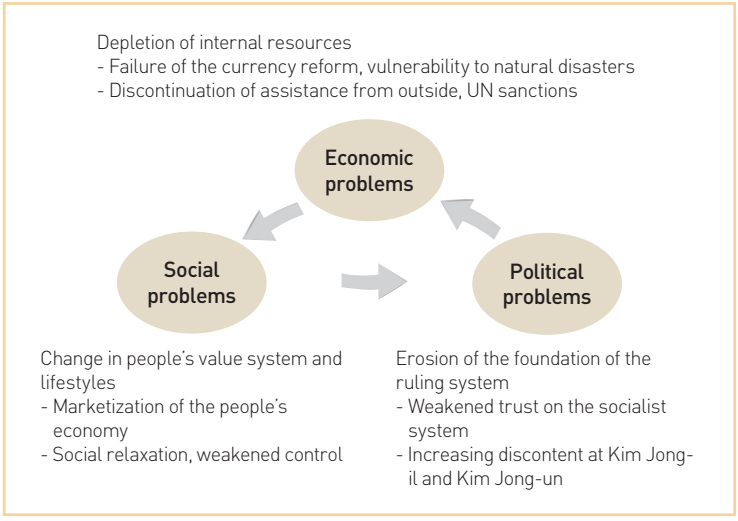
1 Drivers of Change

Some key drivers of change in the North include structural conditions, the choices of constituents, and external intervention. North Korea's first and foremost driver of change is its structural conditions. There seems to be a general consensus among North Korea watchers that the country will be forced to accept the inevitability of change due to structural conditions, which encompass deteriorating political, economic, social, and cultural conditions in North Korean society, as well as on account of the country's growing international isolation.

Since 1995, the country has been faced with a 'national crisis' situation of epic proportions. The country's economic, societal and political levers have become locked in a vicious circle of suffocating dysfunctionality that has become a threat to the long-term stability of the regime. The internal structural contradictions currently faced by North Korea are shown in Figure 2. Problems such as shortages in food, energy, and foreign currency have had a devastating effect on the local economy, and these in turn have become the wellspring

of other problems. In the absence of a system of viable incentives, North Korean workers have lost their motivation to work, which in turn has led to decreasing productivity. The 2009 currency reform measures, which were carried out in view of strengthening the socialist planned economy, further impoverished the people's lives while increasing public's distrust of the authorities. Faced with UN sanctions and a reduction in international aid, North Korea has since only seen its economic situation deteriorate.

Figure 2 Vicious circle



Worsening economic conditions have resulted in a relaxation of social control together with growing doubts among the people about the legitimacy of the regime. The marketization of the people's economy, the increased influx of culture from the outside, and signs of changes in the general mindset and value system of the people are just some of the indicators of the growing social laxity. Social and economic deviations from strict adherence to the party line have grown in number since the government's food rationing system was discontinued in the 1990s, but the authorities do not seem to be executing social control as rigidly as in the past. However, political deviations are still dealt with in an atrocious manner, showing that the regime has become more dependent on the use of terror to deal with such problems.

The economic and social problems facing North Korea are, in turn, undermining the ideological foundations on which the regime is built Weakening public trust in the socialist system, increasing distrust and discontent towards Kim Jong-il, Kim Jong-un and the Kim family dynasty, and a rising longing for South Korean music, dramas and culture in general among the younger generation in particular are threatening the North Korean regime. The recently completed transition to the third-generation of the Kim family's hereditary power succession in the person of Kim Jong-un is likely to only further weaken the stability of the regime.

The dark side of the structural problems facing North Korea

includes both contradictions within the socialist regime and the dissolution of the global socialist economy on the outside. The internal contradictions of socialism itself lie in the basic structural inefficiency and deficiency of the country's centralized command-control economy, which has proven itself incapable of guaranteeing productivity. The collective economy of North Korea has already exhausted all available resources and has reached a state where workers have almost no incentive to work. The dissolution of the world socialist economy has made it difficult for the government to garner external resources. This, combined with the drastic reduction or discontinuation of foreign assistance altogether, has added to the North's economic woes.

In sum, North Korea has been faced with an ongoing 'overall crisis' situation for some time now owing to internal contradictions within its socialist planned economic regime and externally as a result of the dissolution of the world socialist economy. This, in turn, has served as a set of structural conditions driving change. In other words, it has become all but inevitable that North Korea change in order to resolve its structural problems. And what North Korea really needs may be an economic system that offers stronger incentives for work, a social system that encourages rather than stifles creativity, and a system that guarantees the voluntary consent and proactive engagement of the general public in the political process.

The second factor driving change is the choices of its constituents. As explained in a previous chapter, the North Korean people are overcoming the economic crisis they are facing through marketization. This has led to a rise in the itinerant population, the influx of information from overseas, and a change in the value systems and mindsets of the people. Though North Korea responded favorably to proposed inter-Korean dialogues and opened up part of the Kumkang Mountain and Kaesong regions to development, such cooperation has always come with a price tag of demands for humanitarian assistance or aid. Meanwhile, the North's efforts at currency reform highlight the ongoing anti-reform posture of the North Korean authorities. Though 'change from bottom' is crying for concomitant 'change at the top,' the changes at the grassroots level seem thus far to be limited in their ability to bring about desperately needed changes at higher levels.

However, changes among the people are without a doubt becoming a major source of pressure on the authorities. The failure of the currency reform is a clear indication that marketization of the people's economy is a fait accompli. It is too early to know whether North Korea will be able to revive its failed economy and secure legitimacy for the regime through accepting the inevitability of change and having the courage to adopt a pro-reform agenda in a manner similar to that of China or to continue to seek to sustain itself coercively through suppression and control.

The third factor driving change is the perspective and policy of other countries towards North Korea. Tacitly or openly, the South Korean government has set the goal of facilitating positive change in the North as a major objective of its North Korean policy. For example, the Kim Dae-jung Administration sought to support positive change in North Korea and to improve inter-Korean relations through exchanges and cooperation (Ministry of Unification, Unification White Paper, 1998). The Roh Moo-hyun Administration continued to seek peace on the Korean Peninsula and prosperity in Northeast Asia through supporting and encouraging positive change in the North (Ministry of Unification, Unification White Paper, 2002). To induce such change in North Korea, these two governments actively provided direct aid in the form of rice and fertilizer while providing economic assistance through the start of the Mt. Kumkang Tourism project and the Kaesong Industrial Complex.

The goal of encouraging positive change in North Korea was also established as a major policy objective of the Lee Myung-bak Administration (Ministry of Unification, Unification White Paper, 2009). Lee's proposed Vision 3000 through Denuclearization and Openness, for example, consisted of helping the North achieve a per capita income of USD3000 in a decade on the condition of the North giving up its nuclear program and opening up its economy. It is not too much to say that Vision 3000 and its goal of inter-Korean 'Co-existence

and Co-prosperity' were based on the premise that North Korea would undergo positive change. Despite the differences in wording and underlying strategies, the South's policies toward North Korea have been consistent with their policy objective of seeking change in the North.

Change in North Korea has also drawn no little interest from the international community. The United States' position is that North Korea needs to change in order for the country to overcome its deep-seated economic crisis, resolve its nuclear issue, and improve human rights issues there. China's Hu Jintao and Wen Jiabao leadership have both encouraged the North Korean regime to reform and open up its economy. As such, North Korea has been asked to institute changes from the top not only by South Korea and the U.S. but also by China.

2 Inhibitors of Change

Primary inhibiters of change in North Korea may be clustered under the same categories used to discuss drivers of change above. They include structural conditions, the choices of constituents, and external intervention.

What structurally inhibits North Korea the most from seeking change are the inherent contradictions within the regime and its fear of unification with and absorption by the outside world, especially South Korea. First, contradictions exist within the North Korean regime as a result of its hypocritical system and these have created numerous enemies of the regime. The Kim Il-sung and Kim Jong-il family have made themselves into god-like beings through political indoctrination. However, positive changes such as economic reform and opening of the society are based to a large extent on communication with the outside world, and the influx of external information can only undermine the legitimacy of the top leadership. Thus, in order to maintain the Kim Jong-il and Kim Jong-un regimes, the North Korean authorities have been obliged to control the inculcation and spread of ideology

and this has meant that North Korea has had to doggedly resist change.

Through a class policy based on social origins, North Korea has sought to protect the vested interests of those in power, while subjecting its population to repression and exploitation. The vested interests of those in power have led them to do everything they can to maintain the status quo. Reform implies allowing heightened autonomy of the people and free social mobility. The subjugated class can expect a pronounced rise in social and economic status in an open system, but the ruling class is likely to lose some of their vested interests. Thus, the ruling class of North Korea will likely continue to be antagonistic to change in order to maintain their privileged positions in the social hierarchy.

Fear of unification with and absorption by South Korea is another key structural inhibitor of change. The North Korean leadership fears that structural reform and opening of the society to the outside will destabilize the regime and in the end cause the country to be incorporated into the South. The principle of excluding unification by absorption as a viable option for consideration was adopted by the Kim Dae-jung Administration in an effort to relieve the North Korean regime of such fears. Despite the goodwill shown by the South, however, North Korea rejected making any forward-looking changes to its systems and institutions. Ultimately, due to the regimes ongoing efforts to maintain the confrontational

relations of the past, North Korea's past statements about its desire for improved inter-Korean relations may well have been, sadly enough, only to obtain 'needed assistance' from the South.

The North Korean authorities' control of the influx of South Korean culture is aimed at preventing an improvement in the general public's perception of the South. People in the North have begun to learn South Korean songs, watch South Korean TV dramas, and emulate South Korean language and behaviors. Their popularity and the degree of emulation of South Korean language and culture are particularly high among teenagers. The exposure of North Korean people to South Korean culture will increase pressure on the regime as it will change the way people view the South, and make them more critical of their own regime. North Korea's 'mosquito net' policy toward opening has been but one more desperate countermeasure of the authorities as it seeks to both obtain assistance and cooperation from the South but at the same time prevent any direct contact between the two peoples.

In terms of the choices of constituents as an inhibitor of positive change in the North, as mentioned previously, 'change from the bottom' has already begun and progressed to a certain degree. The people's economy has been largely marketized. People have been resolving their clothing, food, and housing needs for some time now through their own economic activities rather than through depending on the

authorities to supply them. The value system of the people is still influenced by socialism and collectivism. However, more recently, North Korean society has become infused with materialism, capitalism, individualism, and family-centered values. As a result, the people have become more committed to realizing individual monetary gains through tending their own vegetable gardens or engaging in commerce than through their government appointed jobs in the workplace. It is perhaps not an exaggeration to say that illegal movement around the country, commercial transactions, and corruption of those in power through the receipt of bribes, diversion of funds, and the stealing of resources have become commonplace. Thefts and prostitution just to stay alive have also been on the rise. There is also an increasing number of people among the newly-emergent wealthy (called jeonju) who are engaged in usury.

From the authorities' perspective, 'change from the bottom' constitutes a threat to the regime. Genuine reform would of necessity entail more autonomy for the people, thereby weakening social control which had been hitherto maintained through central rationing. Opening the society would result in a massive influx of information and culture from outside, thereby shedding light on the deceptiveness, incompetence and gross immorality of the regime. Thus, the ruling class of North Korea will likely remain reluctant to countenance any measure of regime change, reform and opening to the outside

Propaganda poster on the construction of Kangsung Daeguk (a strong and prosperous nation)

world that would jeopardize their vested interests.

Finally, intervention from outside may also serve to make change in North Korea more difficult. The possible adverse effects of intervention from the South have already been explained above. However, North Korea must also be willing to improve its relations with the international community in order to change. The United States has continued to insist on a resolution to North Korea's nuclear issue as a precondition for improved relations with the North, while at the same time working in concert with European countries to put pressure on the North to improve its human rights record. North Korea remains obsessed with the desire to obtain nuclear capability, however, and has continued to resort to human rights abuses for the sake of maintaining its regime. Thus, improving its relations with the international community will by no means be an easy task for North Korea.

Due to the totalitarian nature of its regime, North Korea has intentionally employed a strategy of so-called 'functional conflict' whereby 'enemies' are intentionally created at all times and used as a rallying point for the people. Such

antagonistic relations are thereby used to solidify and maintain internal order. Thus, the regime has no real incentive to actively seek improved relations with other countries because the scrapping of its nuclear program or the improvement of human rights conditions, which the Western world demands, would be at the cost of its own strategic interests. The same applies for the North's relationship with China. The ostensibly cooperative relationship between the two countries is only based solely on the specific strategic interests of the two countries. Internally, North Korea has to be on its guard against becoming overly dependent on China. Kim Jong-il's August, 2011 visit to Russia has been interpreted as having the international political purpose of seeking ways to reduce the growing influence of China over the North. This is because an increased dependence on China would further weaken the power of the North Korean leadership.

To summarize, the North Korean authorities seem to recognize the need for change to a certain degree. This awareness has arisen because it has become difficult for the regime to efficiently use resources within the constraints imposed by a planned economy. Any efforts at 'self-help' as in the past through the mobilization of labor are practically impossible given the virtual exhaustion of internal resources. However, this hasn't made the authorities any more likely to seek positive change through opening. Even if the economy could be revived through internal change such as reform

and opening, it would require a willingness to give up vested interests on the part of the leadership. Thus, the very nature of North Korea's totalitarianism makes voluntary change in the country difficult.

3 Assessment and Prospects for The Future

Any changes in North Korea will have both a direct and indirect impact on South Korea. Since the beginning of the 1990s, North Korea has been confronted with an overall crisis situation due to rapid changes in the environment both within and outside the country. To overcome the crisis, change is inevitable. The decisions the country makes from here on out will dramatically affect both its relations with the South and the unification environment. South Korea hopes to see some forward-looking changes in the North, but in so far as the primary entity responsible for change is the North Korean regime, it is difficult to foresee what the future will bring.

The dispute over whether the changes presently taking place in North Korea are positive or not may be attributed to the lack of 'an agreed upon definition' of what constitutes change. Some have emphasized the necessity of change at the level of the regime and political institutions such as regime change, reform, and opening initiated from the top of the government hierarchy, while others have highlighted social, cultural, and

non-institutional changes such as shifts in people's values and lifestyles. Some have even defined change as any attempts at institutional reform without regard for the directional nature of such changes. Such a definition of change represents a 'compromise' position between those who recognize positive change as underway in the North and those who deny it in order to rationalize their assumptions that the regime is irredeemably totalitarian, irrational and authoritarian to the core.

In order to better understand and accurately forecast change in North Korea in an objective manner, a more sophisticated definition of change is in order. Depending on the level and direction of change, changes can be categorized as those involving regime shift, regime reinforcement, regime deviation, and regime accommodation. This paper seeks to explore the prospects for a regime shift at the governmental level by narrowing the scope of discussion and limiting its definition of change to forward-looking change initiated by those in leadership themselves. Regime shift change refers to institutional changes enacted by those in power in the direction of an open, participatory democracy and a free market economy. In terms of economic reform, we also define change as involving the introduction of market economic elements. For example, just because the '100-Day Battle' raised productivity doesn't mean that it was an example of true reform. Consequently, any prospects of positive change

in North Korea must assume the possibility of making fundamental change that includes the introduction of a market-oriented economic system.

As the dispute over what constitutes positive change in North Korea implies, change is so complex in nature that it does not allow for a black or white categorical conclusion that either North Korea 'has changed' or 'hasn't changed'. Likewise, it is just as inappropriate to try to forecast whether or not North Korea will make such changes in the future. Whether or not the country will change and at what pace and to what extent, will certainly depend to a large degree on the authorities in power, and any conclusion would have to be the product of weighing the trade-off between the various stimulants and inhibitors of change described above[9].

Will North Korea change? Clues to the answer to this question can be identified through tracing the country's approach to change in the past. Since the mid-1990s, structural conditions for change have become ripe in the North. Its overall crisis mode of operation at the present, economically, socially, and politically represented an inherent contradiction that has become increasingly difficult to ignore.

9. Changes may come in the direction that the authorities had not intended for. For example, a desire for change may spurt from 'bottom-up,' spiraling into an uncontrollable situation, or a radical change may result from a power struggle in the leadership. However, the possibility for a radical situation is beyond the scope of this paper.

The dissolution of the global socialist economic system also made it all but impossible for the regime to mobilize external resources. Ultimately, the central distribution system backed by the regime collapsed. Under these conditions, it was the North Korean people themselves who took the lead in introducing needed changes.

North Korean people strove to overcome the overall crisis situation faced by the country as a result of the discontinuation of food rations through marketization. The marketization of the people's economy resulted in a noticeable rise in the country's itinerant floating population as well as in the flow of information in and out of the country. Values and the overall mindset of the people also began to change from collectivism to individualism, and from socialism to capitalism—i.e., in a direction favorable to the introduction of a free market system. The people have also acquired a stronger longing for South Korea through increased exposure to South Korean culture.

However, the North Korean authorities have for the most part responded to the crisis situation and the subsequent changes taking place among the people in an antagonistic manner. Economically, they stepped up their control of the economy and sought to prop up the floundering planned economy through the currency reform measures of November, 2009. Politically, they have doggedly sustained the Leader-centered one-party dictatorship. Not only has the Kim

family's one-person dictatorship been reinforced continuously, the military has also been actively engaged in controlling the society through the institution of the Songun (Military-First) policy. Regardless of the people's intentions, or what is in the best long-term interest of the country and its people, the country's ruling elite have most recently instituted the third stage of a three-generation hereditary power succession (Kim Il-sung, Kim Jong-il, and Kim Jong-un).

Though the authorities have made efforts to mobilize external resources, such efforts have had limited success. The country's previous efforts at mobilizing resources from abroad include the enactment of the Joint Venture Law in 1984, which established the Rajin-Sonbong Free Economic and Trade Zone. The opening of the Mt. Kumkang Tourist District and Kaesong Industrial Complex were also aimed at mobilizing external resources from South Korea in particular to revitalize the local economy.

North Korea's policy of opening up its economy to the outside has so far failed to go beyond that. Geographically, the policy has so far been limited to opening up only as far as the 'barbed wire entanglements' surrounding these designated economic zones would allow. To ensure that the repercussions from this cautious and very limited opening of the country's economy to the outside did not reach or affect the general public in any way, the authorities isolated the people from the opened regions and, when contact with South Korea was

inevitable, tried to minimize the scope of such contact in every way possible. They have continued to tightly control the flow of information within the country and have tried to block as much as possible the influx of information from the outside. From this, it seems clear that North Korea has used its policy as a means of acquiring foreign currency rather than in the interest of promoting true openness.

It is hard to say whether North Korea's policy towards South Korea has really changed all that much. Its policy objective remains the unification of the Korean Peninsula under communism. If anything has changed, it has been the fact that the North has added new tactics to their strategic arsenal of how to exploit South Korea to its own advantage. Ostensibly, the country has been responsive to inter-Korean dialogue and allowed its people to engage in exchanges with South Korea to a certain degree. However, given that inter-Korean dialogue and opening are mere tactics to exploit the goodwill of South Korea, such efforts on their part have proven to be limited at best. North Korea has repeatedly insisted on its own positions by unilaterally suspending dialogues on the basis of its political conditions, while seeking to meddle with South Korea's internal affairs through demands for the abolishment of the National Security Act. North Korea's proposed 'Collaboration between the People,' as nice as it sounded, was in actuality only a political offensive undertaken for the purpose of extracting economic aid

and causing confusion within South Korea. Also, as noted previously in this report, exchanges and cooperation with the South were used primarily as a means of acquiring foreign currency rather than building a broader basis for mutual understanding and goodwill with the South.

To summarize, structural conditions driving change have been building for some time in North Korea. While it has become clear that the country lacks the ability to overcome accumulated contradictions of its centralized command-control economy through the traditional policy of self-help, the North Korean people themselves are leading the way in the effort to introduce new institutions and new ways of thinking, and are demanding fundamental changes at the administrative level. Nonetheless, the authorities have thus far rejected change at the administrative level as a genuine threat to the regime, and to vested interests of the elite. The country's establishment of the Songun, or military-first policy, is a key indication of the regime's intention to maintain the established order through repression and control. In view of this, any prospects for positive, forward-looking change at the institutional and regime level seem to be gloomy at best for now.

To conclude, positive change or lack thereof is a decision that rests squarely on the shoulders of the authorities in power and the governing elite. The structural conditions demand change and the people have already begun to institute such

changes at the grassroots level. However, since the authorities consider all such changes to be a threat to the regime, the nature of the North Korean regime forbids the making of any significant change at the governmental level for some time to come. In so much as contradictions continue to build within the regime, the country will sooner or later be faced with a situation where it will be impossible to maintain the status quo any longer. Thus, it remains to be seen what choice the North Korean authorities will make when that time comes.

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