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Author(s): Kongdan Oh and Ralph Hassig

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NORTH KOREA BETWEEN COLLAPSE AND REFORM

Kongdan Oh and Ralph Hassig

The misfortunes of the Democratic People's Republic of Korea (DPRK or North Korea) provide scant satisfaction to that nation's many critics. North Korea's economy faltered in the 1970s, declined in the 1980s, and collapsed in the 1990s. Recent visitors to the DPRK describe living conditions outside the capital of Pyongyang as "medieval."¹ Since the 1990 collapse of trade relations with the former Soviet bloc, and especially since 1995—when massive floods devastated an agricultural sector already weakened by years of communist mismanagement—the North Korean people have begun to starve. And this despite an estimated \$200 million worth of food annually from China and almost \$1 billion in food aid during 1995–98 provided by other foreign governments and international aid organizations. An extensive foreign survey of North Korean hunger conducted in fall 1998 revealed that 62% of North Korean children under the age of seven had stunted growth due to malnutrition.² The youngest and the oldest are the most vulnerable to food shortages. Estimates of the number of premature deaths range from 300,000 to 800,000 annually, cumulatively totaling one to three million deaths by year's end. Many of those who survive will be mentally or physically impaired for life. The North Korean authorities are doing little to

Kongdan Oh is Research Staff Member at the Institute for Defense Analyses and Non-Resident Senior Fellow at the Brookings Institution. Ralph Hassig is Principal, Oh & Hassig, Pacific Rim Consulting and Adjunct Associate Professor of Psychology, University of Maryland University College. A Korean-language version of this article is being published by *Sasang*, Institute of Social Sciences, Seoul. The opinions expressed in the article do not necessarily reflect those of the Council on Foreign Relations Task Force or any organization with which the authors are affiliated.

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1. Mark Kirk, general counsel of the House International Relations Committee, quoted in John Pomfret, "Congressional Aides Report High Hunger Toll in North Korea," *Washington Post*, August 20, 1998, p. A22.

2. Elisabeth Rosenthal, "In North Korean Hunger, Legacy Is Stunted Children," *New York Times*, December 10, 1998, pp. A1/A12.

address this appalling situation domestically beyond urging the people to find their own food. The medical system has ceased to function. Hospitals lack medicine, electricity, and heat. According to the foreign food survey, not one of the 840 hospitals and clinics surveyed had access to water suitable for human consumption.

Few governments could withstand such pressures, yet if the Pyongyang government crumbles under the weight of its economic problems, neighboring states will be compelled to intervene to prevent social unrest from spreading beyond the country's borders. In its weakened condition, North Korea is as much a threat to the peace and stability of Northeast Asia as it was when it was bursting with revolutionary vigor and making plans to communize South Korea forcibly. Only a dramatic reversal in Pyongyang's policies in the direction of economic reform could revive the country and bring it into a responsible and interdependent relationship with its neighbors and the global community. But which of these three scenarios—reform, collapse, or continued gradual decline—should we expect?

Since the death of Great Leader Kim Il Sung in 1994, perceptions of North Korea's future have become at once more optimistic and pessimistic; both the demise of the hardline successor regime of Dear Leader Kim Jong Il and prospects of economic and political reform now appear less imminent than in 1994. The leadership in Pyongyang may have stumbled on a plan just good enough for survival but not good enough for recovery. Now, five years after the Great Leader's death, we can gain a new perspective on North Korea's prospects that lie ahead.

Predicting the future is not simply an academic exercise. Policy makers, especially in the United States and the states bordering the DPRK, face the dilemma of whether to extend a helping hand to the North Korean people, perhaps simultaneously prolonging the life of their repressive government, or pursue a policy of containment or even confrontation with the hope that the society will implode and bring an end to the Kim regime. More specific policy decisions also are linked to estimates of North Korea's longevity. The deal brokered by Washington to supply modern nuclear reactors to the DPRK was based in part, on the implicit expectation that the Kim Jong Il government would collapse before the reactors were to be delivered.³ Future rounds of negotiations on North Korean nuclear and missile production may be similarly affected by estimates of North Korea's future.

In the pages that follow three scenarios are investigated: reform, collapse, and stability. Viewing North Korea's future in such simplistic terms may be

3. Larry A. Niksch, "U.S. Policy Towards North Korea: The Collapse Theory and Its Influence," paper for the Annual International Symposium of Korea National Defense University on "Interrelations among South Korea, North Korea, and the United States beyond the 1994 Geneva Nuclear Agreement," August 1997, Seoul.

misleading. Taewoo Kim has considered nine scenarios; Jin Young Suh has offered four, each with further refinements; Pan Suk Kim adds “decay” to our three basic scenarios, consistent with Selig Harrison’s prediction that North Korea will continue to erode rather than collapse.⁴ But limiting our survey to three basic scenarios should be sufficient to communicate the basic problems that North Korea faces and the factors that will decide its fate.

Indications of Reform

Reform is most often interpreted as being *economic*, even though it is clear that since politics takes precedence over economics in North Korea, political change is the key to effective economic reform. While some observers believe that North Korea has already set its foot on the path of economic reform, the prevailing opinion is that the reforms instituted to date are half-hearted and peripheral. To complicate matters, North Korea has several economies, a reflection of the contradictions in its communist system. The primary economy encompasses production in state factories and on state and collective farms, with disbursements to the people through the government-controlled distribution system. This economy has collapsed. Foreign sources, visitors to the DPRK, and North Korean defectors estimate that less than 30% of the country’s state-owned factories are operating, reflecting serious shortages in energy, raw materials, and spare parts.⁵ Outside Pyongyang the food rationing system fails to function for much of the year; even in the capital, where only the privileged political class is permitted to reside, food rations have been cut to subsistence levels for all but the top officials. In a

4. Taewoo Kim, “Managing North Korea: A Pragmatic Breakthrough,” paper for the 1997 Joint Conference of The Council on U.S.–Korean Security Studies and the International Council on Korean Studies, Arlington, Va., October 1997; Jin Young Suh, “North Korea’s Political Crisis and Four Scenarios Regarding the Process of Changes,” *East Asian Review* 9:2 (Summer 1997), pp. 54–73; Pan Suk Kim, “Prospects for Change of the North Korean Regime,” in Tae-Hwan Kwak, ed. *The Search for Peace and Security in Northeast Asia: Toward the 21st Century* (Seoul: Kyungnam University Press, 1997), pp. 137–70; Selig Harrison, “Promoting a Soft Landing in Korea,” *Foreign Policy* 106 (Spring 1997), pp. 57–75

5. The estimate of a 30% operating level for factories is widely cited by North Korean defectors, according to South Korea’s Ministry of Unification. See, for example, *A Handbook on North Korea*, 1st Revision (November 1998) (Seoul: Naewoe Press, 1998), p. 27. Eyewitness accounts of visitors from neutral or friendly countries offer corroborating evidence. Willi Scholl of the United Nations Development Program is quoted in a Swedish article as saying that “basically it’s a matter of the entire industrial sector’s being shut down.” See Britt-Marie Mattsson, “One Step Forward, Two Steps Back,” *Hufvudstadsbladet*, July 14, 1997, p. 6, in Foreign Broadcast Information Service (FBIS), August 29, 1997. A Chinese scholar who visited North Korea in 1998 offers a pessimistic view: “the power supply is worsening . . . railway transportation is almost half paralyzed . . . [and] aging and obsolescence of equipment and basic facilities . . . ha[ve] caused industrial accidents on a constant basis.” See Han Zhenshe, “North Korea Which I Have Seen,” *Shijie Zhishi*, September 25, 1998 (no. 19), pp. 20–21, in FBIS, October 29, 1998.

1997 plea to the United Nations for a reduction in its annual dues, North Korea claimed that its GNP had fallen by 50% since 1993 to \$5 billion, even lower than most foreign estimates.⁶ In short, North Korea has precious little economy to be “reformed.”

As the primary economy has collapsed, a secondary civilian economy has sprung up, consisting of widespread bribery, pilfering, bootleg production, and trade in people’s markets.⁷ The military has always had its own secondary economy in which goods are manufactured in military factories for domestic use and sold on the international market through military-controlled trade organizations.⁸ Finally, a small elite economy (a so-called “court economy”) sustains Kim Jong Il and the core party members, a group that may comprise as many as a million (out of 23 million) North Koreans.⁹ These fortunates have access to their own stores, bank accounts (for the top leaders), and foreign trade organizations. Both the court and civilian economies share many characteristics (such as supply-and-demand pricing) with capitalist economies and, in that sense, are already undergoing economic reform. The secondary economies combined are probably larger than the primary economy, even though the North Korean government does not officially acknowledge their operation.¹⁰ To the extent that the elite, the military, and the common people can survive in these secondary economies, the shortcomings

6. The \$5 billion GNP figure submitted by North Korea to the United Nations was reported by South Korea’s Yonhap News Agency, on June 23, 1997 in FBIS, June 24, 1997. The South Korean government estimates the DPRK’s 1997 GNP to be \$17.7 billion, making the per capita GNP \$741, down from \$1,064 in 1990. See *A Handbook on North Korea*, p. 26.

7. A wealth of information exists on North Korea’s secondary economies, much of it gleaned from defectors. Perhaps the best overview of the secondary economies is provided by Hong-taek Chun, “The Characteristics and Function of the Second Economy in North Korea,” *Vantage Point* 20:4 (April 1997), pp. 28–37. A broader view of North Korea’s economy, including consideration of the second economy, may be found in O-hong Kwon, “A Study of North Korean Commercial Practices: Practical Approaches and Mistakes,” *T’ongil Kyongje*, October 1997, pp. 42–62, in FBIS, December 22, 1997.

8. See, for example, Joseph S. Bermudez, Jr., “North Korea’s Deadly Industries Revealed,” *Jane’s Defence Weekly* 28:19 (November 12, 1997), pg. 54; *Hangyore Sinmun*, March 31, 1997, p. 6, (in FBIS, April 1, 1997); *Vantage Point* 20:5 (May 1997), pp. 7–9; and Young Tai Jeung, “North Korea’s Armament Industry, and the Buildup of the Biochemical Warfare Capability,” *East Asian Review* 7:2 (Summer 1995), pp. 40–51.

9. See Vasily Mikheev, “Reforms of the North Korean Economy: Requirements, Plans, and Hopes,” *Korean Journal of Defense Analysis* 5:1 (Summer 1993), reprinted in *Information Service on the Unification Question of the Korean Peninsula* 1993:3, pp. 52–66.

10. Since the secondary economies are varied in form and operate either domestically or in clandestine relations with organizations in other states, it is extremely difficult to estimate the size of these economies. O-hong Kwon, “A Study of North Korean Commercial Practices,” provides the broad estimate that the secondary economies comprise between 20% and 60% of North Korea’s GNP. *Hangyore Sinmun* (March 31, 1996), p. 6, estimates the military economy itself is as large as the civilian economy.

of the primary economy are of lesser consequence to the economic health of the nation. But while the growth of these economies provides excellent training for an eventual transition to a market economy, this growth has seriously challenged the legitimacy of a government that, according to socialist principles, is supposed to control the means of production. In any case, if foreign estimates of the size of these secondary economies are accurate, there is little prospect that the entire North Korean economy will collapse.

Over the years, the government has taken a few small steps to loosen central control and open the economy to foreign influences.¹¹ Local responsibility initiatives at the county and factory level, some dating back to the 1960s, were designed to boost motivation and reduce bureaucratic red tape, but continued party control has limited their impact. Only in 1995, as the central food distribution system began to fail (it had already ceased to function in some parts of the country), did officials in Pyongyang turn a blind eye to market practices even while continuing to rail against the evils of a market economy.

Under Kim Jong Il's sponsorship, the August 3 Consumer Goods Movement of 1984—like the “Three Firsts” of agriculture, light industry, and trade a decade later—was intended to compensate for the government's traditional Soviet-style emphasis on heavy industry by providing consumer goods to improve the people's standard of living, thereby pacifying an increasingly discontented populace.¹² The fact that the August 3 goods were to be manufactured from material unusable by heavy industry was consistent with Kim's oft-stated belief that, if people have the will, they can make something out of nothing. The goods (pots, pans, and the like) tend to be of indifferent quality and, although they are supposed to be made with materials procured from *outside* the system, some raw materials are diverted from state enterprises.¹³ The 1994 launch of the Three Firsts campaign for agriculture, light

11. These have included: (1) Factory and agricultural responsibility systems: Taeon (1960) and Chongsan-ni (1961) Systems, and the Independent Accounting System (1984); (2) August 3 Consumer Goods Movement (1984); (3) Appearance of people's markets (since at least 1984); (4) Foreign Joint Venture Law (1984); (5) Najin-Sonbong Foreign Economic and Trade Zone (1991); (6) Business laws for foreign investors (1991–1993); (7) Agriculture, light industry, and foreign trade first policy (1994); (8) Decentralization of responsibility to provinces (partial, 1981; for food rations, 1995); (9) Courses in capitalist business practices taught by foreigners offered at Kim Il Sung University (1995); (10) KEDO nuclear project zone (1995); (11) Farm small work team responsibility system and contract farming (1996).

12. On August 3, 1984, Kim Jong Il inspected an exhibition in Pyongyang of light industry products made from locally available scrap materials. The younger Kim, who usually made such inspections in the company of his father, has always sought to cultivate for himself the image of a leader who cares deeply for his people (so long as he doesn't have to come into contact with them); championing light industry seemed like a good way to boost this image.

13. Kim himself reportedly prefers foreign-made products such as imported foods and wines, electronic products, videos, and of course Benz automobiles. See, for example, the article by

industry, and foreign trade proved that the August 3 movement had not been altogether successful. Unfortunately, by the 1990s North Korea was experiencing a serious lack of resources *within* its economic system and, as the government candidly admitted, the military was always first in line for resources. Thus, the military secondary economy came before the Three Firsts of the primary economy, demoting them to the Three Seconds with predictable consequences.

In September 1998, shortly after the official inauguration of the Kim Jong Il regime, a major economic policy statement essentially renounced the Three Firsts Policy.¹⁴ Noting the dire straits into which the “dependent” Asian economies had fallen, the statement said that North Korea would emphasize heavy and military industry just as it had after the Korean War. Foreign capital was denounced as a source of entrapment, the superiority of socialism was upheld, the key role of ideological commitment in economy building was reiterated, and the editorial announced that “we do not have anything more to reform or open now.” It is too early to tell whether this is merely revolutionary rhetoric or a sign that the government will continue to resist adoption of capitalist reforms. The 1999 New Year’s Joint Editorial certainly gave no indication of new economic thinking.¹⁵ The military-first policy still prevailed, requiring the people to “tighten their belts.” Commitment to the centralized economy was to be “redoubled.” The general economic line called for a “second grand march of *chollima*,” emulating Kim Il Sung’s work-harder-and-faster campaign of the 1950s.¹⁶

North Korea’s most radical and promising economic reform is being implemented with little fanfare. The government is reversing its longstanding policy of replacing collective with state farms in which farmers earn wages like factory workers in favor of a system by which small teams cultivate a plot of land and keep any surplus after meeting their state quota. The prototype of this “small work team method” was first introduced in the mid-1960s, with teams of 10–25 individuals. The method seemed to have languished only to reappear in the wake of the 1995 famine. In its 1990s reincarnation,

former DPRK diplomat Yong-hwan Ko, “Specially Attached Interpreter Who Defected Discloses the True Character of Kim Il-song and his Son,” *Bungei Shunju*, August 1994, pp. 94–103, in FBIS, July 27, 1994, pp. 15–21.

14. “Let Us Adhere to the Line on Building a Self-Reliant National Economy to the End.” Joint Editorial in *Nodong Sinmun* and *Kulloja*, September 17, 1998, translated from a Korean Central Broadcasting Network (KCBN) broadcast by FBIS on September 18, 1998.

15. “Let Us Glorify This Year as a Great Year that Will Become a Turning Point in Building a Powerful State,” New Year’s Joint Editorial read on KCBN, January 1, 1999, in FBIS, January 3, 1999.

16. *Chollima* is a legendary flying horse that could cover 400 kilometers in a day. The horse’s speed is meant not only to symbolize the “speed battles” that Kim Jong Il desires from his workers but also perhaps to suggest that even the miraculous is possible.

work teams reportedly consist of 8–10 workers, often comprising a family unit. To encourage the farmers, who face almost insurmountable difficulties owing to a lack of fertilizers, pesticides, good seeds, and mechanized farm equipment, state production quotas have been lowered.¹⁷

Farm units may sell their surpluses, along with locally manufactured goods and household possessions, in the people's markets that have sprung up throughout the country.¹⁸ These markets, which are tacitly accepted by the authorities, originally conducted business on the 11th and 21st of every month, these being farmers' holidays. The markets now operate daily in many cities and towns. Market prices are as much as 20 times higher than prices of similar goods in government stores, but since these goods are not available on store shelves, the price comparison is moot. The people's markets provide a valuable lesson in capitalism for the masses. The government accepts these markets on a temporary basis, pending the country's return to economic health and its resumption of the march toward socialism.

After first-hand inspection of the opening of the Chinese economy to foreign investment, the Kims decided in 1984 to open the North Korean economy on a limited basis to attract the foreign currency they were unable to earn through trade. Yet, that year's Foreign Joint Venture Law and a series of subsequent laws covering foreign businesses have gone all-but-unnoticed in the international business community. Until Hyundai founder Ju-yung Chung began investing millions of dollars in a project to bring South Korean tourists to North Korea's scenic Mount Kumgang in 1998, foreign investment in North Korea totaled somewhat less than \$50 million from 1984 to 1997, primarily in the remote Najin-Sonbong Foreign Trade area.¹⁹ Most joint ventures have been established by companies owned by overseas Chinese or members of *choch'ongnyon*, the North Korean community in Japan, and few of these are money-making propositions.²⁰ The new business laws have not

17. "North Korean Agricultural Policy in Chaos," *Naewoe T'ongsin*, January 8, 1998, pp. F1–F6, in FBIS, March 2, 1998; Sun-chik Hong, "North Korea's Agricultural Management," *T'ongil Kyongje*, May 15, 1998, pp. 99–107, in FBIS, June 29, 1998.

18. Most of the material on people's markets is provided by defectors. For a history of these markets, see "Control Measure for 'Farmers Markets' Mired in Confusion," *Naewoe T'ongsin*, July 11, 1996, pp. E1–E4, in FBIS, August 26, 1996, pp. 35–37. The size and popularity of these markets is described in a *Chungang Ilbo* article by reporter Won-tae Sin, May 21, 1997, p. 10, in FBIS, May 22, 1997.

19. *People's Korea*, the DPRK's news outlet in Japan, reported that total foreign investment by the end of 1996 amounted to \$37 million. See "Update on Rajin-Sonbong Trade Zone," *People's Korea*:1800 (September 27, 1997), p. 5.

20. The *Choch'ongnyon* joint investments have, with considerable justification, been called "donation businesses." See Chi-ho Sin, "Bittersweet Experience with the Partner Outside the Market Economy: 10-Year Summation of DPRK–Chosen Soren Joint Ventures," *Sindong-A*, April 1996, pp. 254–271, in FBIS, June 20, 1996, pp. 34–47.

alleviated investor concern about the political stability and the business sense of the Pyongyang government.

Najin-Sonbong was chosen as a location for North Korea's first (and still only) foreign trade and tourist zone because of its location far from the main population centers (to prevent contact with foreigners) and within the United Nations's Development Project's zone on the border with Russia and China. Private ownership of stores by Koreans is permitted there, and its exchange rate of 200 won to the dollar is more realistic than the official rate of 2.1 in the rest of the country. Despite grand plans for infrastructure investment, the zone still lacks a basic modern infrastructure and the government seems to hold an ambivalent attitude toward it.²¹

If all goes according to plan, in the next few years several thousand foreigners (mostly South Koreans) will live and work in the Korea Energy Development Organization (KEDO) nuclear complex at Sinpo, another remote zone. In 1994 the United States agreed to buy off North Korea's plutonium threat by sponsoring the construction of two light water nuclear reactors whose spent fuel will be more difficult to reprocess into bomb-making plutonium than the fuel from North Korea's present graphite-moderated reactors. Since the KEDO project is the result of a tough political bargain between North Korea and the United States, it can hardly be considered a sign of either economic opening or U.S.-DPRK détente. One of the basic flaws of the deal is that the United States depends upon South Korea and Japan for most of the project's funding, but North Korea refuses officially to acknowledge the participation of its two neighbors.

Pyongyang has freely admitted that it must deal with the market economies in order to replace its lost socialist trade relations at least until its economy reaches the point of self-sufficiency, which remains the ultimate goal in line with the country's guiding *juche* ideology. To prepare for trade with the despised capitalists, the economic elite are studying Western business practices. Their studies, as published in Pyongyang's *Kyongje Yongu* [Economic research] reflect the tension between Korean communist ideology and neoclas-

21. North Korea staged a business forum for foreigners at Najin-Sonbong in September 1996 (just before a North Korean submarine loaded with commandos grounded itself on South Korean shores, casting a pall over the investment atmosphere). The forum provided an opportunity for the curious to take a peek inside this corner of North Korea. L. Gordon Flake and Marcus Noland provide an economic evaluation of the zone in "The Rajin-Sonbong Free Economic and Trade Zone," *Korea's Economy, 1997* (Washington: Korea Economic Institute of America, 1997), pp. 104-109. For a news correspondent's bleak view, see Andrew Pollack, "Behind North Korea's Barbed Wire: Capitalism," *New York Times*, September 15, 1996. See also a highly critical article by the usually sympathetic *Hangyore 21*: Ul-ch'ul Yim, "End of Experiment for Opening Najin-Sonbong?" *Hangyore 21* (Chollian Database version), February 4, 1999, in FBIS, February 14, 1999.

sical economic theory. The following is a typical excerpt from an article on trade policy:

A self-dependent national economy develops amid close connections with the world economy. . . . The competition of the stronger preying upon the weak aimed at capturing the market is essentially a competition of exploitation and a competition of plunder. . . . In the course of expanding and developing trade with many countries, we will see the ranks of supporters and sympathizers for our revolution expand further and the defense of our socialism grow firmer. . . . Socialization of production is expanding daily on a global scale.²²

Do the leaders in Pyongyang, starting with Kim Jong Il, truly believe there is a future for socialism, or do they cling to it out of loyalty to the Great Leader and because the people are more easily controlled through central planning? Certainly, the elite recognize the depths to which the economy has sunk. Kim Jong Il, like his father, has frequently fulminated against bureaucrats, blaming them (along with the U.S. economic embargo and the weather) for the economic and social ills of the Korean people. Kim may even be aware that socialism has more serious flaws than the inert and venal bureaucracy that is the object of his rhetorical scorn. In tape recordings secretly made in 1984, Kim is heard to lament the lack of personal motivation in the socialist system.²³ No matter. While they are puzzling over their political dilemma of control versus economic reform, Kim and his top cadres live a comfortable life far from the poverty and starvation of the average North Korean citizen.

Thus, whereas some elements of reform have appeared in North Korea—to a lesser extent in the primary economy than in the secondary ones—the elite continue to fear that economic liberalization would loosen their hold over the populace. North Korea is not deliberately taking the first steps toward reform, as Deng Xiaoping did in China 20 years ago. It may well be that reform-minded technocrats and military reactionaries surrounding Kim Jong Il debate or lobby for their respective positions. If this proposition is true, it is difficult to determine who the reformers are or how much support they receive from Kim Jong Il. In any case, it is late in the day for North Korea to begin serious reform.

22. Yong-ok Ch'oe, "The Trade Policy Presented by Our Party Today and Its Correctness," *Kyongje Yongu* [Economic research], April 10, 1997, pp. 13–18, in FBIS, November 20, 1997.

23. Kap-che Cho, "Recorded Tape of Kim Chong-il's Live Voice: 60 Minutes of Astonishing Confessions Similar to that of a Reactionary," *Wolgan Choson*, October 1995, pp. 104–128, in FBIS, November 3, 1995, pp. 40–52. While residing in the United States, the film director Sang-ok Shin and his actress wife Eun-hi Choi authored a two-volume work about their experiences in North Korea: *Choguk-un chohanul chomolli* [Diary: The motherland is beyond the sky and far away] (Pacific Palisades, Calif.: Pacific Artist Corporation, 1988).

Indications of Collapse

Implosion or Explosion?

Since the death of Kim Il Sung in 1994, the world has been waiting for North Korea—the economy, the society, and the political system—to “implode,” although the exact nature of what that event might be is rarely specified. Larry Nicksch has labeled this the Branch Davidian scenario, after the long holdout and fiery death of a religious cult community in Waco, Texas.²⁴ Choon Kun Lee notes that the former Soviet Union and Eastern European countries shed communism in a variety of ways. Some, like East Germany and the Soviet Union, collapsed peacefully, the former suddenly and the latter slowly.²⁵ Others, like Romania and Yugoslavia, collapsed violently, the former suddenly and the latter slowly. Lee seems to predict one of the speedier collapses for North Korea. Such a collapse would likely trigger an exodus of refugees into neighboring countries and require a massive relief effort to maintain social order and relieve suffering in North Korea. Then, following the West German example, South Korea would have to pick up the pieces to form a unified Korea, likely at a cost of as much as a trillion dollars.

National security analysts in the United States, South Korea, and Japan worry about an “explosion” scenario in which the North Korean regime collapses with a bang rather than a whimper (to use the borrowed phrase of Hwang Jang Yop, a former member of North Korea’s elite) by launching an attack against U.S. bases in South Korea and Japan in a suicidal effort to alter the end game.²⁶ A more plausible version of the explosion scenario would have North Korea staging provocations against U.S. and South Korean troops, with the dual purpose of bolstering its own domestic cohesion by putting its populace on a war footing and gaining concessions from the United States through the threat of war. Issuing threats is stock in trade for North Korea. At the end of 1998, the threat level increased as Pyongyang speculated (fueled in part by the American press) that the United States might bomb suspected nuclear sites if they were not opened for inspection. The General Staff of the Korean People’s Army issued a statement warning that U.S. actions, such as President Clinton’s November visit to American troops at the DMZ, were considered essentially as the first stage of a war and that,

24. Larry A. Nicksch, “U.S. Policy Towards North Korea.”

25. Choon Kun Lee, “Outlook for North Korea in 1996: Survival or Collapse,” *East Asian Review* 8:1 (Spring 1996), pp. 26–41.

26. When Secretary Hwang defected to South Korea in 1997, he came with the warning that North Korea was preparing for war, one that he hoped to prevent. Since that time, in subsequent interviews, including one with the first author of this paper, he seems to have modified his views. Hwang now insists that Kim Jong Il has no stomach to fight a war he knows he will lose and, in any case, the strength of the North Korean military has declined to the point where it could not follow up on an initial attack even if Kim Jong Il gave the order to start a war.

“although we do not want a war, we also will not avoid a war.”²⁷ South Korea and Japan were included in the North Korean threats to turn aggressors into “forlorn wandering spirits.” Follow-up statements in the North Korean press implied a nuclear armageddon and made clear that North Korea was threatening to annihilate foreign aggressors on their own soil to ensure that “there can be no world without the DPRK.”²⁸

The Economy

An enumeration of the factors that support predictions of an economic collapse in North Korea fairly accurately describes the *objective* situation in North Korea (*subjective* factors provide a better explanation of North Korean stability). Of five objective measures, the most frequently cited economic statistic is the shrinking GNP, which has fallen approximately 5% each year since 1990. It would be a mistake, however, to place too much faith in its accuracy. The North Korean government does not publish reliable economic statistics; its socialist economic system does not yield data that are easily comparable to market-based measures such as GNP or GDP, and North Korea’s secondary economies are not accurately represented in national estimates. Second, and similarly, North Korea’s \$11 billion net external debt, which amounts to 50% or more of its annual GNP, has been left unpaid since 1980 in part as a matter of policy: North Korea has called on the capitalist “exploiting” economies to forgive the debts of developing economies. Third, North Korean factories are estimated to be operating at less than 30% of capacity, but these assessments are based on fragmentary and circumstantial evidence; military factories may be producing at much higher rates. Fourth, although estimates of foreign trade statistics suggest that North Korea’s foreign trade declined by 55% from 1990 to 1997, considerable official and unofficial cross-border trade China goes unreported, and North Korea’s weapons sales (part of the military economy) likewise are not included in most trade estimates.

What is apparent to any visitor to North Korea is that the country’s infrastructure is crumbling. Workers are idle, factory chimneys are cold, power outages are frequent, motorized transportation is slow and intermittent, and few consumer goods are displayed in stores. But the fifth and most significant indicator of North Korea’s poverty is the hunger and starvation that have swept through North Korea since 1995. This, in Nicholas Eberstadt’s view,

27. “Statement of a spokesman of the KPA General Staff,” KCBN, December 2, 1998, in FBIS, the same date.

28. For two slightly different expressions of this threat, see a December 7, 1998, unattributed talk on KCBN entitled “Do Not Try to Test Our Strength and Will,” in FBIS, December 8, 1998; and a January 29, 1999, article in Nodong Sinmun entitled “Be a Human Fortress to Defend Pyongyang,” in FBIS, February 7, 1999.

defines North Korea's economic collapse.²⁹ The food shortage, a proximate result of three years of natural disasters beginning in 1995, is rooted in years of agricultural mismanagement and lack of broader economic support.³⁰ That is to say, the food shortage is basically a political rather than economic problem. Even Pyongyang's appeal for foreign food aid is politicized: the government is reluctant to permit foreign aid organizations into North Korea, significant amounts of grain are stored in reserve for the military, and the hungriest people in the remote parts of the country are denied food because they are viewed as politically and economically expendable.

North Korea appears headed toward an economic collapse, if it has not already reached that point. The economy does not respond to the commands of Pyongyang economic officials. No economic wizard can balance supply and demand, and attempts to do so only create more problems (when, for example, Kim Jong Il meddles by shifting resources from one project to another).

The Political System

The simplest explanation for the regime's acceptance of economic decline is that political considerations come first. The country continues to be ruled by Kim Il Sung's "teachings," which Kim Jong Il has sworn to uphold. Kim Il Sung's "scientifically correct" and "proven" economic policies limit his son's choices. An even stronger reason to resist the opening and reform that might save the economy is the perception among Pyongyang policy makers that this course of action would spell the end of the Kim regime and probably the end of socialism for North Korea, just as it triggered the demise of communist parties in the former Soviet Union and Eastern Europe. Without socialism, the logic for North Korea's separate existence alongside its larger and stronger neighbor to the south disappears and North Korea loses its reason to exist as an independent state.

North Korea's guiding ideology of *juche*, proclaimed in 1955, is a broad and slippery concept that sets North Korean independence from foreign influence as its manifest goal. While Kim Jong Il has argued that trade with capitalist economies does not violate the *juche* principle so long as such trade ultimately strengthens North Korea, *juche* in its traditional manifestations is

29. Nicholas Eberstadt, "The DPRK as an Economy under Multiple Severe Stresses: Analogies and Lessons from Past and Recent Historical Experience," *Korean Journal of National Unification* 6, 1997, pp. 151–190.

30. In a recent survey of the North Korean famine, Marcus Noland, Sherman Robinson, and Tao Wang suggest that "the economy has collapsed around agriculture—that is, the fall in agricultural output has been actually less dramatic than the decline in output in other sectors." *Famine in North Korea: Causes and Cures*, paper published by the Institute for International Economics, Washington, D.C., December 1998, p. 1.

diametrically opposed to “globalization.” In fact, South Korea’s globalization movement launched by former President Kim Young Sam (and now mandated by the International Monetary Fund) is harshly criticized by the North Koreans for selling out the Korean nation.

Apart from its role in guiding North Korea’s economy toward collapse, the political system in North Korea suffers from a number of weaknesses that could result in a political collapse *preceding* an economic one. Among the most important are the institutionalization of political corruption as a way of life; Kim Jong Il’s lack of important leadership traits; an overcentralized, monolithic political system lacking checks and balances; and excessive reliance on ideology and coercion to motivate and control the populace.

North Korea’s political decision process and even the identity of the key decision makers are shrouded in secrecy. Rubber stamp party congresses and people’s assemblies convene infrequently and the military is increasingly visible in politics and society. Although North Korean officials insist that their political system is monolithic—Kim Jong Il is presumably in charge—occasional contradictions in government actions hint at the existence of policy disagreements. An example might be an economic initiative followed immediately by a military provocation.

The political stability of Kim Jong Il should be distinguished from the stability of the broader Kim Il Sung/Kim Jong Il regime and the even broader communist political system.³¹ Even if Kim Jong Il were deposed, the regime might survive for some time, perhaps under collective military leadership. It is difficult to estimate the strength of Kim’s position since so little is known about him. Firsthand accounts depict him as erratic and arrogant, traits unlikely to endear him to colleagues. To the Korean people he is remote, rarely appearing in public and never delivering speeches. In short, he lacks the charisma and personable character of his father, who combined ruthlessness with affability. Kim Jong Il’s failure to have himself appointed head of the Korean Workers’ Party until three years after his father’s death, like his decision a year later to abolish the presidency so that his late father could become the eternal president of “Kim Il Sung’s North Korea,” is officially explained as an act of filial loyalty and respect. This explanation is unconvincing to many foreign observers. Kim’s early assumption of his father’s official titles also has been hindered by a lack of strong support from the elite, serious health problems, or the desire to put off his inauguration until an economically auspicious moment (which never arrived). When after four years Kim finally

31. For example, Sung Chull Kim, “Adaptive Process of the North Korean Political System in Times of Regime Crisis”; Young-Ho Park, “Political Change in North Korea: Is There Any Possibility for System Transformation?” *Korean Journal of Defense Analysis* 7:2, 1995, pp. 217–35; Wan-bom Lee, “Prospects of Changes in Pyongyang’s Power Structure and Foreign Policies,” *East Asian Review* 9:3 (Autumn 1997), pp. 94–113.

announced his governing title, it turned out to be his re-election as chairman of the National Defense Commission, thus officially making North Korea a military-run state.

The monolithic character of North Korean governance, about which the North Korean press boasts, is in fact a serious liability. Totalitarian rulers assume that a small core elite can effectively rule an entire people. Clearly, this is not possible except in a very small nation. Judging by the frequent North Korean propaganda appealing to the people for greater loyalty and commitment to the regime, it seems likely that a large proportion of the population is only paying lip service to Pyongyang's guidance. Ironically, a factor that has thus far prevented an economic collapse is the willingness of the people—both cadres and commoners—to maintain secondary economies that exist outside authorized channels of political control. This pragmatism of the people may be a precursor of political collapse.

Rather than seek economic and political solutions, Kim has intensified *juche* propaganda and relied more heavily on the military to control the people and formulate foreign policy. Although it is the strongest institution in the country, the military has problems of its own, including food shortages, obsolete weapons and equipment, poor morale in the lower ranks, and fear of Kim Jong Il in the highest ranks. Military personnel are in a somewhat better position to cope with the current food shortage than civilians are, but reports of malnutrition and starvation among soldiers have surfaced.³² Enlisted men serve about 10 years and receive home leave only two or three times during their service, so they can do little more than worry about their starving families. Many soldiers take pity on civilians foraging in the countryside and traveling from town to town in search of food and therefore hesitate to enforce regulations against travel without a permit.³³ Most general grade officers have received promotions or benefits from Kim Jong Il and the military has always gotten the first slice of the economic pie. Still, that pie is shrinking rapidly and Kim Jong Il seems to be doing nothing about it.

Will the generals act? Unverified reports of attempted coups and military uprisings suggest that the relevant question may be, "Can the generals succeed?" Whereas no credible evidence is available to suggest that an organized anti-Kim faction exists in the military—or for that matter in any other sector of society—it seems likely that individual members of the military are deeply

32. See, for example, the interview of former North Korean army Colonel Chu-hwal Choe by Chun-ho To in *Choson Ilbo*, February 13, 1996, p. 2, in FBIS, June 21, 1996, pp. 38–39.

33. The new provision in the 1998 revision of the Constitution guaranteeing that "citizens shall have freedom to reside in and travel to any place" may be an admission of the population movement problem, but the guarantee should not be taken more seriously than any of the other human rights guarantees embodied in it.

dissatisfied with the Kim dynastic system and its over-reliance on ideology to solve the country's problems.

The Society

The utopian communist dream is to create a paradise on earth in which all people work harmoniously and enjoy the bountiful fruits of their labor. A reading of North Korea propaganda suggests that this paradise has already been realized in the DPRK. In 1998, after three years of famine conditions and with the national medical system incapacitated, North Korea's official news agency boasted that

the word "people" is a symbol of love and dignity in Korea in which the people are masters of the state and society. . . . The DPRK, taking it as the supreme principle of state activities to improve the welfare of the people, devotes all social wealth to the happiness of the people, with the result that all of them live a happy life under systems of free education and free medical treatment services without any worry about food, clothing and housing.³⁴

But the late President Kim Il Sung's oft-made promise that *juche* socialism would enable the people to "eat meat soup, wear silk clothes, and live in houses with tile roofs" has receded from view in the harsh light of reality. The common people have borne the brunt of the Kim regime's misguided policies. Estimates of the number of deaths from starvation since 1995 have ranged from hundreds of thousands to several million.³⁵ Since the breakdown of the government ration system, people pilfer and pawn to survive. On the one hand, they are instructed to place their faith in the socialist system and in their leaders; on the other, they discover that the only way to get a meal is to look out for themselves.

Visitors to North Korea report seeing people sitting listlessly and hollow-eyed by the roadsides, lying in shapeless bundles in train stations, and sleeping in the fields. Many people are too sick to work, or study, or apparently even to analyze their predicament. This profound anomie is one of the basic dilemmas of North Korean society: a docile populace will not threaten the

34. "DPRK Provides People with All Happiness," Pyongyang's Korean Central News Agency (KCNA), July 2, 1998, in FBIS, July 6, 1998.

35. A bipartisan congressional factfinding team estimated 300,000 to 800,000 premature deaths per year. See John Pomfret, "Congressional Aides Report High Hunger Toll in N. Korea." The most reliable study to date reported that 62% of children under the age of seven had stunted growth and that 30% of children between the ages of one and two suffered from moderate to severe malnutrition. Although the research team did not have access to the necessary data to make an estimate of the number of premature deaths due to malnutrition in North Korea, the news article quotes a consensus figure of from one to three million. See Elisabeth Rosenthal, "In North Korean Hunger, Legacy Is Stunted Children," *New York Times*, December 10, 1998, pp. A1/A12.

regime, but neither will it generate economic wealth. North Korean propaganda reflects this contradiction by simultaneously assuring the masses they are the masters of society and teaching them that they can only be masters if they unquestioningly obey their leaders.

Because the only news the average North Korean gets comes from the government, people for the most part seem to buy the propaganda line that North Korea is in the grip of a global food shortage and that if conditions are worse for them than for other peoples, it is only because of recent natural disasters and the stifling effect of the American economic embargo.³⁶ North Koreans also seem to believe that the “US imperialists and their South Korean lackeys” are poised to invade North Korea in its weakened state. While the more thoughtful elements of the population may suspect something is seriously wrong in Pyongyang, they are wise enough not to ask questions that would invite a midnight visit from the security police. During his lifetime, Kim Il Sung was loved and respected by most of the people, who were truly shocked and saddened by his death. He was credited with liberating the nation from the Japanese, defending it from the Americans in the Korean War, and rebuilding the economy. Kim Jong Il’s succession has been accepted as a matter of course since he was the omniscient father’s choice and his first son, in accordance to Confucian tradition, but the people seem to have little faith in the younger Kim, who has brought them nothing but trouble.

A generation of North Koreans is being physically and psychologically weakened by malnutrition. The people die silently by the thousands in their homes, in the fields, and by the roadside. The government tells them that loyalty to Kim Jong Il and *juche* socialism is more important than life itself, and many seem to believe it. This resort to eschatological propaganda is a clear indication of the collapse of North Korea as a functioning political-economic system.

Indications of Stability

Nicholas Eberstadt has applied Charles Lindblom’s concept of muddling through—coping by making incremental adjustments—to North Korea. Eber-

36. The characterizations of the North Korean people in this and the following paragraphs are based largely on interviews with 20 North Korean defectors conducted in 1997 and 1998 by the first author. This information is for the most part consistent with published testimony from other defectors. The interviews on which these characterizations are based focused particularly on the attitudes of the North Korean people. On the basic dimension of belief or disbelief in North Korean propaganda, the interviewer tentatively concluded that the people believe much of what the government tells them. At the same time, the people realize there must be some other truth to explain why the reality they know is so different from the ideals they are taught. However, they have neither the information nor the information processing skills to identify the lies and exaggerations they are told, and thus remain confused and apathetic.

stadt suggested in 1993 that North Korean policy “might just as well be termed ‘barreling through,’ for economic policy seems to be informed by a dogged determination to weather the current storm by battening down the hatches and maintaining course.”³⁷ Barreling through is quite different than muddling through and, if based on erroneous policies, likely to achieve an earlier rendezvous with disaster. Barreling through is a good description of policy offered in official North Korean proclamations, which remain fanatically loyal to *juche* socialism. In practice, though, the North Korean leaders have shown some flexibility in responding to domestic and international events. Muddling through is indeed an accurate description of North Korea’s actual policy evolution.

For all of North Korea’s misfortune, both natural and manmade, the newly inaugurated Kim Jong Il regime may well survive for many years, barring an unpredictable military coup. Muddling through as a de facto governing policy may do little more than slow North Korea’s economic and political decline, but the survival skills of a dedicated muddler should not be underestimated. In his singleminded pursuit of power, Kim Jong Il has eliminated political competitors, imposed a highly effective surveillance system throughout society, employed intensive propaganda campaigns to base his authority on Confucian tradition, taken personal credit for all of North Korea’s successes while blaming others for failures, and kept the populace isolated from foreign influences.

From the perspective of liberal democracy, Kim Jong Il’s inability to solve his country’s economic problems might seem more than ample grounds for popular dissatisfaction, but Kim appears to retain the support of the top cadres and at least the grudging support of the people. Although infrequent reports of coup attempts and local uprisings reach foreign ears, Kim has functioned as the unofficially designated successor since 1973 and the officially designated successor since 1980, chosen by the infallible Kim Il Sung. The North Korean people take it as their Confucian responsibility (*uri*) to follow the son out of loyalty to the dead father. This is why the North Korean media boast of Kim Jong Il’s filial piety. By the same token, since Kim Jong Il has no successor, the regime would lose its legitimacy if he were deposed.

Since early in his career, Kim has used the party’s Organization and Guidance Department to monitor and control all aspects of North Korean society. To prevent the people from turning against him, Kim reportedly presides over a multilayered surveillance system that penetrates North Korean society from top to bottom: from the bugged offices of his top generals to the homes of the

37. Nicholas Eberstadt, “North Korea: Reform, Muddling Through, or Collapse?” *NBR Analysis* (National Bureau of Asian Research) 4:3 (September 1993), entire issue, quote is on p. 14.

lowliest peasants, which are watched by suspicious neighbors.³⁸ Kim punishes harshly, but he also rewards loyal cadres lavishly. In the press, he and his father are given credit for everything good in North Korea (including foreign food aid that is donated, people are told, because even the United States cannot resist Kim Jong Il's power). Just as the faith of religious people is often strengthened by adversity, so many North Koreans continue to put their faith in the Kim Il Sung surrogate, Kim Jong Il, giving him credit for fighting against tremendous odds.

Americans may endlessly analyze and criticize the behavior of their elected officials, but most North Koreans are too exhausted, too frightened, and too overwhelmed by a lifetime of propaganda to think about politics. They may be skeptical about many of their government's pronouncements, but they cannot discern the underlying problems. They recognize that many officials are corrupt (while having little idea of the levels of corruption reached by Kim Jong Il and his late father), but corruption is accepted as a normal part of life.

The hardships being visited on the North Korean people have come on gradually, and the people have suffered great hardship before, especially under the Japanese and during the Korean War. Whereas the present situation is difficult to bear, the unknown—bringing the economy into the international capitalist system—is feared as a force that would enslave the people and deprive them of what little they have. Socialism, after all, is a beguiling model, hard to abandon after one has worked for years to achieve it. In short, while it is difficult to peer into the mind of the average North Korean, the docility of the population in the face of life-threatening hardships and gross mismanagement by government officials suggest that the people are not a threat to the regime except insofar as their lack of motivation prevents the regime from achieving its economic goals.

The current North Korean regime may survive for some time because the leadership and the people, for all their exposure to ideological propaganda, are pragmatic. North Korean society exhibits flexibility in the form of bribery, black markets, resort to more primitive modes of existence such as using charcoal-burning vehicles and collecting grasses, bark, and herbs from the fields and the forests. In foreign affairs, North Korean diplomats ingeniously employ both carrots and sticks, often in an unpredictable pattern: threatening war while calling for peace talks with the United States; menacing Seoul with fiery destruction while accepting its food donations and business investment.

38. A former North Korean diplomat, Young-hwan Koh, describes some of the North Korean surveillance mechanisms in his book *Wonderland* (Seoul: The Institute of North Korean Affairs, 1994), pp. 14–19. Information collected by the ROK government on surveillance in the North Korean military is available in an article entitled “Organization and Role of Military Political Organs,” *Naewoe T'ongsin*, January 15, 1998, pp. B1–B6, in FBIS, March 23, 1998.

For those North Koreans who still have their strength, necessity is truly the mother of invention. For the dying, there is the comfort that they are loyally passing the torch of *juche* socialism to the next, possibly happier, generation.

Prospects

The authors have reviewed some 40 papers and articles discussing North Korean scenarios, most of them published since 1996. This list is admittedly not exhaustive, but it covers a wide spectrum of opinion from a diverse sample of scholars, analysts, and government officials. Although different authors define the scenarios in different ways, it is still possible to draw conclusions across these studies as to the popularity of predictions for the three basic scenarios: reform, collapse, and status quo. Most writers base their predictions on current conditions as discussed above. An alternative approach to prediction is to employ theoretical models or draw analogies to outcomes in other countries, both communist and noncommunist. Only a few of the economic papers employ models³⁹; Nicholas Eberstadt explores analogies with other countries in order to evaluate the likelihood of economic collapse, concluding that North Korea is a unique case (which is what the North Koreans have been saying all along!).⁴⁰

Most observers predict that North Korea will continue to muddle through *in the short term*. For the long term (beyond two or three years), the predictions can be summarized as follows. Only one study, by the Russian author Yuri Vanin, views North Korea's difficulties as temporary; he predicts the Kim regime will adopt significant economic reforms and pull itself out of its economic difficulties.⁴¹ Two studies give North Korea's limited reforms a good chance of success.⁴² Twenty-one studies predict North Korea will continue muddling through, or at least not collapse in the near term. For the most part these studies do not clearly address the question of how this muddling process will turn out, although these authors tend to be pessimistic about the

39. See, for example, Seung-Yul Oh, "Prospects for Economic Reforms in North Korea and Policy Recommendations," *Korean Journal of National Unification* 5 (1996), pp. 133–51; Choon Kun Lee, "Outlook for North Korea in 1996."

40. Nicholas Eberstadt, "The DPRK as an Economy under Multiple Severe Stresses."

41. Yuri V. Vanin, "North Korea: Hard March," *Korean Journal of National Unification* 5 (1996), pp. 43–64.

42. Seung-Yul Oh, "Prospects for Economic Reforms in North Korea and Policy Recommendations"; Jianming Zhou and Lingyi Wang, "Still Stable Korean-type of Socialism," *Korean Journal of National Unification* 5 (1996), pp. 7–23.

final outcome.⁴³ Ten studies predict a North Korean collapse within a few years.⁴⁴

43. The following articles have predicted muddling through or gradual decline but no imminent collapse: Yong-Kyun Cho, "Strategies for Economic Reform in North Korea," discussion paper, conference arranged by The Brookings Institution and the Institute of Foreign Affairs and National Security (IFANS), July 9–10, 1997, Washington, D.C.; Chin-wee Chung and Seoksoo Lee, "Kim Jong Il Regime and the Structure of Crisis: Its Sources, Management, and Manifestation," in *Understanding Regime Dynamics in North Korea*, ed. Chun-in Moon (Seoul: Yonsei University Press, 1998), pp. 143–66; Heung-yul Do, "North Korea: Teetering on the Edge?" *Korea Focus* 4:4, 1996, pp. 47–55 (originally published in *Saemulgyol* [New waves], July 1996); Selig Harrison, "Promoting a Soft Landing in Korea"; In Duk Kang, "Growing Political Crisis in North Korea: Its Power Structure and the Prospects," *East Asian Review* 9:2 (Summer 1997), pp. 3–17; Pan Suk Kim, "Prospects for Change of the North Korean Regime"; Sung Chull Kim, "Adaptive Process of the North Korean Political System in Times of Regime Crisis"; Taewoo Kim, "Managing North Korea"; B. C. Koh, "American Perspectives on Regime Dynamics in North Korea," in Chung-in Moon, *Understanding Regime Dynamics in North Korea*, pp. 79–112; Jae-keun Lee, "Challenging Predictions of North Korea's Implosion," *Korea Focus* 5:1 (Jan–Feb, 1997), pp. 33–40 (originally published in *Monthly Dongwha*, December 1996); Wanbom Lee, "Prospects of Changes"; Robert A. Manning, *Averting a Korean Meltdown* (May 1997), Policy Report of the Progressive Policy Institute (PPI), Washington, D.C.; Young Namkoong, "Trends and Prospects of the North Korean Economy," *Korea and World Affairs* 20:2 (Summer 1996), pp. 219–35; Larry A. Niksch, *U.S. Policy Towards North Korea*; Marcus Noland, "Why North Korea Will Muddle Through," *Foreign Affairs* 76:4 (July–August 1997), pp. 105–118; Chin Pak, "Prospects for Economic Policy Changes for Survival," *T'ongil Kyongje* (September 1997), pp. 28–36, in FBIS, November 20, 1997; Han S. Park, "Human Needs, Human Rights, and Regime Legitimacy: The North Korean Anomaly," in Chun-in Moon, *Understanding Regime Dynamics in North Korea*, pp. 221–236; Robert A. Scalapino, "The Challenges Ahead," in *The U.S. and the Two Koreas*, ed. Tong Whan Park (Boulder, Colo.: Lynne Rienner Publishers, 1998), pp. 15–42; Toshimitsu Shigemura, "There Will Be No 'Contingency' Situation on the Korean Peninsula," *Chuo Koron* (Tokyo), July 1996, pp. 92–101, in FBIS, June 24, 1996, pp. 26–34; Bum Jik Yang, "The Problem of Power Succession and Possible Changes in Economic Policy in North Korea," *East Asian Review* 8:2 (Summer 1996), pp. 58–73; Ho-Yeol P Yoo, "DPRK Policy toward South Korea and the Prospects of Reconciliation," *Korean Journal of National Unification* 5 (1996), pp. 153–73.

44. The following have predicted near-term collapse: Nicholas Eberstadt, "Hastening Korean Reunification," *Foreign Affairs* 76:2, 1997, pp. 77–92; Kook-Chin Kim, *Crisis Management on the Korean Peninsula: A Korean View*, discussion paper, conference arranged by The Brookings Institution and IFANS, July 9–10, 1997, Washington, D.C.; Moon-Young Huh, "The Stability and Durability of the Kim Jong-il Regime," *Korean Journal of National Unification* 5 (1996), pp. 65–81; Young-Yoon Kim, "The North Korean Economic Crisis and Our Policies," *ibid.*, pp. 111–131; Choon Kun Lee, "Outlook for North Korea in 1996: Survival or Collapse"; Young-Ho Park, "Political Change in North Korea"; Takashi Sakai, "The Present Situation and the Prospect of North Korean Ideology," *Korean Journal of National Unification* 5 (1996), pp. 25–42; Young-dae Song, "Changes in North Korea and How to Respond," *Korea Focus* 5:1 (January–February 1997), pp. 22–32; Jae-jean Suh, "Social Changes in North Korea and the Stability of Kim Jong-il Regime," *Korea Focus* 5:4 (July–August 1997), pp. 51–62; Jin Young Suh, "North Korea's Political Crisis."

Another set of predictions, somewhat less pessimistic, is provided by a poll of 50 experts on North Korean affairs published by South Korea's *Joongang Ilbo* (Joongang daily) on September 22, 1996.⁴⁵ In answer to the question "When do you think North Korea might collapse?" 8% predicted within 2–3 years, another 8% within 5 years, 29% within 10 years, and 53% predicted that the North would survive longer than 10 years.

Yet, another set of predictions comes from a 1997 survey conducted by the Korean Institute for National Unification (KINU—the ROK Ministry of Unification's think tank).⁴⁶ Forty Korean and international affairs specialists from the ROK and the United States were asked a series of questions about the timing and circumstances of Korean unification. Only two respondents predicted that unification would occur by the year 2000; 15 predicted by the year 2005; 17 by 2010, and the remaining six did not expect unification until as late as the year 2020. Thirty-one out of forty expected that North Korea would end up being absorbed by South Korea, after the manner of German unification; none believed that unification would occur by force.

Interestingly, among the authors whose articles were reviewed for this paper, the two most optimistic about North Korea's prospects were by a Chinese and a Russian scholar. One explanation for their optimism may be their sympathy for North Korean communism; another is that their predictions are based on a better understanding of how people live under communism. The most pessimistic predictions about North Korea's future have been made publicly by American government officials, among them former CIA Director John Deutch; former National Intelligence Officer for East Asia Ezra Vogel; former National Security Director for East Asia Stanley Roth; and former commander of U.S. forces in Korea, General Gary Luck.⁴⁷ While these individuals have access to intelligence estimates about the DPRK, they are less familiar with North Korea's history and culture.

In 1997 and 1998 the first author of this article interviewed 20 North Korean defectors residing in Seoul. Among five scenarios—abandonment of socialism, Chinese-style socialist market reform, status quo, internal collapse, and war—the majority predicted North Korea would adopt something akin to modest Chinese-style reform, probably implemented too slowly and cautiously to prevent the North Korean economy from declining further. In short, the defectors expected the North Korean regime to muddle through for another 10 to 20 years. Only three of the twenty predicted a near term collapse of the Kim Jong Il regime. None of the defectors mentioned war as a North

45. See Pan Suk Kim, "Prospects for Change of the North Korean Regime," survey results on p. 155.

46. Tae Hwan Ok and Soo Am Kim, *The Initial Phase of Unified Korea* (Seoul: Korea Institute for National Unification [KINU], 1998), Abstract 97–2.

47. See Larry Niksch, *U.S. Policy Towards North Korea*.

Korean option, even though they admitted that the military is gaining prominence in North Korean society and is fully prepared to fight if ordered to do so.

Conclusions

Predicting the future is a risky business, even when predictions are based on long-term trends. The sudden death of Kim Il Sung in 1994 and the devastating floods of 1995 suggested to many students of North Korea, including the present authors, that the days of the succeeding Kim Jong Il regime would be numbered. Since that time, two more years of natural disasters (more floods in 1996 and drought in 1997) have pushed North Korea's agriculture system to the breaking point and contributed to the death of between 5%–10% of the population. In the five years since his father's death, Kim Jong Il has never made a public speech or offered a realistic plan to improve the North Korean economy. The negative trends already in evidence in 1994 have not been reversed. Yet, the North Korean masses have not revolted, the elite have not staged a coup, and Kim Jong Il has not discarded the wrongheaded policies of his father. How much worse can conditions become?

Perhaps this is not a relevant question to ask in regard to the future of the Kim Jong Il regime. Perhaps the North Korean people's capacity for suffering is virtually unlimited.⁴⁸ Perhaps Kim and his cabinet will not abandon their commitment to *juche* socialism no matter how many of their citizens perish. Our empathy for the North Korean people may mislead us when making predictions about North Korea's future. Robert Manning has observed that "in a closed, autarchic system like North Korea, it is extremely difficult to accurately correlate the 'misery index' of the populace to political stability."⁴⁹ Marcus Noland makes a similar point: "There is really no reliable theory linking economic distress or deprivation to political change."⁵⁰ In a totalitarian system, even one buttressed by Confucianism, the leaders are not accountable to the people.

Today, the best guess among most North Korea observers is that this long-suffering nation will muddle through for a considerable time, even if economic and social conditions continue to deteriorate. But this can be only a guess. Predicting North Korea's future is seriously hampered by a lack of

48. Writing in 1984 of the muddling through policies so long pursued by Soviet leaders, Blair A. Ruble remarked that "Difficult adjustments by the [Soviet] citizenry may have to be made, but in economic matters, the Soviet threshold of pain is, like the sloth's, far higher than we might expect." Blair A. Ruble, "Muddling Through," in *The Soviet Polity in the Modern Era*, ed. Erik P. Hoffmann and Robbin F. Laird (New York: Aldine Publishing Company, 1984), pp. 903–14, quote from pp. 912–13.

49. Robert A. Manning, *Averting a Korean Meltdown*, quote from p. 4.

50. Marcus Noland, "Why North Korea Will Muddle Through," p. 106.

knowledge of North Korea's present. Who knows what Kim Jong Il or the generals who support him are thinking? Foreigners rarely have a chance to meet with the top policy makers in Pyongyang. And what of the mood of the people? Do they really see no way out of their predicament other than to follow their leader, or could some segments of the population be easily mobilized against the Kim regime? Once again, few foreigners—especially Korean-speaking foreigners—have the opportunity to engage ordinary North Korean citizens in conversation in the absence of hovering security police.

The refusal of North Korea's leaders to institute serious economic reforms has frustrated and angered those who study the country and those who seek to alleviate the suffering of the North Korean people. Two French medical aid organizations have withdrawn from the country complaining that the Pyongyang government interfered with their work.⁵¹ This is but one sign of a growing donor fatigue. The muddling-through plan that the Kim regime has adopted involves soliciting foreign aid, bargaining with its military and nuclear products, making minimal unofficial changes in the domestic economy, and waiting for the international environment to become more favorable—perhaps even expecting a resurgence of international communism. Equally important, Kim and his ruling cohorts are willing to sacrifice the economic health of their nation for the security of their regime, just as other dictators, both communist (Fidel Castro) and noncommunist (the generals of Myanmar) have done. The painful difference in North Korea's case is that it is half of a divided nation, posing an immediate humanitarian dilemma for the millions of Koreans in the southern half of the peninsula whose families are suffering in the north. For this reason more than any other, the future of North Korea cannot be ignored.

51. See John Pomfret, "Congressional Aides Report High Hunger Toll in North Korea."