

The First Year of Kim Jong-un's Reign: Limits to His Politics and Constraints on Reform and Opening

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1. Limits to the Political Image

1 year has passed since Kim Jong-un established his political system. It has been evaluated as a smooth transition following the purge of the most influential figure in the North Korean military, Chief of General Staff of the KPA Ri Yong-ho and the successful launch of the Unha-3 rocket, etc. Kim Jong-un continued to display unconventional public moves early in his rule, which included Mickey Mouse characters, Rocky movie theme songs, boarding amusement park rides, and public appearances with his wife, Ri Sol-ju. Despite the state of affairs resulting from the sudden death of his father, who was his strongest supporter, and the potential destabilization of his power base as well as concerns regarding his lack of government leadership experience, his public actions were unexpectedly embraced. Kim Jong-un's uninhibited moves presented a dramatic effect that contrasted the past actions of his father, Kim Jong-il. As a move to dispel the impression that he is an unprepared young leader, Kim Jong-un enforced an unexpected purge of Ri Yong-ho and sent his message about North Korea's economic recovery through the "June 28 Directives."

The outlook for new possibilities of change in North Korea appeared due to the connections among Kim Jong-un's free-spirited actions, his young age and his experience of studying abroad in the West. However, there is a need to note some differences between his first unconventional formalities and his recent political moves. His participation in public events has decreased and such relevant news as well as his unconventional actions are difficult to find. The actions of his wife, Ri

Sol-ju, who is rumored to be pregnant, have also been significantly weakened. Kim Jong-un and Ri Sol-ju's unconventional moves can repulse North Koreans and the older generation, since public display of affections between men and women is perceived to corrupt public morals from North Korea's cultural emotional sentiments. Therefore, it is more likely that Kim Jong-un's actions were unpredicted moves by an unprepared leader rather than an attempt to plan a public image. Recently, an assessment revealed that Kim Jong-un's control over government affairs is stable, but it is more reasonable to assume that there are tangible and intangible pressures working to rectify his early moves.

The important fact is that despite the establishment of the Kim Jong-un regime, visible results to solve the economic difficulties have not yet appeared. It is difficult for Kim Jong-un's political image to be effective under the circumstances in which even the military suffers from severe food shortages and there are no substantial improvements in the lives of North Koreans. He tried to formulate a softer image as a leader by focusing his attentions on an amusement park, while ignoring the need for fundamental actions for economic recovery. However, the amusement park in Pyongyang cannot be the target of such attention, since the majority of North Koreans suffer from constant starvation. The young leader may be the target of cynicism from the people due to the fact that his visit to the amusement park is a far cry from the real lives of North Koreans. In addition, the successful launch of Unha-3 can be considered a political event, since it is also unrelated to the actual lives of North Koreans. There is a fundamental limitation to Kim Jong-un's political power in forming the national consensus because he solely depends on his political image without achieving any improvement in the 2012 Economic Indicator, which was the first year that North Korea promised to be a strong and prosperous country for the improvement in civilian lives.

2. Main Reasons for the Unstable Power Base

Following the unexpected purge of Ri Yong-ho, who was the most influential figure in the North Korean military, as well as the launch of Unha-3 under the young leader's direct command, it has been evaluated that Kim Jong-un has achieved a certain level of success in consolidating his power base including his control over the military. As expected, there were significant personnel changes in regard to the corps commanders, and it was known that some senior-ranked officials were targeted for the blood purges. Recently, Choe Ryong-hae, who was the most influential military figure in the Kim Jong-un regime and is the Director of military's General Political Bureau, has been demoted from Vice-Marshal to Four-star general, which followed the demotion of the Chief of the General Staff of the Korean People's Army Hyun Yong-chol and the Director of the General Bureau of Reconnaissance Kim Yong-chol. It has been revealed that this results from the overreaching verification task of the North Korean elite's loyalty toward Kim Jong-un in addition to the replacement of figures and warning measures.

However, there are certain limitations to Kim Jong-un's operation to "plant his own group." Kim Jong-il was able to create some trustworthy supporters during his preparation time of over 20 years to become the successor to the leadership. Conversely, Kim Jong-un's attempt to accomplish this in a short period of time limits the verifiability of his supporters' reliability and loyalty. It is highly possible that the elite

level to be reformed by influential figures, who have political bases like Jang Sung-taek and Choe Ryong-hae, since Kim Jong-un did not have the sufficient time to establish his personal network. In this case, there is a possibility that it can weaken the military's loyalty in particular as well as create disturbances and complaints from the ruling class.¹⁾

During the 1 year since Kim Jong-un's rise to power, it has been evaluated that although there are apparently no problems in his power base, there is a need to note the possibility of a variety of internal problems caused by the process. The process to reform the power base led by Jang Sung-taek and Choe Ryong-hae can create complaints from the existing power and elders in the Party and military. Changes among the North Korean military can lead to a weakening durability of the Kim Jong-un regime in this circumstance, since there is an overflow of complaints regarding the delayed improvements of the civilians' livelihoods. Due to the launching of Unha-3, the international community is expected to strengthen its sanctions against North Korea and the Kim Jong-un regime is under increasing pressure, since China will most likely present a different attitude in comparison to the past when they unilaterally supported North Korea. The new South Korean administration is conservative, so there will be certain limitations on the flexible policy, which the North desires, toward North Korea.

In a situation like this, Kim Jong-un may encounter difficulties if North Korea's internal complaints become a reality. There is a need to pay attention to the possibility that Kim Jong-un, who does not have firm control over the military yet, will reveal his limitation on controlling the elite level conflicts.

3. Main Reasons for the Constraints on Reform and Opening

There have been analyses that the June 28 Directives can kindle North Korea's reform and opening for its economic recovery. While Kim Jong-un mentioned in his speech in April 2012 that "People will not have to tighten their belts again," he also indicated his willingness for "North Korean economic growth and the improvement of civilian livelihood" in August at a meeting with Wang Jiarui, who is the Director of the International Department of the Central Committee of the Chinese Communist Party. It has been interpreted that Ri Yong-ho's dismissal was a sign to suppress dominant military hardliners in order to prioritize the improvement of civilian livelihood. One convincing analysis of Kim Jong-un's moves is that he is interested in economic recovery and civilian livelihood, and he must suppress the military hardliners, who are a firmly conservative group, by empowering the pragmatists in the Party and the Cabinet in order to achieve this. It is, however, more likely a power struggle rather than an empowerment of the Party and the Cabinet in order to encourage economic recovery and the people's livelihood. The Military-first Politics is considered to be the North Korean version of martial law, and it is too early to judge the weakening status of the North Korean military because North Korea's systematic characteristics have been sustained by the military forces.

1) Recently, reports of reinforced guards indicate that Kim Jong-un is concerned about civilian and military complaints, "Kim Jong-un Holed Up in Pyongyang... What's Happening?" December 4, 2012, <http://www.donga.com>; "Kim Jong-un, 100 Armed Vehicles Parked at His Official Residence..." December 6, 2012, <http://www.chosun.com>.

The important fact remains that despite the so-called the June 28 Directives, the substantial movement for reform and opening inside the North is weak. In most cases, China, Russia and other members of the former Socialist Bloc endured fierce ideological struggles and conflicts to reform and open their doors. In the case of China, countless people died of starvation due to the failure of the Great Leap Forward and Cultural Revolution, which became the background of its national consent for Deng Xiaoping's reform and opening. In the case of the Soviet Union, fierce ideological struggles and conflicts began to surface between the reformists and conservatives during the process of promoting Gorbachev's New Thinking and *Perestroika*. The process was concluded with the overthrow of Gorbachev, the Soviet Union's collapse, the rise of the Yeltsin system, and the emergence of radical marketization. However, there is a need to underscore the fact that there are no ideological struggles or divergent opinions regarding reform and opening among the North Korean leadership.

The effectiveness of the June 28 Directives, which consists of the decreased sub-team system (*Bunjoje*) in the agricultural sector, the enhancement of the autonomy of enterprises, and the combination of the distribution system and market pricing system, has been questioned in light of the characteristics of the North Korean system. The June 28 Directives has demonstrated similar characteristics to China's policy such as the farmers' liability system in production, dual pricing system, enterprise reform, and the Special Economic Zone (SEZ), which has been implemented since 1978. However, the significant structural differences between China and North Korea are being overlooked. The initial conditions in North Korea in 2012 and China in 1978 are different. In 1978, China was a socialist and underdeveloped agricultural country in which the majority of the population were farmers. Therefore, agricultural reform was the key challenge to economic reforms, which also had significant effects. The expansion of agricultural productivity and the overpopulated rural people's migration to the city were the key components to China's competitive export industry, which was based on low-wage labor costs. However, the current North Korean urban population numbers at 60% while the farmers number at 30%, so North Korea is considered to be an industrial socialist country. The nature of the North Korean economic problem can be called an industrial crisis, and a significant portion of the agricultural crisis comes from the industrial sector. Therefore, successful reform should entail a combination of extensive and effective marketization policies and restructure in the industrial sector. There will be limitations to agricultural reform without recovery in the industrial sector; even if agricultural reform is successful, it will likely be limited to partially contributing to the solution of the food problem.

Furthermore, the decreased sub-team system, which is at the center of attention, has been evaluated to be weaker than China's earlier policy. By downsizing the agricultural production unit to the "household" level, China defined the farmers' liability in production and private ownership of products, which resulted a rapid improvement in China's agricultural productivity. However, it is difficult to discern the effectiveness of North Korea's June 28 Directives, which is a downsized sub-team system to a four-person group. In order to eliminate the inefficiencies of a socialist agricultural production that relies on collaboration, there is a need to clearly distinguish whether the main agent of production is either an individual or a farm house as an independent unit, but North Korea remains unclear on this issue.

Although Jang Sung-taek's visit to China attracted attention, there is a limitation to North Korea's efforts to improve foreign economic relations. North Korea's food crisis is closely related to the failure of its agricultural policies and the decrease of foreign economic relations as a result of the collapse of the Socialist Bloc. North Korea has faced severe limitations to basic necessities because China and Russia stopped providing political aid and established trade relations. The improvement of foreign economic relations is a very urgent issue to North Korea. China has been successful in attracting investments from foreign capital through reliable measures related to the Special Economic Zone (SEZ) including its overseas Foreign Direct Investment (FDI) capital, and they have functioned as the engine to China's economy growth. However, North Korea's attempt to open has not been successful in attracting foreign capital due to its many restricted areas and unreliable measures. In particular, North Korea's isolation and sanctions imposed by the international community due to its nuclear weapons development program is a fundamental limitation to North Korea's opening. In this situation, North Korea's attempt to rely on China as a last resort can be risky. An excessive reliance on China means that North Korea is incorporated into China's economic growth strategy, which can thereby cause serious weaknesses to North Korea's autonomy.

The more important issue is that the market has lost its confidence in North Korea. Currency reform means the "forfeit of private capital" through the North Korean authorities' compulsory intervention in the market, which has been expanded as its saving grace during an economic crisis. As a result, the market groups have received a significant blow, while the North Korean authorities' intentions have achieved some degree of success. The market was the only exit for the North Koreans in order to survive from the collapse of the distribution system. The North Korean authorities' unexpected and compulsory intervention in the market through currency reform can be dangerous because it can cause frustration among civilians and lead to fundamental skepticisms about the regime. After suffering from severe blows as a result of the currency reform, it is difficult for market groups to trust the policy of the North Korean authorities. Therefore, it is highly possible that the market activities will covertly reappear in a manner that the North Korean authorities will find difficult to control.

Furthermore, it cannot be said that North Korea has successfully gained the trust of the international market. In particular, political interventions in both the Mt. Geumgang tourism project and the Kaesong Industrial Complex are highly controversial problems because they can give the impression that North Korea is a dangerous country in which to invest international capital. This is considered to be a fundamentally constraining factor that makes attracting foreign capital difficult, although the exception includes China, which has a special relationship with North Korea, and Russia, which is interested in connecting a railway and supplying energy into South Korea. It means that in order to gain the market trust from both its people and the international community, North Korea will need considerable efforts as well as more extensive and reliable reform and open-door measures. However, the reform and open-door policy have been relegated to levels that cannot meet the necessary requirements after Kim Jong-un's rise to power.

4. Policy Outlook toward South Korea

South Korea and the international community have expected changes in North Korea, which can help to solve the North Korean economic crisis and ease tensions on the Korean peninsula. However, as is generally known, it is difficult to interpret Kim Jong-un's unconventional political style and moves as signs of new change. It is probable that Jang Sung-taek substantially influences the direction of North Korea's domestic and foreign policies, while Kim Jong-un is primarily focused on consolidating his formal position as the Supreme Leader. The fact that Kim Jong-un has a short political career and lacks experience in government leadership helps support this possibility. It is likely that Jang Sung-taek, who is from a civilian family and has administrative experience and strategic analytical skills, can negotiate with South Korea on resolutions regarding the economic crisis. However, North Korea traditionally has a tendency to provoke while concurrently establishing dialogue, so there is a need to note the use of provocations as a bargaining chip in the deepening system crisis. It means that North Korea, which has shown weaknesses in its durability of the system's structural environment and faces constraining factors in its response toward South Korea, is using military provocations as an advantageous bargaining chip.

Since the inauguration of the Kim Dae-jung administration, North Korea's direct military provocations gradually strengthened. The provocations began off the coast of Yeonpyeong Island on June 15, 1999, which was followed by the Second Naval Conflict of Yeonpyeong Island, Battle of Daecheong and the sinking of the ROK's corvette *Cheonan*, and peaked with the bombardment of the Yeonpyeong Island. The sinking of *Cheonan* involved a large number of deaths as the biggest damage on record, but North Korea denied its actions. In the case of the bombardment of the Yeonpyeong Island, which resulted in many casualties and damages after the North's indiscriminate direct shelling of both the civilians and military, North Korea cannot obscure the fact that they were the perpetrators. As both Koreas engaged in actual battle following the South Korean armed forces' response with artillery fire, this can be considered the most serious military provocation since the Korean War.

There is a need to recognize that North Korea's durability has gradually weakened, while the North's provocations toward South Korea have inversely strengthened. The First Naval Battle of Yeonpyeong occurred at the same time as the Arduous March, which resulted in a large-scale death toll from starvation. In July 2002, North Korea announced the July 1 Economic Management Improvement Measures as its saving grace, but the overall inter-Korean relations including inter-Korean economic cooperation and aid to the North have been strained following the inauguration of the Lee Myung-bak administration in February 2008. In late November 2009, North Korea's ambitious currency reform resulted in severe repercussions, while South Korea implemented the May 24 Measures to impose sanctions on the North following the sinking of *Cheonan* in May 2010. Such issues can be seen as trends that correlate with the weakening of the North Korean regime's overall durability.

Overall, North Korea's durability has continued to weaken after Kim Il Sung's death but the North's provocations toward its Southern counterpart have been an inversely growing trend. There is a high probability that Kim Jong-il's death in December 2011 had caused negative ramifications on the regime's

durability and the weakening of North Korea's power base. Considering the fact that when its durability weakens, the North's provocations become stronger, it is possible that North Korea will provoke its Southern counterpart due to its weakened durability following the death of its leader, Kim Jong-il.

Due to South Korea's economic growth and the deepening crisis within the North Korean regime, the systematic competition had come to an end, while the balance of power to negotiate between the two Koreas had also broken. While South Korea has effective negotiation tools that include economic cooperation and humanitarian assistance to North Korea, a country that is suffering from food shortages, North Korea does not have the right tools to use as bargaining chips in negotiating with the South. The development of nuclear weapons, which is considered to be the final bargaining chip to protect its system, has been an obstacle to inter-Korean relations as well as North Korea's relations with the international community. Since North Korea does not have much elbowroom in negotiating with the South, it should demonstrate a change in attitude, which the South Koreans will accept in regard to the sinking of *Cheonan* and the bombardment of the Yeonpyeong Island in addition to tangible progress in the nuclear issue as a means to progress inter-Korean relations. Since Kim Jong-un's power base has not yet consolidated and he cannot ignore the military's influence, the chances that his regime will take unconventional actions in negotiations with South Korea are small.

It is probable that North Korea's traditional negotiating behaviors such as military provocations and offers of dialogue will most likely persist, so the possibility of provocations toward South Korea is ever present. There is a possibility that North Korea, a country with bargaining constraints, will try to change the new South Korean administration's policy direction toward its favor through its traditional method. There is a need to pay attention to North Korea's military provocations, which can surface in diverse ways. The problem with this situation is that in comparison to North Korea's "creative" provocations, South Korea's defense can only be "conservative." There is a need for greater preparation against diverse provocations, such as provocations by land near the Military Demarcation Line (MDL) that are disguised as accidents and acts of terrorism in which the main agent of attacks are unclear.

The North's policy on South Korea has utilized provocations as its major bargaining chip, and this will burden the new South Korean administration, which needs to secure a flexible policy toward North Korea. The new South Korean administration, which aims to build confidence on the Korean peninsula, needs to plan a more sophisticated structure in negotiating with North Korea, since it is likely that the North Korean leaders, who have been inspired by the successful launch of Unha-3, conduct a third nuclear test. © KINU 2013

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