

Elite Politics and Policy Making in North Korea: A Policy Tendency Analysis

Yinhay Ahn

Despite the collapse of the former Soviet Union and the Eastern European countries, China has managed to maintain its political system yet adopt open economic policies that have transformed the economy into a great success. China has changed chiefly due to the leadership role played by Deng Xiao-peng and other practical and reform-minded leaders in the political forefront, as well as due to a change of perception at the political-elite level.¹

North Korea, desperately looking for ways to consolidate leadership succession and escape its current economic impasse, is known to be actively preparing the Chinese model of economic reform and open-door policy.² It could be said that North Korea's ability to push its reforms through Chinese-style depends largely

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- 1 Ahn Yinhay, "Chinese Power Elites and Policy Competition in Reform and Open-door," *Journal of Korean International Studies Association*, Vol. 32, No. 2, 1992, pp. 271-92.
 - 2 For a study on the Chinese model of reform and open-door policy, see Ahn Yinhay, "Policy Conflict and Chinese Power Elites: A Case Study of Yangpu Special Economic Zone in Hainan," *Journal of Korean Political Science Association*, Vol. 26, No. 2, 1992, pp. 325-44.

upon how the top political leaders view the open door and how they perceive reform and, subsequently, upon their policy making.

The first-generation revolutionaries in North Korea are beginning to retreat and the technocrats are emerging as a dominant group. How should we understand the policy making in the North during the leadership succession from Kim Il-sung to Kim Jong-Il? In the monolithic leadership structure of North Korea, are the policy preferences of the top political leaders being reflected in policy making? Can the North Korean political elite conceivably be categorized by their policy tendencies? By applying the framework of policy-tendency analysis to the case of North Korea it is in fact possible to understand policy tendencies and something of the policy making itself,³ and we may be able to forecast the direction of North Korean reforms and opening.

Existing studies on the North Korean political elite have been hampered by the difficulties of gathering adequate data; so far only unidimensional studies on socialist power elites have been available, and either the totalitarian model or a power model based upon factionalism have been used. The totalitarian model, however, is being abandoned in the study of socialism due to the downfall of the Soviet Union and the Eastern European countries.⁴ Factionalism is a common phenomenon there as well as in China, and it is regarded as prevalent where multi-party systems have developed in democratic-capitalistic countries.⁵

3 For a more in depth study see Ahn Yinhay, "Policy Tendency and Policy Making of North Korean Top Elites," *Social Science and Policy Research*, Seoul National University, 1993, forthcoming.

4 Janos Kornai, *The Socialist System: The Political Economy of Communism* (Princeton: Princeton University Press, 1992); Ota Sik, ed., *Socialism Today? The Changing Meaning of Socialism* (New York: St. Martin's Press, 1991); David M. Kemme and Claire E. Gordon, eds., *The End of Central Planning? Socialist Economies in Transition* (Institute for East-West Security Studies, Hellenic Foundation for Defense and Foreign Policy, 1990).

5 Raymond Taras, "Political Competition and Communist Leadership: A Historiographical Introduction," in Raymond Taras, ed., *Leadership Change in Communist States* (Boston: Unwin Hyman, 1989), p. 4.

Pyongyang, however, has long maintained a single leadership system, eliminating factions through political purge.⁶ The country thus lacks any tradition of competitive policy lines advocated within a group leadership system managed by long-time revolutionary comrades as is the case in China. Moreover, North Korea has yet to experience a power transition since the establishment of the Democratic People's Republic of Korea in 1948 by Kim Il-sung, a big contrast to China with its succession of leadership changes and shifts in policy lines since the death of Mao Tse-tung.⁷

The totalitarian model of analysis depends on the assumption that North Korea is under the single, solid leadership of Kim Il-sung and Kim Jong-il, so that no other policy lines or conflict groups exist; in other words, there should be no policy confrontations among the political elite in North Korea, and only those political decisions made from the top would carry any weight in policy making. Yet in reality North Korea faces the daunting tasks of leadership succession and economic revitalization and, in this context, from the trials and errors made in the process of economic liberalization we can indeed see differences in policy tendencies of the top political leaders.⁸ Those tendencies can be deduced from discrepancies between orders from the party and the Supreme Leader—which are to be obeyed at any cost—and the actual policies implemented under a particular leader. The

6 Chun Hyun-joon, Ahn Yinhay and Lee Woo-young, *A Study on North Korea's Power Elites* (Seoul: RINU, 1992), pp. 10–67.

7 Kim Ha-ryong, "The Character and Limits of Chinese Reform Policy," Suh Jin-young ed., *Socialist Reform and North Korea* (Seoul: Korea University Institute of Asian Studies, 1992), pp. 80–84.

8 Some scholars argue that there exists a conflict between the conservatives and reformists, and that they are divided over the issue of criticizing the South. Some high officials who are considered "practical" are Kim Dal-hyun who toured South Korea's industrial complexes and Yon Hyong-muk who concluded the "Supplementary Agreement" at the eighth South-North talks. Yeo Young-moo, "The Conflict between the Conservatives and the Reformists in North Korea," *Dong-a Ilbo*, 27 September 1992.

method may be crude, but given that North Korea is so closed, comparing various after-the-fact leadership styles of certain policy decisions by Kim Il-sung or Kim Jong-il pioneers a new perspective on the study of the North Korean policy-making process.

Policy Tendencies of the Top Political Leaders in North Korea

For this study "top leadership" includes those among the elders and "generalists" who hold the ultimate responsibility over actual policies, especially the premiers during the 1980s of the Administrative Council: Li Jong-ok, Kang Song-san, Li Gun-mo, and Yon Hyong-muk. A comparison of the policy tendencies of these four individuals and the outcomes of those policy tendencies is analyzed here.

Among the North Korean power elite there is an implicit consensus that for the country to overcome its current difficulties limited economic reform will be necessary as well as an opening to the outside world—but only to the minimum degree that system collapse can be prevented. It is difficult to predict whether economic reform without political reform will succeed. Nevertheless, it is clear that the members of the elite differ on the speed and scope of limited reform although they do agree on its necessity, and we can categorize their policy positions on economic policy and political stance.

Through the monolithic structure of North Korean politics it is difficult to discern in written texts any differences of opinion about national policy. The study relies on content analysis of various leaders' policy speeches published in North Korean official journals, together with their individual backgrounds. Verbal testimony from North Korean defectors to the South were also used as primary sources.⁹ The criteria used were (1) educational

9 The data was gathered from interviews conducted by the writer. It was necessary to conceal the sources of some interviews due to requests for anonymity.

background, (2) official positions held previously, (3) experience of having been purged, (4) experience of overseas travel, and (5) personal relationship with Kim Il-sung.

Li Jong-ok

Position on economic policy—After graduating from Harbin Technical University Li Jong-ok worked in the heavy industry sector until his appointment as premier.¹⁰ He conducted quite a bit of research on the Soviet and East European economic models.¹¹ Since their communist governments collapsed, however, he has developed an interest in the Chinese model, which he had a chance to observe during a trip accompanying Kim Il-sung in December 1991.

Li argues that the basic policy line of a socialist country must be the simultaneous development of heavy industry, light industry and agriculture,¹² but in practice he leans towards the heavy industries.¹³ He continues the revolutionary spirit by solidly favoring national economic development through independent effort: "in revolutionary enterprises as well as in others, we must rely on our own power to build our economy."¹⁴ He contends that only an independent national economy can deal with other economies on an equal and autonomous basis, that it can "effectively repeal the invasions of imperial colonialists and other

10 He became Minister of Industry in 1965 as well as chairman of the Heavy Industries Commission in 1960, of the metallurgical industry in 1962, of the Science Institute in 1965 and of the resources industries in 1971.

11 In 1984 he accompanied Kim Il-sung to the Soviet Union, Poland, East Germany, Czechoslovakia, Hungary, Yugoslavia, Bulgaria, and Romania.

12 Li Jong-ok, "A Self-supportive and National Economy is the Firm Base of the Republic's Prosperity," *Gunroja*, Vol. 9, 1978, p. 35.

13 *Ibid.*, p. 38-39.

14 Li Jong-ok, "The Juche Ideology on Economic Development Set Forth by the Great Leader Kim Il-sung, and its Practice," *Gunroja*, April 1987, p. 46.

aggressors."¹⁵ As he strongly favors an independent stance in national economic matters, he is considered passive about opening the country.

Political Stance—Since participating in the communist movement in 1940 and organizing the Communist Party in his hometown of Song Jin in 1944, Li has been known as a relatively incorruptible bureaucrat, and he is respected by the local people.¹⁶ From June 1989 until now, he has been the Chairman of the National Degree Award Commission, and is known to have a deep personal relationship with Kim Il-sung. He is said to be more trusted even than the current Vice President Pak Sung-chul.¹⁷ He could well harbor a latent progressive tendency but he has become absolutely loyal to communism after having once been purged, and is conservative now.

Kang Song-san

Position on economic policy—A top graduate of the Mankyongdae Revolutionary School in the 1950s and a solid economic technocrat,¹⁸ Kang Song-san once declared that the Party's primary priority should be the continuous effort to increase the popular standard of living.¹⁹ He argues that the ultimate objective of

15 Li Jong-ok, "A National, Self-supportive Economy is the Firm Base of the Republic's Prosperity," *Gunroja*, Vol. 9, 1978, p. 33. See also Li Jong-ok, "The Immortal Monument that Created the Chollima Movement," *Gunroja*, April 1990.

16 An interview by the author with a Chinese economic expert on North Korean issues, 13 February 1993.

17 Kim Jung-min, interview by the author, 28 January 1993.

18 Kang Song-san's expertise as an economic technocrat comes from his study abroad at Prague Technical University in 1954. In 1984 he was elevated to the position of premier but was demoted to secretary of the North Hamkyung Provincial Party and chairman of the local People's Committee. But he made a comeback in December 1992 as premier. He is considered as one of the few top economic elite in North Korea.

19 Kang Song-san, "Our Party's Supreme Principle is to Increase the Cultural and Material Livelihood of the People," *Gunroja*, March, 1977, p. 48.

socialism and communism is to free all the shackles of the average worker, giving him "an independent and creative, rich and cultured life," to be accomplished through "continually increasing the material and cultural livelihood of the people." These, he said, are proofs of the success of the socialist way of life.²⁰ This tendency in Kang is seen as an active willingness to opt for reform, especially after his many travels overseas.²¹ It is believed that his views and experiences on reform were the key factors that led to his recent renomination to the premiership.

Political Stance—Kang has a reputation as a taciturn character, and people say he is hard on his subordinates.²² He is also known to be inflexible over principles. He is a relative of Kim Il-sung and a trusted loyalist of Kim Il-sung ideology.²³

20 Ibid., p. 47.

21 Kang Song-san visited Bulgaria as head of the North Korean delegation in October 1981, accompanied Kim Il-sung to the Soviet Union and Eastern Europe in May 1984, was head of the North Korean delegation to Romania in August 1984, participated in the founding ceremony of Ethiopia's Labor Party as representative of North Korea, served as North Korea's representative at Yuri Andropov's funeral, visited the Soviet Union to exchange friendly relations in December 1985, participated in the Soviet Communist Party Forum as representative of the North Korean Workers' Party, and he visited China in May 1990 as Workers' Party representative. It is believed that his views and experiences on reform were the key factors that led to his recent renomination to the premiership.

22 Testimony of Koh Young-whan, February 1992.

23 For articles that reflect Kang Song-san's political views, see "The Basic Operation of the Party is the Interaction between People," *Gunroja*, October 1972; "Let's Decorate Pyongyang Red in Revolutionary Splendor," *Rodong Shinmun*, January 1973; "A People's Regime is the Most Effective Weapon to a Juche Ideologized Society," *Gunroja*, September 1983, "The Workers' Party is the Revolutionary Party That Carries on the Great Tradition of Juche," *Rodong Shinmun*, June 1985; "Party Organizations and Members that Act According to the Party's Directions are the Greatest Source of Strength of Our Party," *Rodong Shinmun*, January 1990; "Party Leadership is the Required Prerequisite for the Maintenance of Revolutionary Principles in the Implementing of Socialist Endeavors," *Gunroja*, November 1990.

Li Gun-mo

Position on economic policy—An important listing in Li Gun-mo's resume is his experience as chief secretary and chairman of the People's Committee of South Pyongan province, beginning April 1977, and chief secretary and chairman of the city of Nampo in September 1981.²⁴ He was appointed as premier for the leadership he showed in Nampo, but was demoted because his economic policies brought no significant results.

Nampo is a port city. Along with Chungjin, Wonsan, Hamhung, Shinuiju and Haeju it has been exposed to foreign influence brought by trading ships. The city was open to foreigners and capitalist ideas until 1986, and the experience in its administration most likely influenced Li,²⁵ for he shows a positive attitude over economic liberalization.

Political Stance—As Li was exposed to capitalist ideas in Nampo, he also shows a progressive tendency in politics.²⁶ He has a direct and active personality, and it is said that he resigned from the premiership in 1988 because he felt he could not take responsibility of the possible after-effects of the Thirteenth Pyongyang World Youth Festival that was to be held in 1989. It is also rumored, however, that he was fired as a result of a remark at an official meeting in 1988 that the "President's Fund" allow-

24 Li Gun-mo graduated from Kim Il-sung University and became involved in economic matters as Minister of Mechanical Industries in 1964, and Chief of the Second Mechanical Industries Commission in July 1970; finally he became premier in September 1973.

25 Li Gun-mo's acquisition of knowledge about foreign cultures and economies is vicarious, but he has not traveled abroad much. In November 1987, he visited China as representative of the DPRK government, and in February 1988 he was head of the government delegation to India.

26 His writing cannot be expected to show much reformism. Major articles are "The Great Leader's On-site Guidance is a Great Example of Communist Leadership," *Gunroja*, April 1978; "Loyalty to Our Dearest Leader Comrade Kim Il-sung is the Spiritual Source of Continuing the Legacy of Revolution in Choson," *Gunroja*, April 1985; "The Great Achievements of Our Dearest Leader Kim Il-sung in Building the Revolutionary Regime," *Gunroja*, April 1987.

ing unlimited allowances to Kim Il-sung and Kim Jong-il be abolished.²⁷ He was reinstated last December, and is currently the chief secretary and chairman of the People's Committee of Northern Hamkyong province as well as member of the Central People's Committee. Among the power elites Li is at present the one with the most progressive policy tendency.²⁸

Yon Hyong-muk

Position on economic policy—Yon Hyong-muk became premier thanks to the knowledge he gained from his work in the heavy industries sector.²⁹ He was sent to Yugoslavia as Pyongyang's representative to the Ninth Non-Alliance Chief Executive Meeting³⁰ and also to Thailand, Indonesia, and Malaysia in January 1990 where he was able to observe their economic development. Probably these travels overseas have made him aware of the need for broader reforms. He was demoted from his position as premier last December for lack of success in North Korean foreign policy vis-à-vis the South, as well as in external economic policies. Currently he is the chief secretary and chairman of the People's Committee of Chagang province. Yon is considered

27 From an interview with a North Korean defector on 13 February 1993.

28 Kim Jung-min, interview with the author on 28 January 1993.

29 Yon graduated from the Mankyongdae Revolutionary School and studied in the Department of Mechanical Engineering at Prague Technical University. Since his appointment as vice deputy of the Heavy Industries Commission in 1960, he has worked mainly in heavy industry. In December 1986 he became chief secretary of the Heavy Industry Commission. His interest in economic policies is reflected in his article "Sokdo-chon is the Principle of Warlike Conduct in Implementing Revolutionary Juche Objectives," *Gunroja*, February 1976.

30 In October 1989, he was head of the North Korean delegation to East Germany's Forty-Year Anniversary Celebration, also in November he participated in the Fourteenth Romanian Communist Forum where he could see the advanced economic status of Eastern European countries.

someone without much vision in economic policy, a follower of existing trends rather than an innovator.³¹

Political Stance—Yon Hyong-muk has become a widely recognized North Korean official from his role in the South-North talks. He is said to have a calm and rational mind, as well as an engaging personality that makes him quite popular.³² His family nursed Kim Il-sung from sickness during the partisan guerilla movement and has since been a Kim protege.³³

He enjoys the trust of Kim Jong-il as well, and among Kim's clique he is the one who most frequently accompanies the junior Kim's administrative travels. Because of his special relationship with the two Kims, Yon has written a thesis "Suryongron" (Ideology of the President), which none of the other premiers have ever attempted. He argues that *suryongron* must be "based on a spiritual and moral foundation whose aim is the achievement of a single organizational center and ideological base," and that it is the "crucial guarantee for the realization of organizational unity and solidarity which aims at unification and consolidation, a revolutionary effort led by the Party and President."³⁴

Although he exhibits absolute loyalty to Kim Il-sung, he witnessed as premier the collapse of the former Soviet Union and Eastern Europe as well as the success of Chinese reform and

31 Interview with a Chinese expert on North Korean affairs, February 1993.

32 Yon Hyong-muk is known to have a social personality. He speaks Russian, Japanese and French. *Dowon*, Vol. 1, May, 1987. But he gives an impression as being excessively loyal and unbending; according to people who have met him he does not seem popular.

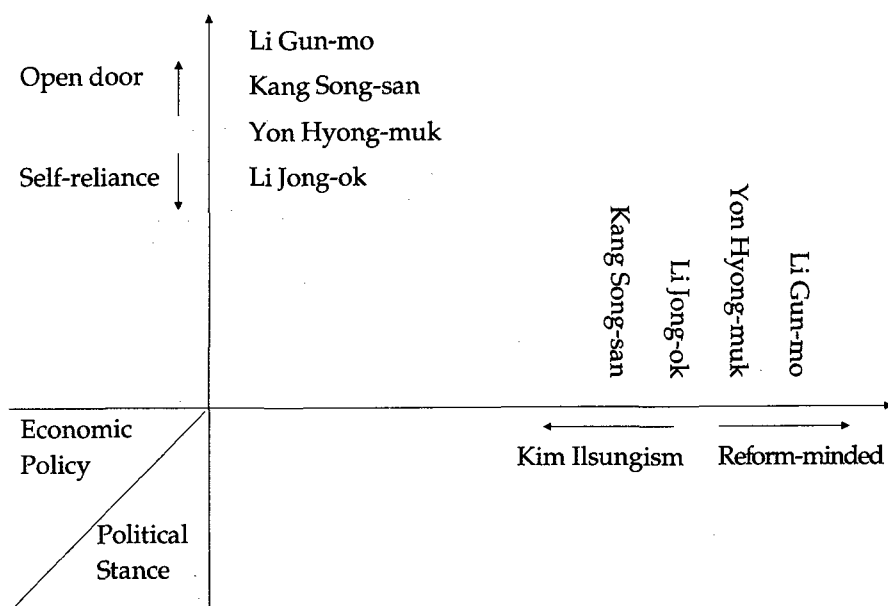
33 Because of his connection with Kim Il-sung, he was re-admitted to the Politburo in 1980 even after having been demoted to a provincial post.

34 For Yon's Theory on Suryong (leader), see "Our Revolutionary Invincible Solidarity Centered on the Party and Our Suryong," *Gunroja*, February 1982, p. 26. See also "The Three-Revolutionary Line Presented by Our Great Leader Comrade Kim Il-sung is the Invincible Standard to the Completion of the Juche Revolutionary Objectives," *Gunroja*, April, 1975, "Party Leadership is the Basis for the Victory of Socialist Economy Building," *Gunroja*, February 1987, "The Revolutionary Optimism is the Legacy of Our People's Revolutionary Spirit Which Has Led the Revolutionary Way to Victory," *Gunroja*, July 1988.

liberalization. He also seems to have acquired through the many South-North talks an open attitude on the need for change in North Korea.³⁵

Considering the four premiers' positions on economic policy and politics, we can categorize this way: on economic policy their positions range from Juche to opening, and on political issues between strictly upholding the Kim Il-sung ideology and relatively liberal views.

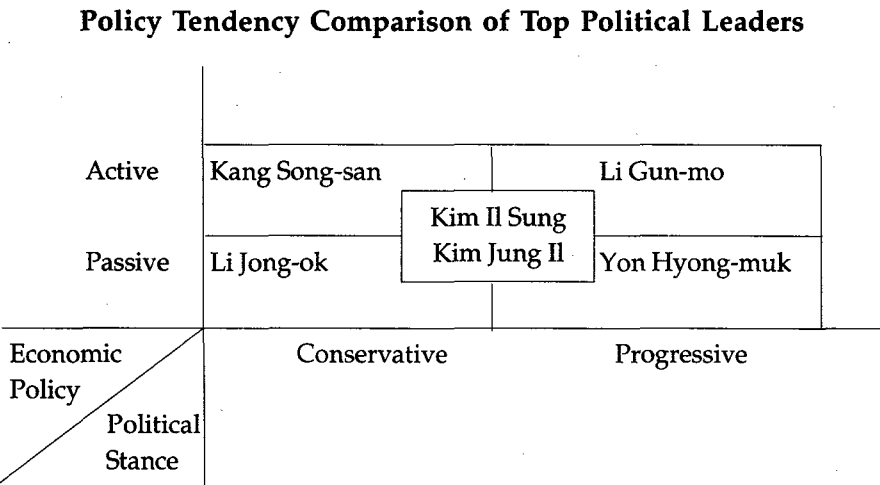
Policy Tendency Classification of Former Four Premiers in North Korea



35 Yon Hyong-muk showed a practical tendency towards policy when he suggested to Kim Il-sung a curtailment of the 1989 Pyongyang Festival in order to minimize the sacrifices made on the people's livelihood.

The above figure shows the two positions on economic policy and the two positions on politics entered on perpendicular lines, vertical for economic policy views and horizontal for political stances. Up represents open economic policies and down represents views in favor of Juche economy. The left side represents Kim Il-sung ideology and the right side represents progressive views.

The two Kims are in the middle of this next figure where they exercise a mediatory influence among the four policy tendencies.



Policy Making of the North Korean Top Leadership

Based on this analysis, we examine the policy results under each of the four premiers and see some differences in North Korean policies. Lack of reliable data, of course, makes it difficult to research differences of position based on various political orientation. This paper relies on events or issues where political positions could be detected from economic policies that were implemented.

Pro-light industry policy

Li Jong-ok, premier from April 1982 to January 1984, has quite an interest in the welfare of the people and a healthy economy, and a willingness for reform. Although not in a position to recommend it to Kim Jong-il, if circumstances change, he would likely play an active role in leading the economy towards reform.³⁶ However, he did have a rather one-sided interest in the development of heavy industries when he was premier. Moreover, as he was purged once in the past, he might have limited influence in policy making.

Kang Song-san, who was premier from January 1984 to December 1986, enacted the unprecedented Joint Venture Law in January 1984 and tried to draw in foreign capital and technology. Such measures reflected the policy tendency of the North Korean elite at that time as they searched intently for measures to develop light industry. An article reflecting the opinion of the time says, "a new turnabout for the production of consumer goods by following the revolutionary measures for the development of light industries" is necessary to increase the standard of living, and "specialization in the production of major consumer goods is an important issue that arises during the efficient management of the production structure and production potential of the people."³⁷ This emphasis on light industries stems from the need for "the state to be responsible for and provide for the material-cultural livelihood of the people" although the superiority of socialism is already obvious in every aspect of society.³⁸ The major principle that serves as the party's drive to revolutionize

36 Testimony of Koh Young-whan, February 1992.

37 Li Dong-ho, "The Specialization of Production and Revolution of the Light Industry," *Gunroja*, December 1984, p. 37.

38 Li Gil-du, "The Revolution of the Light Industry is a Glorious Enterprise for Increasing the Cultural and Material Livelihood of the People," *Gunroja*, April 1986, p. 56.

light industry is "the fulfillment of the material demand of the people by increased production of consumer goods through the means of our own resources, technology and power."³⁹

Moreover, the article emphasizes the role of the army⁴⁰ in eliminating the class gap and economic differences between the city and the provinces, between workers and farmers, by pointing out the role it plays in providing the urban-provincial links and its importance as the center of regional economic development. We can see a strong will for regional development and improvement in the living standard.

Li Gun-mo was premier from December 1986 to December 1988. Appointed for his role in completing the Nampo Drydocks, he achieved no significant results in economic policies as premier and was fired. Nevertheless, many articles were published that dealt with the importance of light industry and regional economic development that probably reflected the policy tendency of the time Li was premier. They all have the common theme of "increasing the common living standard through revolution in light industry"⁴¹ and an emphasis on agriculture, regional eco-

39 In order to adhere strictly to Party policies on revolutionizing light industry, (1) the workers and laborers must have a correct attitude about light industry, (2) the economic advisors must produce and implement a well-organized workers' structure, (3) resources must be used effectively and productions of raw materials must be encouraged, (4) the revolution of technology must be fully utilized. Ibid, pp. 57-58.

40 On the role of the army, the March 1985 issue of *Gunroja* suggests much. Kim Jong-il's 20-year-old undergraduate thesis titled "The Role of the Army in the Building of Socialism" is reprinted in this issue. Other articles dealing with the army are also featured: see the articles of Kim Gyun-ju, "Our Party's Great Capability in Utilizing the Army as the Unit to Develop Regional Industries," and Cho Byong-chan, "Advice on Agricultural Enterprises is the Main Objective of the Military Commission." We can surmise from this that around this time efforts were made to augment the influence and role of the army.

41 Choo Gil-bon, "To Increase the Revolutionary Spirit for Self-support is an Important Measure to Support the Revolution of Light Industry," *Gunroja*, January 1987, p. 68.

conomic development and development of regional infrastructure, and of the army.⁴²

Yon Hyong-muk also stressed the development of light industry while presiding as premier December 1988 to December 1992, as did Kim Il-sung himself in his new year speech of 1989 about the importance of light industry in the construction of a socialist economy. It was expected that "a new phase of revolutionary promotion of light industry by designating the entire year as Year of Light Industry" would occur.⁴³ However, as the socialist world experiences political turmoil in the 1990s, the number of articles promoting light industry is rapidly declining. This is probably well reflective of domestic politics.

Expansion of foreign economic relations

It was the success of China's economic reforms that led North Korea to become more receptive towards external economic expansion. Efforts to expand ties with outside economic interests began under Premier Kang Song-san with the enactment of the Joint Venture Law in 1984 and the "Kim Jung-suk Area." Active discussion of possible North-South economic cooperation ensued. Thus, slogans such as "economic cooperation and exchange between North and South are the single greatest desire of the entire nation" appeared, which put much emphasis on

42 The March 1986 issue of *Gunroja* held articles such as "To Augment the Role of the Army is the Basis of Developing the Regional Economy," suggests that even under Premier Li Gun-mo the role of the army was emphasized. See also Li Man-jo, "Let's Increase the Role of the Army to Create a New Turn for the Development of Regional Economy," *Gunroja*, August 1987.

43 Li Gil-du, "Let's Promote the Development of the Light Industries to Create a New Phase in the Production of Consumer Commodities," *Gunroja*, February 1989, p. 571. Also, see Kim Chang-sok, "The Main Enterprises to be Conducted in the Development of Light Industry," *Gunroja*, September 1989. However, the journal also carries articles that emphasize agriculture and heavy industry.

economic revitalization as the appropriate precondition for national and peaceful unification.⁴⁴ The argument coming from the North was that "there is no reason why the North and the South cannot have national economic cooperation and exchange" when the economies of the world are so engaged.⁴⁵ Kang Song-san, who had been chief secretary of North Hamkyong province, was also active in promoting the ideas behind the Tumen River Special Development project as well as other policies on limited opening of the economy. Kang's leadership in these matters reflected the elite's awareness that national economic development is closely linked with the economies of other nations. As natural and economic conditions, productivity levels, and technological developments are different in each country, the leadership in North Korea acknowledges that "it is imperative that exchanges of information and experiences of the production of commodities, scientific technology and production technology occur between countries" and that "this is a realistic need for the construction of a socialist economy."⁴⁶ By acquiring new technology, then, the people's economy can become modern and scientific without losing its independence. Unfortunately, these efforts at inducing foreign economic cooperation failed from the characteristically closed North Korean society, and Kang was fired from his premiership because the army was dissatisfied.

Li Gun-mo, who succeeded Kang, is known to have said that "North Korea's only way to survive is to follow the Chinese reform model,"⁴⁷ which angered Kim Jong-il, and he was fired from his post as well as stripped of his membership in the

44 Kong Je-min, "North-South Economic Joint Ventures and Exchanges Must Be Carried Out," *Gunroja*, May 1985, p. 84.

45 Ibid., p. 85.

46 Chun Il-chun, "The Strengthening of External Economic Relations is an Important Need for Socialist Economic Development," *Gunroja*, April 1986, p. 51.

47 Testimony of Koh Young-whan, February 1992.

Politburo and Central People's Committee.⁴⁸ At that time, North Korea actively encouraged policies of economic cooperation with the outside. The main arguments behind these drives were that "the most important thing for increasing the speed of the Great Development, which is to raise the standard of the people's livelihood, is to adhere to the principle of national and independent economic development and to conduct economic relations with other countries on an equal and fair basis."⁴⁹ Hence North Korea "should conduct trade on the basis of mutual need," considering carefully the differences in national economies.⁵⁰ Since joint venture and joint management are forms of economic cooperation that utilize the profitable elements of technology and resources of both the investor and the recipient, Pyongyang argued that "because North Korea has achieved a successful socialist economy, many countries want economic exchanges with our country" and that is why the country is promoting economic joint ventures.⁵¹

Li was reinstated as chief secretary of North Hamkyong province in December 1992; it is believed that his reappointment was an effort to introduce Chinese-style economic reform in limited areas such as the Najin and Sunbong special economic zones.⁵²

48 In order to dismantle the cooperative farming method of the 1980s and to encourage individual work of the farmers, Li Gun-mo participated in the "Kim Jung-suk Army" Special Zone plan with Kim Hwan. *Segye Times*, 10 January 1993.

49 Kim Bok-sin, "The Development of External Trade is an Important Demand for Consolidating the Economic Independence of the Country," *Gunroja*, July 1988, p. 61.

50 *Ibid.*, p. 62.

51 Chung Song-nam, "Joint Ventures and Joint Managements are Important Forms of Developing Cooperative Economic Relations with Other Countries," *Gunroja*, November, 1988 p. 70.

52 North Korea's top leadership consists of Kang Song-san, premier, and Kim Dal-hyun, candidate member of the Politburo who were both deeply involved in the Tumen River Special Economic Zone project. Kim Hwan, vice premier and minister of chemical industries, participated in the "Kim Jung-suk Army" with

Also, it is believed that behind his reinstatement was the fact that Kim Jong-il had acknowledged Li's expertise as the top economic expert among the core economic elite which numbers around only twenty people.

The next successor, Yon Hong-muk, carried on a more aggressive policy of expanding external trade. He was instrumental in improving North-South relations by concluding the South-North Agreement, simultaneous memberships in the UN, and agreement on simultaneous nuclear inspections. Also, he made efforts to improve relations with the United States as well as to conclude diplomatic ties with Japan. These efforts were justified as "movements to consolidate building of the socialist economy and improving the authority of the country vis-à-vis others, and to bring about the absolute victory of socialism by aggressively expanding external trade, which will strengthen and expand our independent national economy."⁵³ However, Yon did not make any significant progress in North-South relations nor in relations with the United States and Japan; he thus seems to have received much criticism from the hard-liners.⁵⁴

The dismissal of Yon Hong-muk in December 1992 was probably due to dissatisfaction with his economic policies, which were below expectations, and his relatively long term of office.⁵⁵ Yon was demoted to the position of chief secretary and chairman

Li Gun-mo in the past. These appointments suggest that North Korea is imitating the Chinese way of reform. *Segye Times*, 10 January 1993.

53 Kim Dal-hyun, "The Development of External Trade is Very Important to Hasten the Development of Socialist Economy," *Gunroja*, Feb., 1989, p. 65. Kim Dal-hyun, "Let's Develop Our External Trade in Line with Demand for Realistic Development," *Gunroja*, September 1989.

54 *Choson Ilbo*, 14 December 1992.

55 According to North Korean defectors to the South, Yon Hyong-muk made some remarks that displeased the top leadership and was thus forced to give up the premiership. (Interview with the author on 10 February 1992.) Some feel it was because Yon is closer to Kim Il-sung rather than Kim Jong-il that he was demoted.

of Chagang province and its People's Committee, and to candidate member down from member of the Politburo.⁵⁶

Kang Song-san, who had been demoted from premier by Kim Il-sung, was made chief secretary of North Hamkyong province in March 1988. In four years, he transformed the province into the most developed region in North Korea; Kim Il-sung showed great satisfaction in his July 1991 tour there.⁵⁷ Kang showed exceptional leadership in its development, especially in the Tumen River project. As North Korea needs desperately to strengthen its external economic ties and do so immediately,⁵⁸ it seems that Kang's performance in North Hamkyong led Kim Il-sung to appoint him as premier once again.⁵⁹

The appointment of Kang Song-san, who considers the economic revitalization of North Korea as his top priority, signifies that the country will pursue more open policies.⁶⁰ Kang is a relative of Kim Il-sung and enjoys his trust, but at the moment he does not seem to be carrying out his duties as premier.⁶¹ His

56 This is in contrast to Kang Song-san's case, where he retained membership in the Politburo when he was demoted to the position of secretary of North Hamkyong province. Yon's ranking in the party declined from fourth to number eighteen; it seems his political comeback will be unlikely for a while. *Dong-a Ilbo*, 14 January 1993.

57 Comment by Yun Gi-bok, November 1991.

58 *Dong-a Ilbo*, 14 January 1993.

59 Although North Korea seems to have solidified the succession of Kim Jong-il, the opinion of Kim Il-sung is reflected in the promotion or demotion of important posts such as the premier. For instance, the reappointment of Kang Song-san after the firing of Yon Hyong-muk was made at Kim Il-sung's suggestion. *Joongang Press*, 12 December 1992.

60 *Hankook Ilbo*, 12 December 1992. The fact that economic technocrats Kang Song-san and Kim Dal-hyun were promoted suggests that North Korea is placing heavier emphasis on external economic policies as well as economic liberalization.

61 Kang's poor health is preventing him from taking on the full duties as premier. He did not come to some important official functions such as the National Legal Workers' Forum (17-19 December 1992), the Seminar Commemorating the 75th Anniversary of Kim Jung-suk's Birth (24 December 1992), the Seminar on the Occasion of the Declaration of the Socialist Constitution's 20th Anniversary (26

appointment suggests that the leadership in North Korea will be more politicized than in the past under Yon Hyong-muk, but it can be also expected that North Korea will pursue more aggressive North-South economic cooperation.⁶²

Nevertheless, if the example of North Korea's creating an international political crisis by withdrawing from the NPT treaty suggests anything, it is extremely difficult to understand how policy is made by the top elites there.⁶³ It is known that the withdrawal from the NPT was Kim Jong-il's decision. How North Korea will link the NPT issue with its economic interests will be quite something to note.

Conclusion

Although North Korea officially insists it will maintain its unique system, change is inevitable if it is to survive in the rapidly changing political-economic circumstances of Northeast Asia. This awareness was reflected in the Socialist Constitution enacted on 9 April 1992. There are three major goals to which the top political leaders are adhering in policy making: consolidation of Kim Jong-il's succession as leader, administrative reforms to overcome the North's economic impasse, and measures to open the country for foreign capital and technology.

First, we observe from the classification of the North Korean power elite an emergence of highly competent technocrats into

December 1992) and New Year's Greetings (31 December 1992), *Dong-a Ilbo*, 31 January 1993. But he has reportedly participated in Kim Jong-il's birthday party which was 17 February 1993.

62 *Hankook Ilbo*, 12 December 1992.

63 Premier Kang Song-san said that if South Korea accepts its four demands according to the "Ten Directives" presented at the Supreme People's Assembly, a new breakthrough in North-South unification efforts will come: (1) abandon South Korean dependence on external powers (2) American troops in the South must declare their intent to withdraw (3) discontinue Team Spirit (4) come out from beneath the US nuclear umbrella. Joongang Broadcast, editorial, 8 April 1993.

the leadership forefront. Appointments of relatives and trusted acquaintances are also noteworthy. Such measures are designed to consolidate Kim Jong-il's position and ease the leadership transition.

Second, in its efforts to overcome acute economic crisis, North Korea is giving more favorable treatment to economic technocrats such as Li Gun-mo and Kang Song-san than to other bureaucrats. Relevant ministries in the Administrative Council are being expanded and frequent personnel changes are conducted.

Third, the willingness to open up the country for economic development has been well reflected in policy making at the top level. Recent developments such as the Tumen River Development project, designation of Najin and Sunbong as special economic zones, signing of the South-North Agreement, simultaneous entry into the UN, and moves to improve relations with Japan and the United States can all be interpreted as efforts on the part of the top elite to deal with surrounding economic and political changes.

This paper has tried to predict changes in policy making through policy tendencies of the elite. It may have glossed over the fact that external changes (the collapse of the former Soviet Union and Eastern Europe) influenced the North Korean leadership more than did the success of China's economic reform policy. Nevertheless, if we assume that the political changes in the former communist camp affected North Korean leaders, then ultimately these surrounding political circumstances did affect the policy tendencies of the top leaders, which then led to changes in actual policy making.

The major issue that premier Kang Song-san will face is how to harmonize the conservative tendency in politics and the active and flexible tendency in economic policy. What does this policy tendency analysis suggest? North Korean policy for economic development is subject at any moment to being hampered by political factors, and thus is difficult to predict. For example, the

current political tension over the NPT issue highlights the reality that economic difficulties are overlooked for political expediency.

Considering Pyongyang's desperate will to stay nuclear and its efforts to revive the economy versus the firm willingness on the part of the United States and the West to stifle the North Korean nuclear ambition, what should South Korea do?

It has been frequently pointed out that North Korea's economic difficulties can be overcome only by opening up the economy, not by any self-made efforts of Juche economy. Yet such a drastic shift in economic orientation rests on a big change of attitude by the top political elite. North Korea will find it difficult to conduct economic exchanges without resolving the NPT issue. Moreover, even if North Korean leaders decide to clear international suspicion over their nuclear ambitions, it does not mean that they will allow a major turnabout in economic orientation. Perhaps an exceptional case would be where South Korea offers "cooperation without malicious intent."⁶⁴ Seoul should induce Pyongyang to adopt open policies by offering genuine help instead of pursuing economic profit. Such measures will avoid creating chaos in the North Korean system. On the contrary they will suppress political turbulence and deal confidence to progressive North Korean leaders about the effectiveness of open policies. Only after measures that can build mutual confidence between South and North will the leadership in Pyongyang fully adopt open policies. This is one way for South Korea to avoid becoming the ultimate victim of North Korea's tightly closed policies.

64 Sakaiyu uses the expression "inducement without malicious intent," but the writer dislikes the ethnocentric perception of this perspective. "North Korea's Current Situation and Future Prospects: 'Reform' within 'Juche'," paper presented at the Social Science Institute of Aju University, 9 April 1993.