

The Changing Party-State System and Outlook for Reform in North Korea

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Abstract

This paper analyzes the outlook for North Korean reform from the perspective of a changing party-state system. North Korea adopted a Soviet type of political system in 1948, when the government was established. In the early 1960s North Korea strived to replace a Soviet model of party-state system with a Chinese model, where political power was horizontally concentrated on party committees at each level. Local party committees controlled parallel administrations as strongly as the central party committee managed the central government. The 1998 Constitution is characterized by the weakened control of the party over the military and the government. The North Korean efforts at change faced harsh setbacks in 2005, due to unsuccessful reforms and increasing social instability. The prevention of market expansion and the tightened control over citizens have become a pressing issue for the North Korean people. North Korea announced state monopolization of food in September 2005 and began to regulate the markets. The Central Party Committee reintroduced the Department of Planning and Finance in October 2005, a move that clearly indicated the desire to increase the involvement in economic affairs alongside the Cabinet. Pyongyang seems to be enforcing the role of the party, prioritizing regime solidarity and implementing conservative policies at home and abroad in the aftermath of failed liberal economic policies (albeit partial and limited) over the last decade.

Key Words: reform Soviet model of party-state system, Chinese model of party-state system, the 1998 Constitution, Central Party Committee, Department of Planning and Finance

Over the last decade, North Korean “reform” was one of the most controversial issues among North Korea watchers within policy makers, academia, and the media. Since the amendment of the constitution in 1998, North Korea has tried to implement institutional and policy changes to increase the efficiency of the political system. North Korea aimed at decentralizing the political system, enhancing roles of the Cabinet, and granting more responsibility to factory managers, although such attempts were partial and limited. North Korean attempts to transform institutions and policies peaked on July 1, 2002 when it proposed the *Economic Management Improvement Measure*. At this time, North Korea dramatically expanded “freedom” in market activities, trading companies, and small-plot agriculture.

The attempts of North Korea to implement institutional changes began to recede in 2005, because of the failure of economic reforms and increasing social instability. North Korea began to enhance internal stability with the debate created by the nuclear crisis. Recently, the stagnation of inter-Korean relations places Pyongyang further on the defensive in external relations.

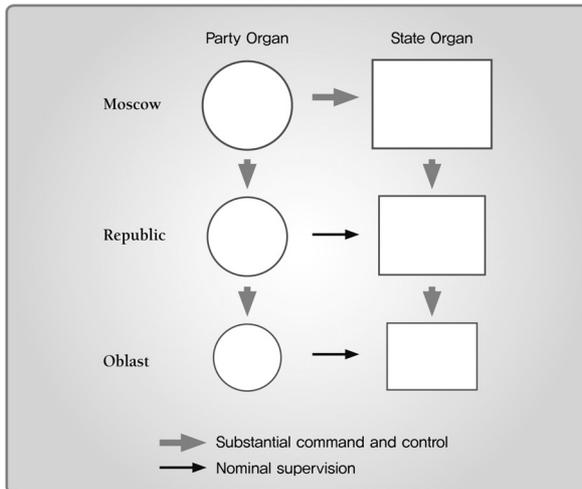
It is uncertain if North Korea will resume reforms or return to a self-imposed isolation. The direction depends on several internal and external factors: relations with the United States, inter-Korean relations, the health of Kim Jong-il, and food supplies. However, the most important criterion to judge North Korean reforms is the relationship between the party and the state. The weakened role of the party vis-à-vis the government could be interpreted as a sign of change or reform because it often guarantees more efficiency and autonomy to socialist governments. This paper analyzes the outlook for North Korean reform from the perspective of the changing party-state system.

From a Soviet Model to a Chinese Model of Party-State System

A Soviet Model in the 1940s and 1950s

In the Soviet model of the party-state system, political power was divided into the party and the state.¹ Party organs and state organs lay under hierarchically separate command systems. The Soviet party-state system operated within the framework of the dual allegiance of state officials to immediate superiors in the state hierarchy and to parallel party organizations.² The party supervised and controlled the state in the highest level of the power structure, but the control of the party over the state was weaker at the local level. The relationship between party and state is illustrated in Figure 1. In a Soviet ministerial system of economic management, a command system was established hierarchically from each top cabinet minister to local executive committees, factories, and enterprises.

Figure 1. Relations between Party and State in the Soviet Union



¹-Park Hyeong Jung, *North Korean Political System in Kim Jong-il Era: Ideology, Power Elites, Continuities and Changes of Power Structure* (Seoul: KINU, 2004), p. 148.

²-Richard Sakwa, *Soviet Politics: An Introduction* (London: Routledge, 1989), p. 157.

The state command structure often had authority over the party command structure at the local level, because Soviet governmental and administrative procedures reflected unitary organizational practices. The local administration represented the single, indivisible authority of the state in a particular locality, and all Soviet institutions functioned as part of a single giant bureaucracy.³ For example, each industrial ministry (metal, mechanical, and chemical) managed local factories and industries. Factory managers were to follow the orders of officers of concerned ministries rather than local party cadres. A ministerial system was also applied to the agricultural sector.

There are several reasons why the Soviet local party organ was not as strong as the central one. The party worked through governmental agencies by providing policy direction, but it did not replace the role of the government. Because the local party organ had to take ultimate responsibility for economic affairs, local party officials became dependent upon administrators who carried out the plans.⁴

Another reason behind the weakness of the local party organ was that the party could not ignore the local government and make internal decisions. Although the policymaking process in the local party organ was dominated by party officials, it also included governmental officials. 43 percent of the voting members of the republican central committees as well as 67 percent of the candidate members in 1976 were not party officials. These non-party officials did not necessarily follow party decisions.

The fact that government officials were not merely rubber stamps was partially attributed to the authority of the chairman of the Executive Committee. Often the chairman of the Executive Committee was promoted to the post of first secretary of the party, and this post, along with

³-*Ibid.*, p. 153.

⁴-*Ibid.*, p. 157.

the chairman of the Executive Committee and the second secretary, constituted a collective Big Three in Soviet local politics.⁵ This implied that the chairman of the Executive Committee was not only an important figure in local politics but also deserved respect from party officials.

There was a strict line of command from top to bottom in Soviet governmental structure that often overshadowed the right of supervision and control by the local party organ over the local administration.⁶ For example, when a directive from the Ministry of Construction in Moscow was at odds with the plan of the local party committee, the local executive committee followed the administrative order rather than the directives of the local party. The minister of the Ministry of Construction was clearly more influential than the first secretary of the local party.⁷

The role of the primary party organization within an enterprise or institution was even weaker than that of the local party committees. A primary party organization within an administrative organ had no right to interfere in policy decisions.⁸ However, a primary party organization within a factory, collective farm, or construction site had the right to check on the substance of managerial decisions. However, it was far from his jurisdiction to approve or reject the decision of a manager. The party secretary could only try to persuade the chief manager when there was disagreement over policy. If the party secretary failed to persuade the manager, he could do nothing but report to this to superiors. A situation in which the party secretary would force the chief manager to

⁵-Jerry F. Hough and Merle Fainsod, *How the Soviet Union Is Governed* (Cambridge: Harvard University Press), p. 502.

⁶-Hough, "The Soviet Concept of the Relationship between the Lower Party Organs and the State Administration," Richard Cornell (ed.), *The Soviet Political System: A Book of Reading* (Englewood Cliffs, N.J.: Prentice Hall, 1970), p. 250.

⁷-Cameron Ross, *Local Government in the Soviet Union* (New York: St. Martin's Press, 1987), p. 18.

⁸-Hough, "The Soviet Concept of the Relationship between the Lower Party Organs and the State Administration," p. 254.

accept his demand was unimaginable. The party committee usually made decisions in line with the desires of the administration, since the committee included top managerial officials such as the chief manager.

The chief administrator monopolized the decision-making process of day-to-day work other than policy-related decisions. The party secretary had no power to appoint personnel or to confirm appointments. The chief administrator took responsibility for running an institution or enterprise, and the primary party organization only took care of marginal activity such as housing and welfare.⁹ Hospitals and schools did not have full-time party functionaries, and doctors or teachers who were party members also functioned as part-time party workers.

In a Soviet ministerial system, each ministry in the Cabinet enjoyed and monopolized the right to deal exclusively with its own scope of works. As a result, the self-interests of each ministry and the asymmetry of information between factory managers and ministry officers were often problematic.¹⁰ Given more information, more experience, and even more expertise, local factory managers often demanded more input from the central government and made compelling excuses as to why they were unable to produce as much output as the ministries in the central government wanted.

North Korea adopted a Soviet type of political system for the government in 1948. The Kim Il Sung faction shared power with various other factions until 1956, when the powerful Soviet and Chinese factions lost influence after the anti-Kim plot failed. Kim Il Sung ruled the

⁹- The Communist Party put ideology, culture, and coercive apparatus under the tight control of the party, but economic-related areas enjoyed relative autonomy. This became a significant factor in the collapse of the Soviet Union. David Lane and Cameron Ross, "Limitations of Party Control: The Government Bureaucracy in the USSR," *Communist and Post-Communist Studies*, 27(1) (1994), pp. 19-38.

¹⁰- In a Soviet ministerial system, ministerial egoism was resolved by collective leadership in Moscow. The Politburo was composed of the highest power elites from the Party, the Cabinet, and the Military. Important ministers coordinated the interest conflict in this meeting.

country as Prime Minister rather than as a Chairman of the Central Committee, although he concurrently held both positions. Although in principle the party could command the state, the control of the party over the state was not substantial; and even in the military, the party control was not very firm. It was not until 1958 that party committees were organized over the Korean People's Army and party rule was largely implemented.

According to the constitution that formulates the state structure, the highest organ of sovereignty, the Supreme People's Assembly (SPA) organized the Cabinet, Supreme Court, and the Office of the Attorney General. The Presidium of the SPA played the role of the highest organ of sovereignty while the SPA was not in session, and represented the DPRK. The Cabinet was the highest executive body of the sovereignty and the prime minister represented the government.

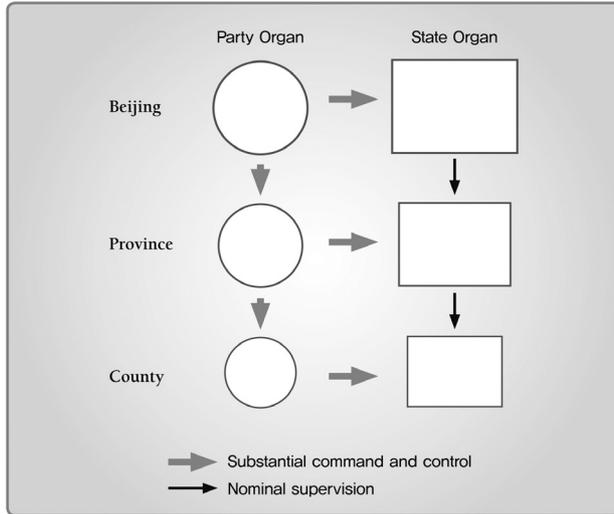
A Chinese Model from the Early 1960s

In the early 1960s North Korea strived to replace a Soviet model of party-state system with a Chinese model. In the Soviet model, the party and the state were divided and each had a separate command hierarchy. The party control over the state was fully implemented only at the highest level of the power structure.

In the Chinese model, political power was horizontally concentrated on party committees at each level. Local party committees controlled parallel administrations as strongly as the central party committee managed the central government.¹¹ For example, county governments fully followed directions and the supervision of county party committees but only consulted with provincial governments at the higher level. The relationship between the party and state in China is depicted in Figure 2.

¹¹-Park Hyeong Jung, *North Korean Political System in Kim Jong-il Era*, pp. 147-148.

Figure 2. Relations between Party and State in China



In 1960 North Korea introduced the *Chongsan-ri* method, an agricultural management guideline in which on-the-spot guidance was considered more important than the bureaucratic tendency to simply issue orders and directives.

The county people's committees supervised the production of a town through town people's committees, while county party committees directly supervised a town as the lowest supervisors, focusing on political affairs rather than technical and economic affairs. However, with the *Chongsan-ri* method, this previous system was deemed as an incorrect process. In the new method, county party officers were obliged to mingle personally with the agricultural workers in a town to learn about and help solve problems through comradesly guidance. The party and administrative functionaries at the higher level needed to help and listen to those at the lower level, and policy-making should be based upon on-the-spot understanding and reality. The *Chongsan-ri* method stressed collective leadership led by the party committee. By adopting the

Chongsan-ri method, North Korea put an end to the single manager monopoly system and began to stress the mass line based upon the party committee. The guiding role of the party became more crucial.

The authority of the local party organ has also been buttressed by the vast rights of the chief secretary of the party. The chief secretary, holding the post of the Local People's Assembly (LPA) speaker and Local People's Committee (LPC), enjoyed the absence of a rival status in the region. This relegated the LPA and LPC to subsidiary roles, and strengthened the rule of the party.

The chief secretary (also the LPC chairman) became the Local Administrative and Economic Committee (LAEC) chairman's immediate superior. The provincial chief secretary was at the minister level in the central party and the LAEC chairman was at the vice minister-level in the SAC. The gap between the two was much wider than in the Soviet case. In the former Soviet Union the executive committee chairman was second in rank after the first secretary, while in North Korea, the secretary for organization and the secretary for ideology were more influential than the LAEC chairman.

Under the *Tae'an* Management System, an industrial version of the *Chongsan-ri* method, North Korea abolished the One Man Management system and introduced a procedure by which the party committee would collectively make decisions. Under the *Tae'an* Management System, higher organs would understand the local situation clearly in order to correct the distortion of information. Local factories came to be controlled by local party committees rather than a ministry in Pyongyang. The number of industrial ministries was reduced from eight to five after this system was introduced.

Both the *Chongsan-ri* method in agricultural management and the *Tae'an* management system in industrial management are characterized by several principles: higher organs should assist lower organs, higher

organs should clearly understand local situations, and higher organs should have interpersonal interactions. North Korea tried to correct the heavily centralized bureaucracy that ignored local environment and conditions, by enhancing the control of local party committees over local state organs.

The change in the party-state system in the early 1960s was affected by the Factional Strife of August 1956. In the aftermath of the incident, the Soviet faction and the Chinese faction virtually disappeared and political power was concentrated in Kim Il Sung. In the Fourth Party Congress of 1961, North Korea proclaimed the Kim Il Sung faction as the sole legitimacy of the Korean Workers' Party (KWP) by announcing that, "The KWP was the immediate successor of the glorious anti-Japanese guerilla warfare."

In the Second Party Convention of 1966, the committee chairmen and vice chairmen posts (which had been regarded as the symbol of collective leadership) were abolished, and the Secretariat was established to handle daily errands and carry out party policies. Kim Il Sung was elected as the Secretary-General of Central Party Committee along with 10 other secretaries. The theory of the Great Leader was established by 1967 since Kim Il Sung has been regarded as the flawless and almighty leader of the revolution. The party is subordinate to the Great Leader, rather than a vanguard of the party. In the Fifth Party Congress of 1970, the KWP enhanced the status of the Secretariat by giving it the right to discuss and decide personnel appointments and major issues.

The most significant change in the party-state system was the election of Kim Il Sung as the president of the DPRK in 1972 when the position was newly created. Kim Il Sung became the head of state as well as the leader of the government. The Cabinet was relegated to a newly created State Administration Council, an executive body that receives directives from the President. The head of state organization and the

head of party committees merged when Kim Il Sung became Head of the Central People's Committee. The 1972 Constitution proclaimed that the theory of the Great Leader was supported by the institution. The Great Leader is great not only in theory, but also in practice in having the positions of head of state, leader of the government, and party chairman. Chief Secretaries of local party committees hold the highest positions of local state organs concurrently in local politics.

1998 Constitution and Reform Attempt

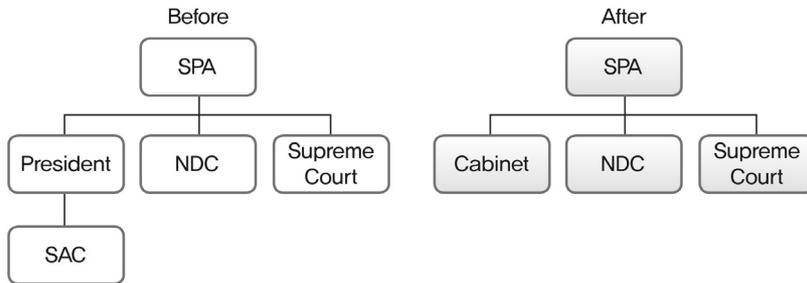
Attempt to Enhance the Autonomy of the State Administration

The death of Kim Il Sung in July 1994 shocked North Korea and many predicted the country to collapse. However, North Korea survived a mass famine through the "Arduous March" from 1995 to 1997. Kim Jong-il (the longtime heir apparent) officially succeeded Kim Il Sung, but resumed the Chairmanship of the National Defense Commission and abolished the post of president and the Central People's Committee in the amended Constitution of 1998.

According to the Constitution, political power is theoretically divided into three parts: the National Defense Commission, the Presidium of Supreme People's Assembly, and the Cabinet. The 1998 Constitution is characterized by a weakened control of the party over the military and the government, although the National Defense Commission was remarkably strengthened in status and function. The chairman of the SPA Presidium represents the state and is in charge of foreign affairs. The State Administrative Council was replaced by the Cabinet, which would be expected to play a more active role in internal affairs such as the economy and administration. Now it became an executive body of the highest "sovereignty," and the prime minister became the head of government,

while under the 1972 Constitution, the president was head of government and the prime minister was only the head of an executive body.

Figure 3. Change in the Division of Political Power after the Constitutional Amendment in 1998



Over the last decade, three ministries and one committee were created: the Ministry of Metal and Mechanical Industry and the Ministry of Electrical and Coal Industry were each divided into two separate entities, and a Commission on National Economic Cooperation was also established. The increasing number of cabinet ministries meant a more active role of the Cabinet in economic policies. North Korea attempted to revive a Soviet model of a ministerial system in which each ministry takes care of local industrial sectors. In North Korea, there are numerous ministries each catering to a specific sector/sphere. These ministries needed to specialize in order to centrally control and supervise various industries. The more ministries, the more centralized the economic system. The Cabinet is composed of a prime minister, two deputy prime ministers, three committees, 30 ministry heads, one board, one bank, and two bureaus.

The Declining Role of the Party

The attempt of North Korea to enhance administrative efficiency also affected the role of the party. After the amendment of the constitution

in 1998, North Korea abolished all departments related to the economy in the central party committee such as the, Departments of Agriculture, Light Industry, Finance, Economic Planning, Mechanical Industry, and Construction and Transportation.¹² This was intended to weaken the role of the party to make policy directives and enhance the role of the Cabinet in leading the economy. It was an unprecedented measure for a communist nation. Even in the former Soviet Union (where the ministries of the State Council were incredibly powerful) there were 10 out of 25 departments associated with the economy.

Despite the almighty status and power of the KWP, the party has not functioned normally since the death of Kim Il Sung. A party congress has not convened since the Sixth Party Congress in 1980. According to the Party Act, a party congress is supposed to be held every five years. The plenum of the Central Committee has not been held since the 21st plenum in December 1993. The plenum, which has the right to elect the secretary-general, did not gather even when Kim Jong-il was endorsed by both the Central Committee and the Central Military Committee. For the first time in the history of North Korea's Communist Party, a plenum was not held before the first session of the 10th SPA. It is also suspected that there have been no Secretariat and Politburo meetings since the death of Kim Il Sung.

It is likely that not one organization within the party is fulfilling the decision-making function, and therefore, that the party is not working properly as a system in fulfilling traditional missions such as personnel appointment and policy-making. Decision-making is highly centralized

¹²-There are 20 departments in the central party committee, including Organization and Guidance, Propaganda and Agitation, International Affairs, Cadre, Civil Defense, Military Affairs, Heavy Industry, Budget, Science and Education, Labor Union, National Archive, General Affairs, Appeal, United Front, External Affairs, Operation, Research Center for Party History, Department 35, Department 38, and Department 39.

in Kim Jong-il, particularly in the areas of military affairs, foreign policy, and high-level appointments, and Kim Jong-il does not depend on an institutional body in the decision-making process. As the principle of rule of man overwhelms the principle of rule of law, personal relationships and contact are still very significant. Therefore, those who escort Kim Jong-il to his on-the-spot guidance are often regarded as holding real power regardless of rank, such as individual aides to Kim (whether they are military officers, party secretaries, or first deputy secretaries) who receive his orders. The party functions in a different way, although it is still the highest ruling organ and maintains a social control function as a source of political power.

Military-First Policy and a Single Strong Man

The role of the party in the traditional party-state system was also damaged by the Military-First policy, which can be characterized by a direct and personalized rule by Kim Jong-il.¹³ The enhanced status of the military under the Military-First policy resulted in bypassing the party and directly overseeing important organizations such as the military and the Ministry of Foreign Affairs. If (as in the past) the military is controlled by the party in every aspect, it is possible that an individual in the party will rise to become a powerful second man in the North Korean political scene. In North Korea this situation may diminish the personal power of Kim Jong-il. Kim Jong-il himself consolidated power through the party organization since the early 1970s. Kim knows this best, as secretary of the party's organization department could monopolize the personnel policy in the party, military, and government. Therefore, he does not want to control the military through the central party organization.

¹³-Jinwook Choi, "Changing Relations between Party, Military, and Government in North Korea and their Impact on Policy Direction," Discussion Paper, Asia/Pacific Research Center, Institute for International Studies, Stanford University (July 1999).

The Military-First policy is used to justify the personal power of Kim Jong-il over all the institutions and the Constitution. Organizations such as the National Defense Commission (NDC), Task Force, and the Office of Personal Secretaries do not seem to replace the role of the Politburo or Secretariat as a discussion forum for policies and personnel appointment.

The NDC is the highest guiding organ of the military and managing organ of military affairs. The chairman of the NDC is the highest position in the nation, in charge of all matters regarding national politics, economics, and defense. The status is as high as that of the Politburo. Kim Jong-il issues directives in the name of NDC, but it does not seem to convene to discuss major issues. In addition, most of NDC members are military officers.

Like other world leaders, Kim Jong-il is assisted by his personal secretary office (*Suhkishil*). However, the role of this office differs greatly from that of Chinese *mishus* (secretaries)¹⁴ or White House staff. *Mishus* play a “ubiquitous role” in politics as an advisor, writer, personal representative, coordinator, office administrator, personal manager, servant, and chief bodyguard to Chinese leaders;¹⁵ White House staff significantly influence presidential decision-making. The personal secretaries of Kim Jong-il (not to be confused with party secretaries) do not actively participate in decision-making, but only handle administrative matters. When a single paramount leader dominates the decision-making process, decision-making bodies do not operate properly, even though they are in session. For example when Mao ruled China, he limited the degree of participation in key policy debates by those in top leadership positions

¹⁴-*Mishu* must be distinguished from *shuji*, which are both translated as “secretary.” *Mishu* is a personal secretary, while *shuji* refers to a party secretary and a *mishu* often works for a *shuji*.

¹⁵-Wei Li and Lucian W. Pye, “The Ubiquitous Role of the *Mishu* in Chinese Politics,” *The China Quarterly* 132 (December 1992).

and decision-making bodies, who instead were relegated to rubber-stamping policy. Since the death of Mao, the Chinese foreign policy decision-making process has been transformed from a “strong man model” to one characterized by bureaucratic, sectional, and regional competition.¹⁶

External Policy for Openness

The attempt of North Korea to change the internal political system was related to external policy. Surprisingly, North Korea held an inter-Korean summit in June of 2000 and Kim Jong-il met with South Korean president Kim Dae Jung. Consequently, the summit was followed by a number of events on the Korean peninsula. The two Koreas met for ministerial-level talks, reunions of family members were begun, and defense minister talks were convened; other events resulted in Mt. Kumgang tourism, the Kaesong Industrial Park, and the construction of an inter-Korean railway.

North Korea also actively expanded foreign relations. It normalized diplomatic relations with EU countries along with Australia, New Zealand, the Philippines, and Canada. It also joined the ASEAN Regional Forum. North Korean Vice Marshal Jo Myong-Rok visited Washington and U.S. Secretary of State Madeleine Albright visited Pyongyang. A visit to Pyongyang by president Clinton was also seriously considered. The most dramatic event occurred on September 17, 2002, when Japanese Prime Minister visited Pyongyang for a Japan-DPRK summit meeting. This historic event happened only two months after North Korea announced a bold domestic economic measure. However, the series of speedy external ventures came to an abrupt halt in October 2002, when the second round of the North Korean nuclear crisis began.

¹⁶- Lu Ning, *The Dynamics of Foreign-Policy Decision-Making in China* (Boulder, CO: Westview Press, 1997), pp. 1-17.

Even after the nuclear crisis, domestic reform continued for a few more years. The enhanced role of the Cabinet was supported by Park Bong Ju, who was elected prime minister in April 2003, and was believed to have been given the authority to expand economic freedoms by Kim Jong-il.¹⁷ Chang Sung Taek was allegedly fired as the First Deputy Director of the KWP's Department of Organization and Guidance because of a policy conflict with Mr. Park. After the forced hiatus of Chang, a number of liberal measures were taken. Around that time, market activities, trade companies, and small-plot agriculture were widely expanded. Infertile land was distributed to factories and enterprises for cultivation, and factory managers were given the right to dispense of 30 percent of products at their own disposal. Departments in the KWP, which dealt with the economy (including the Department of Economic Policy Supervision and the Department of Agricultural Policy Supervision), were abolished in a move to give the Cabinet more autonomy and responsibility to handle the economy. Furthermore, the Cabinet established the Commission on National Economic Cooperation to manage inter-Korean economic cooperation.

Outlook for Reform

Return of the Party

Due to unsuccessful reform and increasing social instability, North Korean efforts at change faced harsh setbacks in 2005. The prevention of market expansion and the tightened control over citizens has become a pressing issue for North Koreans. North Korea announced the state

¹⁷ - Park Hyeong Jung, "North Korean Conservative Policy Since 2006 and Chang Sung Taek: Looking at 2009," *Online Series co 08-72* at <http://www.kinu.or.kr>, accessed on January 15, 2009.

monopolization of food supplies in September 2005 and began to regulate the markets. The Central Party Committee reintroduced the Department of Planning and Finance in October 2005, a move that indicated the desire to increase the involvement in economic affairs alongside the Cabinet. It was around this time that Chang Sung Taek returned from his hiatus, and became the secretary for the Department of Capital City Development.

After Chang's return, the DPRK introduced harsher measures on market activities. For example, women under the age of 50 were banned from doing business in markets. Private hiring was forbidden in March 2006. Prime Minister Park limited the export of coal for domestic consumption, which was revoked by the military after the nuclear test in October 2006. The attempt by Park Bong Ju to introduce a new wage system (a combination of hourly, daily, and weekly wages) faced severe criticism by the party in January 2007. In April 2007, Prime Minister Park was replaced by Kim Young Il and the reform attempts by Park were void.

Kim Young Il was more of a figurehead and was not expected to express opinions like his predecessor. The attempts to reinforce the role of government faded with the dismissal of Park. Instead, the role of the party was emphasized when Chang Sung Taek took a defensive and constricted economic policy that concentrated on the promotion of social stability.¹⁸ In September 2007, the Commission on National Economic Cooperation was transferred over to the supervision of the KWP's Department of United Front, and in late 2008, North Korea announced that markets could be restricted to open only three days a month.

Rather than opening the market towards the world, North Korea chose to fall back on "self-reliance" by mobilizing domestic labor forces.

¹⁸-Park Hyeong Jung, *ibid.*

Given the international economic recession and the Chinese economic downturn, Pyongyang strives to revive the crumbling economy through a reliance on internal resources. It is the party that mobilizes labor forces and promotes social stability. Ironically, North Korea continues the unproductive use of resources for projects such as the renovation of Pyongyang.

North Korea expanded and strengthened the National Defense Commission in 2009 to promote social control. It included key figures in the NDC such as Oh Kuk Ryul (Director of Operation, KWP), Chang Sung Taek (Director of Administration, KWP), Ju Sang Sung (Minister of People's Security), Woo Tong Chuk (First Vice Minister of National Security Agency), Ju Kyu Chang (First Vice Minister of Military Industry, KWP), and Kim Jung Gak (First Vice Director General Political Affairs, KPA).

The defensive attitude of North Korea was officially expressed in the 2009 New Year's joint editorial by the *Rodong Shinmun*, *Chosun Inmingun*, and *Chongnyon Jonwi*. 'Revolutionary Upsurge,' a core expression of the editorial, indicated a complete retreat from the policy of change that Pyongyang had partially carried out since 1988.¹⁹ In a departure from the norm, Pyongyang stressed the superiority of socialism and instead of concentrating on the capabilities of the Cabinet on economic projects, it emphasized an enhanced and centralized leadership of the regime and underscored the party leadership.

External Policy

The defensive policy of North Korea is closely linked to external relations. North Korea seems to maintain an active attitude towards relations with the United States. Pyongyang was pleased with being

¹⁹-Jinwook Choi, et. al., *Analysis of New Year's Editorial* (Seoul: KINU, 2009).

removed from the U.S. list of states that sponsor terrorism in October 2008, and is eager to keep the momentum going. Pyongyang is encouraged by the advent of the Obama administration that is focused on diplomacy in a new chapter of engagement that holds the potential for a bilateral summit.

Frustrated with the delay of the Obama administration to address the North Korean issue, Pyongyang has readopted brinkmanship tactics by launching a long-range rocket on April 5 and testing a larger nuclear device on May 25. North Korea demands the termination of 'the United States' hostility towards the North.' It is not until North Korea feels comfortable with relations with the United States that it will ease social control and liberalize economic policies.

North Korea will also try to secure political, economic, and diplomatic assistance from countries with which it maintains amicable relations (such as China and Russia). In particular, as 2009 marks the 60th anniversary of the establishment of the PRC-DPRK relationship, Pyongyang is likely to consolidate the relationship with China and respond to the enhanced U.S.-ROK alliance.

The stagnation of inter-Korean relationship is partially caused by the domestic predicament of North Korea. The effort of Pyongyang to tighten internal controls illustrates the difficult situation it faces. It is uncertain whether the North can achieve the results intended. North Koreans learned basic market principles on how to survive market activities after going through a long period of severe food shortages and halts to the distribution system. Factories and companies were trained to run a profit-making business in the midst of a near collapse of the centrally planned economy. Tighter control will inevitably bring about a rigid structure in society and the regime will face some form of public opposition that may result in greater chaos. It is also possible that more North Koreans will choose to cross the border and defect under such

pressure. Repressing market activities seems less than popular with North Korean citizens.

Recently there are also signs of confrontation among the power elite. The decision by the regime to open the markets only three days a month from January 1, 2009 has been postponed for six months. It is very unusual for North Korea to postpone an announced decision. This delay confirmed the disagreements on polemic directions among the elite. Moreover, ever since the media began to investigate the health of Kim Jong-il, there seems to be internal debate on the succession process.

North Korea needs external tension to release the internal frustration and divert attention to the outside. It has been deliberately condemning the Lee Myung-bak administration, and has issued hostile military statements since January 17, 2009.²⁰ North Korea seems to consider the June 15 and October 4 Declarations as their exclusive domain and denies responsibilities for the chilly inter-Korean relationship. The poor health of Kim Jong-il also compels North Korean elites to take a tougher stance against the South in order to demonstrate personal loyalty to the Dear Leader.

The damage from cutting ties with South Korean economic cooperation has increased stress on Pyongyang. North Korea is trying to reverse the North Korea policy of the Lee Myung-bak government and needs to prepare for a worst-case scenario unless it can indeed persuade Seoul to change direction. Last year, North Korea was not able to receive humanitarian aid of food and fertilizers from the South Korean government that had previously provided 400,000 tons of grain and 300,000 tons of fertilizer annually. The Mt. Keumkang tourist operation

²⁰- The spokesperson for the North Korean Army's Joint Chief of Staff announced that the North entered a stage of total military confrontation with the South on January 17, 2009. The spokesperson of Committee of Peaceful Unification of Fatherland said on January 30, 2009 that North Korea is scrapping all the agreements with South Korea and declared the Northern Limit Line (NLL) void.

was discontinued after the murder of a South Korean tourist in July 2008. Moreover, inter-Korean commercial trade began to decline in the second half of last year.

Concluding Remarks

Pyongyang seems to be enforcing the role of the party, prioritizing regime solidarity, and implementing conservative policies at home and abroad in the aftermath of failed liberal economic policies (albeit partial and limited) during the last decade. The Military-First policy does not appear to be an answer to the current North Korean difficulties of social instability, economic hardship, and a crumbling international environment.

The repression of market activities and an impractical attempt to restore the distribution system may bring about famine in some regions and the global recessions damage the North Korean economy further. A rapid decrease in exports to China may be a repercussion of the impact on the economy.

As the domestic economy is less likely to recover and discontent mounts among the North Korean public because of increased regulations, the regime will try to find a breakthrough by improving relations with the United States, while creating tension in inter-Korean relations in order to allay those who are upset. The immediate purposes of North Korea are to secure the regime from the United States and eliminate obstacles in securing external economic aid. As well, North Korea is likely to approach the South more actively for practical purposes even if the denuclearization process makes progress.

The hard-line policy of North Korea is evidence that it is muddling through desperate circumstances and South Korea needs to initiate change by offering Pyongyang a way to make a breakthrough in inter-Korean relations. Seoul should pursue proactive measures because North Korea is still unlikely to give in, even under the direst circumstances. For the

time being, it is more important for South Korea to think about how to deal with an international cooperative relationship in terms of inter-Korean relations rather than focusing on North Korea.

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