

## Still Stable Korean-type Socialism

Zhou Jianming and Wang Lingyi

Since the 8 July 1994 departure of Kim Il Sung, the party and state superleader of the Democratic People's Republic of Korea, there have been in the international society continuous doubts as to whether the DPRK can maintain stability. One reason is that the successor Kim Jong-il has assumed neither the party nor state top post. From 1995 on, due to the deterioration of the North Korean economic situation, international doubt and worry about North Korea has intensified. In 1995 when the DPRK suffered flooding, the government openly for the first time appealed to international society for aid. International aid donors investigated, and confirmed that there was indeed a grave shortage in North Korea. They appealed to all countries for necessary aid.

On 28 March 1996, testifying to the US Senate Armed Services Committee, General Gary E. Luck, then commander of the US Forces in Korea, said the question was not whether North Korea would disintegrate, "but rather, how will it disintegrate, by implosion or explosion? And when? We worry that in a very short period, this country will either collapse or take aggressive actions against the South . . ."

Whether the DPRK will fall apart has become an important issue in Northeast Asian affairs and it requires some clear judgement. For this reason, based on our knowledge about the DPRK, especially on our own life experience under the Chinese

socialist system in our period of economic difficulty as well as throughout our reform and opening, we believe that—even faced with grave difficulties as it is—the DPRK is still stable and will go its own way, clinging to Korean-type socialism without any possibility of collapse.

### **Korean-type Socialism and Present Tasks**

The Democratic People's Republic of Korea is a socialist country, but its institutional system is different from those of the Soviet Union, East European countries or pre-reform China. We call it Korean-type socialism. The road of Korean-type socialism was paved by former leader Kim Il Sung, its guiding ideology being *juche* thought. After he died his son Kim Jong-il, the new leader, stated his comprehension of socialism in a thesis: "Socialism is Science" which insisted upon *juche* ideology.<sup>1</sup> As to the operation of the institutional system of Korean-type socialism, there is lack of clear literature helping us to understand this; yet in light of what China experienced before reform, we could probably do so.

From its own perspective, the DPRK is now faced with four basic tasks:

1. As a socialist country, the DPRK persists in its target of national reunification. It insists upon "a federal system based on one nation, one state, two systems and two governments," that is to say, on the basis of mutual recognition and tolerance by the Southern and Northern sides over opposite ideology and institution, the two sides would participate on equal terms in a national uniform government under which they would practice autonomy with equal rights and duties, and would establish a federal system to realize reunification.<sup>2</sup> However, the main task to maintain the security and stability of the DPRK has become

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1 *Rodong Shinmun*, 1 November 1994.

2 Chinese edition of *North Korea Today*, of August 1995, p. 41.

how to handle the big gap between the two economies; what to do about the high tension over opposing ideologies, social systems and reunification goals but which is also due to the military confrontation; and how to handle relations with the South.

2. With the departure of Kim Il Sung and other leaders of the first generation, the DPRK has encountered the power succession issue among party, army and state, a transition of power into the hands of the younger generation.

3. The improvement and development of the North Korean national economy since the late 1980s stopped and began to decrease, and now the country is overwhelmed by difficulties. The last two years have witnessed flooding that exacerbated the troubles. Improving the economic situation and promoting economic development have become an essential task in front of the DPRK.

4. Diplomatic breakthrough: Diplomacy is an important sphere in which the DPRK seeks international support in order to gain superiority in the South-North confrontation. Pyongyang sets its current goal of diplomatic breakthrough on relations with the United States and Japan. After having reached a framework agreement with the US on nuclear issues, it brought up the issue of ceasing to recognize the validity of the Korean Armistice Agreement. It wants to talk directly with the US about signing a peace agreement and to negotiate with the US as well as Japan on affairs of establishing full diplomatic relations.

Of the above-mentioned four basic tasks, the first is a long-term strategic goal, while the other three involve present domestic political and economic circumstances and policies both internal and external. Whether the DPRK is stable or prone to falling apart will be mainly determined by the situation surrounding these three tasks, which are analyzed in turn.

### **Power Succession Steady and Domestic Politics Steady**

Since July 1994 there have been many comments by foreigners because Kim Jong-il put off formal succession to the top posts of the party and the DPRK state, hence the doubts about North Korea's political stability. It seems to us, the fact that Kim Jong-il has not succeeded to the highest post of party or state has no influence upon the progress of the power succession in this country. Having begun participation in the leadership of the Korean Workers Party (KWP) and the government in 1974, Kim Jong-il seems well qualified both in reputation and in ability to lead. As the sole current standing member of KWP Political Bureau and supreme leader of the armed forces, he has been conducting actual power of the top leader of the party, government and army of the DPRK. The North Korean people worship Kim Il Sung as the "fatherly leader," which strengthens the fairness of Kim Jong-il's replacing him. In such a cultural environment of a highly worshipped leader, there cannot possibly be power struggles that threaten the stability. The DPRK government's handling of some recent events shows that the operation of the top-level state power organs is efficient:

- October 1994, signed a framework agreement with the US on the nuclear issue.
- December 1994, shot down a US Army helicopter that flew into North Korean territorial airspace.
- March 1996, declared itself not responsible to respect the armistice zone, while speedily pressing the US to discuss issues of a peace agreement.

Various signs show that not only is Kim Jong-il's place as the inheritor stable, but also the cadres in the party, government and army of the DPRK are steadily becoming more youthful.

In October 1994, Chairman Rilinovsky of the Russian Liberal Party visited North Korea and made comments on the country's political situation. He said: "In North Korea, all things are in order and the political situation is stable. . . . There are not even minute factors of crisis. We saw the sight of the courageous youth

loyally defending their own motherland. . . . North Korea liberated itself from the rule of Japanese imperialism, frustrated the American attempt at aggression and so far has not been influenced by Western culture, nor was involved in the reform tide of Russia. North Korea's ideological system and social system are thus the most consolidated in the world."<sup>3</sup> Rilinovsky's statement confirms the smooth succession in the DPRK. Up to now there has been no new evidence showing disorder in North Korean life.

After the doubts about the power succession gradually die away, the doubt about political stability is relevant to North Korea's economic difficulties. Following the DPRK's appeal for international aid, international aid organs confirmed that there was a serious shortage of food in vast ranges indeed, and foreign media reported that economic refugees were fleeing to other countries. On this basis, some people think that grave economic difficulties in North Korea will probably threaten political stability, ultimately to the country's collapse.

Even though first-hand reference is lacking to prove the degree of North Korea's economic difficulties and grain scarcity, it is not overestimated to say the situation is already of definite severity. What needs discussion here is whether or not North Korea will suffer political disorder or turmoil or even collapse with these grave difficulties.

If we directly observe whether economic difficulties have affected political stability before discussing their origin, we may see such facts:

There might be different opinions on the reason for economic troubles, but there are neither political opposition factions nor open debates over policy in North Korea. The people are as usual closely united around the KWP Central Committee whose nucleus is Kim Jong-il, believing that the difficulties will be

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3 "The Problem of Leadership Succession Has Been Solved Perfectly," in *North Korea Today*, April 1995.

conquered in the end under his leadership. The political authority of the DPRK leaders has not been shaken.

In terms of North Korean society, the mind of the masses is not out of order as was the case when values became confused at the time former East European and Soviet Union socialism broke down. On the contrary, in the DPRK the masses support the leadership of the leader and the party heavily yet not compulsively. Backed by firm belief, the cohesion of a society can in fact be strengthened by difficult conditions.

In recent years, the DPRK made diplomatic achievements such as taking advantage of Western anxiety about nuclear issues to catch the US and sign a framework agreement in favor of solving North Korea's energy problems, drawing in Japan to make contacts for establishing diplomatic relations between the two countries, and holding out against pressure from South Korea. All these achievements plus the external pressures from the South will toughen the people's support for their leaders.

Difficult in economy though it has, the DPRK administration is effective in operation, and the government is fully capable of controlling and maintaining normal order.

The Korean people are famous for bearing hardships and withstanding hard work. They can grit their teeth to overcome difficulties. In hard times, the masses fix more hope than usual upon the leader, the party and the government, expecting that the party and government can guide them to the end of the tunnel. China experienced an extremely difficult period, too, in the course of socialist development. From 1958 to 1960, wrong policies followed by natural disasters also led to a big famine in China. However, in a socialist country where the party and government were heavily supported by the people, that event did not result in political turbulence because the party and government stood shoulder to shoulder with the masses against hard tides.

Some people explain the present circumstances of North Korea in terms of the crumbling of Romania in 1989, thinking that

North Korea will follow the Romanian pattern and that popular discontent with the government will lead to collapse through radical political change. This kind of analogy seems unpersuasive, because there is much difference between the North Korean-type socialism and Romanian socialism. Having experienced the democratic revolution, the Romanian people were more strongly autonomous in the selection of policies, leaders and institutions, and were widely influenced by the outside world before 1989. This means that it was easy for a political opposition faction to emerge and that the leader's reputation was limited. The moment a leader loses his prestige, the society can lose political control; in Romania a new political structure was easy to form but in North Korea the people's loyal piety to the party and the leader has been the universal ideology. In such a socialist country, even if they show disappointment over misguided policies, the people are always hoping that the party and the leader will correct their own mistakes, allowing no splitting of the central leadership or plots to replace the leader. Against such a cultural background, it would be unrealistic to assume that economic difficulties will lead the DPRK to collapse.

Recently, we learned that the Korean Workers Party made an appeal to party members, the army and the masses to enhance the spirit of the so-called Miserable March to turn 1996 into the year of fortune, and there was a widespread response. Miserable March means the "spirit of the most complete support for the leader, of firm self-reliance and revolutionary optimism" and "the spirit of devotion to guarding the leader of the revolution in the hardest surroundings" as well as "the belief that so long as Comrade Kim Jong-il is the great leader, victory is certain, which means a steel will to be with the General, living or dying, forever."<sup>4</sup> This ideological belief will support the lead of the

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4 "Live and Struggle in the Spirit of Miserable Marching," see *Rodong Shinmun*, 7 February 1996.

Korean Workers Party and Kim Jong-il and will help keep political stability.

### **North Korea's Current Difficulties and their Background**

Though we consider North Korean politics to be stable, we do not deny that the national economy is in an extremely difficult state. If this plight is not eventually solved and the economic situation improved, then judging from China's experience, it will ultimately threaten political stability and the existence of the socialist system. From China's experience, we know poverty is not socialism. If a socialist country cannot set free productivity and show advantages in developing productivity and in raising the people's living standard, then this institution is against the principle of socialism, hence without vitality. Viewed from this angle, North Korea is doubtless facing serious challenges.

Lacking reference, it is not easy to be sure of the roots of the economic difficulties in North Korea and the exact degree of difficulty, but on the ground of all circumstances it is no doubt grave. At the end of 1993, the end of the DPRK Third Seven-year Plan for Economic Development (1987–1993), the KWP held 21st Plenary Session of the 6th Central Committee on 8 December to summarize how the plan had proceeded and formulate policies of economic development for the future. According to the Third Seven-year Plan, the country's average annual economic growth rate should have been 7.9%. However, the bulletin of the 21st Plenary Session related that most of the targets on the Third Seven-year Plan had not been approached. The bulletin pointed out the external reasons causing the failure of the targets: the former Soviet and East European countries' socialism encountered frustration and the socialist market of the world fell apart, and DPRK trade contracts with the former Soviet Union and East European countries could no longer be carried out, bringing heavy damages to economic growth.



Such a reason is easy to understand. For many years, DPRK external economic relations have been mainly set up toward the Soviet Union, China and the East European countries. Most trading was done by accounted barter. The planned economy of North Korea has not been able to export goods to Western countries via international markets. Constrained by its limited resources and industrial structure, North Korea's economic capacity has not been self-sufficient and much depended on the Soviet Union for such strategic resources as energy. Yet, the Soviet Union eventually fell apart. The former Soviet countries not only cut their oil supply to North Korea by ninety percent, but also demanded hard currency payment for the rest of their supply. Meanwhile, the changes in the East European countries broke the traditional commercial relations with North Korea, as well. It is imaginable that if North Korea was not self-sufficient in strategic resources such as energy and its industrial structure heavily dependent upon the economic and commercial relations with the Soviet bloc, then the effect of these changes must have been very strong.

Facing this circumstance, the 21st Plenary Session of the 6th Party Central Committee produced a policy of economic development that was: agriculture first, light industry first and export first. This might be taken as a readjustment of industrial policy. Previously, the DPRK had been carrying out an autonomous and nationalistic line of economic construction; that was to make sure of political independence and autonomy by building an autonomous economy. On industrial policy, it had persisted in the priority of developing heavy industry yet nurturing light industry and agriculture at the same time.

Considering general experiences in development, we see it certainly correct to put priority on agriculture, light industry and export, in the first place. As the foundation of a national economy, agriculture is the key to feed the population and maintain stability in society; it also provides industries with raw materials. Light industry needs less funding and turns out more

consumer products than other manufacturing, and should have development priority. As a country rich in labor resources and short of funds, the DPRK might have comparative advantages in the labor-intensive export industry and might be able to import needed strategic resources after resulting international remittances. It is believable that North Korea's economy should be improved, readjusted according to this industrial policy.

However, conditions in the past two years have showed that the DPRK economy did not improve, and difficulties have become worse. This phenomenon can be partly explained by the 1995 flooding, so the government appealed for international humanitarian aid. The floods, however, were not the whole problem. Judging from China's experience, one cannot neglect the low efficiency caused by problems in the aspect of economic system.

Like China, North Korea built up a socialist economy through rural cooperatives, state-run industry, and allocated resources by means of planning that even includes rationed distribution of consumer goods. From China's experience in this matter, the phenomenon of low economic efficiency cannot be easily avoided.

The traditional socialist economic system has two rather obvious problems: one, the producer lacks initiative and incentive. Reasonable relations for workers and enterprises in production and distribution are not easily to set up, and the way in which national incomes are distributed fails to arouse producer initiative, so productivity is extremely low. Ideology is normally used to mobilize the workers but the effect is usually rather limited.

Two, without the market mechanism it is impossible to balance supply and demand and allocate resources efficiently. Generally the planning mode can modulate demand-supply relations to some extent, but it usually lags behind and is partial. Low efficiency on a the national scale is unavoidable.

It is believed that these illness in traditional planned economy may exist in North Korea and, so far, Pyongyang has not formulated any guiding thought towards reforming the economic system to give more room in its socialist economy to the market mechanism. Therefore, one might deduce that causes in economic system are probably the important factors hindering North Korea from developing agriculture, light industry and export. Thus the troubles brought forth by changes of external economic relations, for example the lack of basic resources and materials for the development of the national economy, enlarge the obstruction to readjusting industrial policies. Should this be correct, it might be considered that the improvement of North Korea's economic condition is to reform the economic system to some degree, at least to adopt some elastic policies good for mobilizing producer incentive such as those practiced during China's hard times in the early sixties: fixing the term output quotas for each household, enlarging family plots, and allowing a free market for farm produce, etc. This played an important role in restoring China's agriculture at that time.

A Reuters report on 7 February 1996 says the staff of the Pyongyang office of UNWFP observed that North Korea had loosened restrictions, allowing farmers to market grain against famine, so that the market witnessed trade in grain, fruit, vegetables, eggs, etc. This shows that the government has loosened its policy on the free marketing of farm produce, which promises increments of agricultural production.

Considering North Korea's conditions, even if there are no signs of mass reform of the economic system, then we might at least think that there are conditions in the rural area to adopt the household-contracted responsibility system with linked remuneration, which gained success in China. This kind of reform incurs smaller quake, neither affecting the urban state-run economy nor requiring a change of land ownership. The only condition is that regulations be made concerning rights and duties in terms of land use. The government need not invest

much money, merely proffer policies. Enjoying lofty prestige among the masses, the party and government are also qualified to carry out such a transfer of policy.

From this sense, it seems reasonable to believe that the improvement of North Korea's agriculture should not be too pessimistic a matter. And should it be able to find the solution to problems of agriculture, North Korea might also find the path proper to develop light industry and export.

In discussing the prospects for the North Korean economy, one has to pay attention to the possibility for North Korea to open to the outside world. The active significance for socialist countries to open to economic development has been approved not only in China but in Vietnam. Is there such a possibility, then, in North Korea?

The DPRK has declared its Rajin-Sonbong region as a window of opening, which might be regarded as the very first trial. Situated at the Tumen River delta, the Rajin-Sonbong region neighbors Russia and China and features rich forest and underground resources such as iron ore, coal, and gas, etc. If coordinated with the current Tumen River Development Zone program, it will have fine prospects. The North Korean government hopes to try new modes and ways of cooperation with foreign investors, turning the region into an important international cargo transfer juncture in Northeast Asia as well as an export manufacturing base and tourist spot by means of the Rajin and Chongjin ports. The government has issued laws and policies to attract foreign investment, and foreign investors are already coming for talks and deals. Until now, however, with a very limited amount of foreign capital coming in, the opening of Rajin-Sonbong region has not shown any active influence on whole economy. Whether North Korea could further open itself on a large scale has become quite an issue.

Viewed from North Korea's angle, to open on a large scale it has to solve at least two problems: The first is to evaluate and cope with the negative effect caused by opening, especially in an

antagonistic state of South-North relations with the North holding the poorer hand. Opening could easily give way to penetration by opposing forces and might induce value shock. If handled badly, that could threaten political stability and the consolidation of socialism. A grave external environment has restricted North Korea's steps of opening.

The second is that norms befitting a market economy have not been introduced into the North Korean economic system, so norms in accordance with international conventions will not be easily formed to deal with external economic and commercial relations brought about by opening. Such circumstances can only affect the investment atmosphere, and setting up a series of norms fitting international conventions must be based on market elements in the domestic economy. That, however, would at present seem difficult for North Korea to do.

If this is correct, then the prediction is: over the coming two or three years, North Korea's opening will remain in the trial stage and any positive effects on the economy will be limited. An improvement in South-North relations would help Pyongyang to broaden its scope of opening. And whatever its beginning and its degree may be, reform of the economic system at home will be the essential condition for opening.

To conclude the above, looking forward to the whole 1996, the North Korean economy will not easily escape its difficulties. Yet, it is unrealistic to conclude that North Korea will eventually fall apart. The fact of economic hardship will force North Korea to probe the socialist path of development in its own way. China's experience shows that a socialist country will be able to find the road of development appropriate to its own characteristics, so long as the party and the government put economic growth above all else and regard the socialist principle as the development of productivity and the raising of the living standard of the people.

## **Autonomous Diplomacy that Has Resisted Pressures**

In the overall state strategy of the DPRK, diplomacy takes an extremely important place. Especially in the circumstance that South-North relations are sharply antagonistic, after the South established diplomatic relations with socialist and former socialist countries through its Northern Policy while the North faces economic difficulties, it will be essential to materialize the normalization of diplomatic relations with the US and Japan so as to take a relatively profitable position in South-North relations. In this respect it is fair to say that DPRK diplomacy has made progress corresponding to its aims.

Since the late 1980s Seoul has been carrying out its Northern Policy and has established diplomatic relations with Hungary and other East European countries, the Soviet Union, and China in 1992, gradually taking the upper hand in the competition win the heart and mind of international society. If Pyongyang is slow in improving relations with the US and Japan, it will be thrown into passivity. Therefore, in recent years the DPRK has been actively broadening its relations with the US and Japan while keeping those with China, Russia and Southeast Asia. The framework agreement Pyongyang reached with the US on nuclear issues in 1994 might be regarded as success in this diplomacy.

Regarding the nuclear issue, making use of the anxiety on the part of the US, Japan and ROK about North Korean development of nuclear weapons, Pyongyang created the opportunity to negotiate with the US and has persisted in dealing with it alone. By promising not to develop nuclear weapons, North Korea received 50,000 tons of heavy oil, and the promise of 100,000 every year as well as light-water reactors worth \$4 billion to be built by the Korean Peninsula Energy Development Organizations in order to help solve North Korea's energy problems. As members of KEDO, the US, Japan and the ROK harvested a promise by Pyongyang not to develop nuclear weapons, while

the DPRK made diplomatic and economic achievements under the condition of losing nothing. It is notable that in dealing with the US, Pyongyang had no delusions about the US because it signed the framework agreement. In December 1994 an American military helicopter entered North Korean territorial air and was shot down, which shows that the DPRK is good at protecting its own interests by means of force as well as negotiation.

Negotiating on the nuclear issue, the DPRK seceded from the 1953 Korean Armistice Agreement, insisting on the US rather than the ROK as its negotiation partner to sign a peace agreement. In 1996, as it had obtained no active response, Pyongyang declared that it would no longer shoulder any responsibility towards the Demilitarized Zone. Thereupon the grave military situation on the peninsula was further intensified. To solve this problem, on 16 March Presidents Bill Clinton and Y. S. Kim jointly suggested that the US, China, and North and South Korea negotiate over the issue of a peace agreement for the Korean Peninsula. So far the DPRK has not given a final reply.

If the proposal is accepted, it means that Pyongyang may gain scores in diplomacy, for meanwhile, bilateral talks with the US may escalate to the issue of establishing diplomatic relations based on current subjects such as non-proliferation of missiles, return of the remains of American soldiers from the Korean War and setting up liaison offices in each others' capitals. At the same time, accepting the proposal will also create conditions for winning further economic assistance and foreign investment from outside. It would not be an unexpected result if the economy were to reap something from this.

If Pyongyang declines the proposal of four-way negotiations it will lose nothing; keeping pressure on Seoul and Washington concerning security, the DPRK might choose a more favorable opportunity to resume talks on this issue.

While actively developing relations with the US, Pyongyang is also contacting Japan on the issue of establishing diplomatic

relations. No doubt, in the case of stagnant South North relations, better relations between Pyongyang and Tokyo will impose pressure upon Seoul. Meanwhile, Pyongyang has not lowered its requirements for setting up diplomatic relations with Japan, that is to demand the precondition that Japan offer an apology and indemnity for the offences and crimes of the war of aggression.

Due to the collapse of the Soviet Union and its former policies towards the Korean peninsula, Russia can no longer play the role entirely as its predecessor did on the issues regarding the peninsula, yet Russia's status as a power in Northeast Asia has not changed at all. Pyongyang still regards it as its own strategic partner, which means increasing the ability to counterbalance the South by maintaining and developing relations with Russia.

In the meantime, the DPRK launches active diplomacy towards Southeast Asia, looking to Thailand as an important partner. Through Bangkok, Pyongyang does further work on Brunei, the Philippines and Burma. The progress of the relations with Southeast Asia will help Pyongyang someday take part in the regional forum sponsored by ASEAN. If the DPRK participates, this will protect its state interests more effectively.

To the DPRK, China means not only traditional friendship but strategic partnership. Therefore, Pyongyang lays much stress on relations with China. On the 46th anniversary of the People's Republic of China in 1995, the Pyongyang press published a warmth-brimming article. It says: "The people of our country are heartily pleased by the achievements made by the brotherly Chinese people in revolution and construction. The [Korean] Workers Party and the DPRK government express their support and understanding for the line and policy brought out by Chinese [Communist] Party and government." The article stresses: "The Korea-China friendship was cemented with blood in the protracted common struggle against imperialism and has endured repeated tests, so it is unbreakable. Under the leadership of Great Leader Kim Jong-il, respecting the will of the



departed leader, the people of our country endear the friendship with the Chinese people and will go on making effort to strengthen it.”<sup>5</sup> The relations between the DPRK and the PRC will grow on.

On the whole, Pyongyang’s diplomatic strategy has protected the nation’s interests, and has played an active role in keeping political stability at home.

### **Conclusion**

Judging by domestic politics or internal economy or diplomacy, one cannot draw the conclusion that the DPRK will collapse. Of course North Korea currently faces economic difficulties, yet they are not insurmountable. It seems to us, the Korean Workers Party and the North Korean people ultimately do have the ability and the approach to conquer economic difficulties and hammer out their own path. As close neighbors of the Korean peninsula, we do sincerely hope that the two sides can get out of the cold-war mood, realize dialogue, reach national reconciliation and cooperation, and make efforts for the reunification of the Korean nation.

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5 “Warmly Celebrate the National Day of the People’s Republic of China,” *North Korea Today*, October 1995.