

## North Korea: Hard March

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**N**owadays North Korea attracts the special attention of the world public, especially after the July 1994 demise of Kim Il Sung, the founder and impregnable leader of North Korean society and the ruling Korean Workers Party. The long delay in the legal establishment of the new leadership of the party and state as well as the complicated character of the country's economic and social situation has brought about a controversy of estimates and prognostic forecasts of the country's future and perspectives for development. As a rule, these forecasts and estimates are to be looked upon with skepticism because they are mainly based on casual studies and speculative discourses, which is understandable due to the lack of reliable information North Korea furnishes about itself. Unfortunately, some speculations are quite malicious and are dictated by a prejudiced and hostile approach to the North Korea's social system, leadership, and policies. The present article has no ambitions to provide an absolutely precise picture of the reality of North Korea. The author has no unique or sensational information about the processes of the country. He has no more hard information than any other foreign researcher. The article sets about the modest task to express the author's views on some burning issues of the North Korean situation. His observations are to a considerable extent based on personal impressions during his trips to North

Korea in 1991 and 1994. The author naturally makes no claims for the absolute validity and accuracy of his estimates.

There is no secret at all that the economic situation in North Korea is quite hard these days. It is noteworthy, however, that the North Koreans themselves make no secret of this fact. For the first time in their history they acknowledged, in 1993, the partial failure of the third seven-year plan of economic development. Although during the seven years (1987–1993) the country's economic power grew 1.5 times, in some spheres the economic plan was not fulfilled and a so-called adjustment period was to be introduced for two or three years. The Pyongyang leadership was not silent about the disastrous consequences of the unprecedented flood of 1995 which affected seventy-five percent of the territory and caused mammoth losses (US\$15 billion, according to some estimates). Similarly for the first time in its history, North Korea has openly sought for help, especially food aid, from the world community. In North Korea, the activities of the anti-Japanese guerillas led by Kim Il Sung have always been traditional models. One of the bright pages of their history is the march of his guerillas towards the Paektu region at the end of 1938 and the beginning of 1939 during a severe and snowy winter. The starving soldiers had to fight the Japanese army units who were chasing them.<sup>1</sup> The official North Korean historiography calls this 100-day trek the "hard march" or "miserable march," and the present difficult period in the country's history is being referred to as another hard march. There are numerous reasons for the present economic hardships. We will mention some of them, the most essential ones according to this author.

The collapse of the world socialist system brought many hardships upon North Korea. It is well known that in his later years, Kim Il Sung opposed the USSR's appeals for Pyongyang's active involvement in the world socialist integration, membership in the COMECON. It seems paradoxical but this position

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1 *Modern History of Korea* (Pyongyang: 1979), p. 147–53.

turned out to be rather reasonable for it helped the country to prevent some of the more disastrous consequences of the events in the USSR and East European countries. Nevertheless, North Korea has suffered intensely. Although North Korea was not a COMECON member, it had vital links with the COMECON countries, especially with the USSR. It can be safely presumed that North Korea's third seven-year plan (with too-high targets, one may assume) was in many spheres oriented towards financial support, supplies of raw materials, equipment and oil, trade exchanges, etc., from the USSR. Various other ambitious projects were planned to be jointly implemented by the year 2000. The immediate breakup of this cooperation and the shift to hard-currency accounting, plus world-prices trade, in 1991, brought about the failure of some of the North Korea's plans and caused great problems in its economy. The only big partner, itself hardly able to redress all losses, is the People's Republic of China. In order to clarify Pyongyang's position, we must closely examine the example the Unggi Oil Refinery, the biggest in the North. It was built with Soviet help and was fully oriented towards the processing of Soviet oil to produce petrol, diesel oil, etc. (Chinese oil is not suitable for these purposes there). It is rather simple to understand the present state of this industrial giant with a capacity of two million tons per year, when we realize that the oil supply has gone down by a factor of twelve. A similar situation exists in other industries such as auto batteries, electric motors, or certain factories producing consumer goods for a Soviet market that is no longer interested in them. After a long breakup period, Russia is now making first steps to revive economic relations with North Korea, which is witnessed by the resumption of the Joint Commission on Economic and Scientific-Technical Cooperation and by the visit to Pyongyang by a high-ranking Russian delegation headed by Deputy Prime Minister V. Ignatenko in April 1996.

The loss of its main trade partners worsened the already unfavorable external factors of North Korea's existence. For

many years, the USA and their allies were talking about cross-recognition of South Korea by the USSR and China, and of North Korea by the USA and other leading powers of the world. From 1990 to 1992 the first part of the formula was realized when the USSR and China recognized the Republic of Korea and began steadfastly to develop all kinds of relations with it. However, the second part of the formula has not been implemented even until now. The framework agreement between the USA and North Korea which was signed in October 1994 brought some hopes of breakthrough in this direction, but the long-expected changes are coming too slowly. There is no need to emphasize the importance for North Korea and its economy to normalize relations with the leading powers of the world, and to have all discriminatory measures against the country lifted. However, now the USA and her allies are exhibiting a double standard approach: on one hand, they reproach North Korea and accuse it of isolationism, urging more openness; on the other hand, they do practically nothing to destroy the wall of prejudices, direct bans and hostility in order to help it open up and let it overcome the borders and obstacles separating it from cooperation with the outside world.

The Republic of Korea deserves a special mention. For quite a long time, the two parts of Korea discussed the priorities of their pathway to mutual understanding. The North preferred the military-political sphere, arguing that without their settlement and elimination of military tension, no other problems could be solved. The South, on the contrary, made a special stress on economic cooperation, insisting, and with good reasons, that only this type of cooperation was able to create an atmosphere of mutual trust, and do away with confrontation and all obstacles on the way to unity. However, after the historical North-South agreement was signed in 1991, both sides have strangely reversed their positions. The North began to insist on economic cooperation and with this purpose in the summer of 1992 then-Deputy Prime Minister Kim Tal-hyong arrived in Seoul for

talks. But the South Korean government unexpectedly broke off all newly established contacts bringing forward military-political demands such as "settling of the nuclear problem," etc. Nowadays the South is sending some signals of its readiness to resume contacts, but the Northern side, despite all economic hardships, is in no hurry to respond.

Economic cooperation between North Korea and other countries is to some extent being held back by the hopes cherished by some forces who feel that a delay will weaken the existing regime and thus achieve the desired changes in North Korea's social system and model of development. These hopes seem naive at best. First, the North Korean economy and society are no strangers to living and developing in isolation. Second, the continuation of the isolation policies along with the efforts to turn them into a blockade of North Korea are instrumental only in creating there a besieged fortress mentality and strengthening the ruling regime. It is high time to realize that economic cooperation is the shortest and most realistic way to have North Korea be "opened" and be included in the positive world processes. No doubt, this cooperation has to be equal, mutually beneficial, and devoid of any kind of preliminary conditions, as envisaged by some forces. Military tension on the Korean peninsula is a constantly negative factor affecting the North Korean economy. Periodic flash-ups of conflict demand maximum detention of forces as well as means from the economic sphere and problems. It would be out of place here to analyze the sources of tension and accusations hoarded by the North and the South against each other. But one has to note the one-sided and partisan approach to the situation on the Peninsula as exhibited by the Western and South Korean media. Pyongyang's military preparations are exaggerated while similar steps by the South are underestimated or hushed. Meanwhile noteworthy is the position of a well-known specialist in Korean problems, Samuel Kim, according to whom between 1990 and 1993 South Korea has increased its military spending from \$10,620,000,000 to

\$12,060,000,000, while the North has reduced its own from \$5,230,000,000 to \$2,190,000,000.<sup>2</sup>

Whatever one's opinion on the preciseness of these estimates may be, it has to be admitted that they reflect a truthful picture of the tendencies prevailing in the North and the South. As a result of the present author's decades-long contact with North Korea, it can be assumed that neither the leadership nor the people there want a war. First, they have not forgotten the tragic lessons of the Korean War of 1950–53 which caused heavy human losses and devastation. Everybody realizes that if war breaks out, now it could bring even more suffering and more victims. Second, North Korea no longer has strong allies to lean upon as it did during the Korean War in the USSR and other socialist countries. Moscow has broken its military-political alliance with Pyongyang, while China with its reforms is interested in lasting peace on the neighboring peninsula. Third, Pyongyang is certainly taking into consideration the prevalent anti-war mood of the world community; lessons were learned from the events in the Persian Gulf, Bosnia, etc. Fourth, a country preparing for a war would never have such a massive construction works in industrial, civil and cultural spheres, which any observer may see every time he or she comes to North Korea. Last but not least, the Pyongyang leadership realizes quite clearly that the military and economic potential of the South is much higher than that in the North. Kim Il Sung was sincere saying in 1985: "We have no intentions to attack the South and no strength for that."<sup>3</sup> For an ambitious leader, accustomed to being proud of his country and army, these are significant words, without a doubt. Amidst all difficulties experienced now by the North it is very hardly possible that it would allow such a waste of resources. Anyway, the often suggested scenario that the North Korean leaders might

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2 *Asian Survey*, 1995, Vol. XXXV, No. 1, p. 21.

3 Kim Il Sung, replies to the questions by the editor in chief of the Japanese political and theoretical journal *Saekai* (Pyongyang: 1985), p. 4 (Russian translation).

provoke a war to escape from economic hardships makes no sense. Whatever attitude to these leaders one may have, they are not suicidal. At the same time, one may be sure that sparing no efforts to overcome the difficulties, the North Korean leaders will never weaken their concern about the security of their country. It will be even more so if the Republic of Korea, according to the media, plans to double its military budget by 2001 as compared to 1996.<sup>4</sup> North Korea will look for an adequate answer, however difficult it may be. Such a "competition" in military spending benefits neither North nor South, whose financial capacities are in no way limitless. Thus the Northern proposals mutually to cut military spending and armaments are to be taken seriously.

We have already mentioned some external reasons for the hardships experienced by the North. It would be wrong, however, to negate the internal factors as well. North Korean leaders themselves make no secret of them. Published speeches by Kim Il Sung and Kim Jong-il at the plenary meetings of the Party's Central Committee, at the conferences of party and administrative officials contain frequent and critical analysis of economic problems. Mistakes and shortcomings are pointed out in economic management works of various bodies and industries. Foreign researchers interested in objective study of the North Korean society should not ignore its leaders' addresses.

It is well known that the economic system of North Korea is based on the planned-administrative principle common to many socialist countries and based on the state and cooperative forms of property with an overwhelming prevalence of the former. In previous stages of development, this system was beneficial.

Financial resources and manpower centered in the hands of the state, strict all-embracing planning, and state control over each and every economic unit allowed the country to solve many problems of post-war rebirth and further development, as well as uplifting the living standards of the people. However, the

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4 *Korea Observer*, Vol. XXVII, No. 1 (Spring, 1996), p. 9

growing scope of economic development and social requirements have brought about new challenges and various shortcomings have come to the surface, such as the growing bureaucratization of management, blocked initiative on the part of local officials or industrial managers' reluctance to introduce new technologies, breaks in discipline, too much waste, etc. No doubt, these blemishes affected the development and effectiveness of the North Korean economy and the fulfillment of social purposes. It has to be noted that the North Korean leaders see these shortcomings and try to correct them. There is hardly a big industrial enterprise or a cooperative where Kim Il Sung and Kim Jong-il have not come many times to look personally after the problems there. Measures are being taken to upgrade the structure and functioning of the economic bodies. Planning takes into consideration the suggestions by enterprises and cooperatives themselves as well as their self-estimates. Party organs and working collectives exercise more control over the administrative bodies. The center of organizational work has to a considerable extent been shifted to provinces and regions. With these purposes, the local prerogatives have been widened. Administrative-economic committees have come to the forefront, and they are responsible for local planning and budget. One of the main tasks of the local bodies is considered to be maximum mobilization of all local resources and raising their contribution to the country's economic development. The *juche* ideology and politics which determine all sides of North Korean life and society include the well-known concept of self-reliance. This concept, brought to life between the 1950s and 60s, has played a certain positive role, freeing North Korea from an over-reliance upon foreign aid, establishing the priority of national interests, and focusing the attention of the people and leaders on the search for national development resources. This concept, however, has had a weak side also. North Korea was separated from the world technological progress and has had a dangerous tendency to ignore the experience and achievements of other nations. It was



a precondition for North Korea to lag behind other countries in many spheres of economy, science, technology and culture. Meeting the leading party workers in August 1985, Kim Jong-il said: Now our leading party workers think that inculcation of the newest technological achievements is contrary, according to them, to the requirements of the juche development of science and technology. If some of our comrades, fresh from foreign visits, mention the development of science and technology there, some people raise hue and cry: look, they have forgotten the juche spirit, they are sycophants, and so on. Naturally, many comrades say that there is nothing to learn there. Having seen the overseas modern industries, newest tools and equipment, they do not want to introduce these technologies here.<sup>5</sup>

Kim Jong-il had to press upon the audience and through them the whole of the party apparatus: "All leading officials must actively inculcate the developments of the progressive foreign science and technology. They must clearly understand, however, that it in no way contradicts either the juche development of national science and technology, or of the self-reliance principles."<sup>6</sup> To overcome the lag in the economic sphere and speed up economic growth became one of the most important targets of Kim Il Sung's visit to the USSR and other countries in 1984 and 1985, which was followed by several agreements terminated, unfortunately, at the beginning of the 1990s. Technical revolution was declared a priority of North Korean economic policies. Along with such overall economic planning the government began to work out special plans for the development of science and know-how, and material and moral stimuli for the research bodies grew: a practice was developed of sending brigades of scientists to facilitate the technological development of factories and plants, and incentives for innovators and inventors were

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5 Kim Jong-il, *On the Further Development of Science and Technology* (Pyongyang: 1989), p. 12 (Russian translation).

6 Ibid, p. 13.

introduced. After a long period, young people began to be sent for education abroad along with the delegations of researchers to study progressive technologies and purchase equipment and know-how from abroad. This author witnessed some of these efforts to bring North Korea closer to the world technological progress. In September 1991 he visited together with some colleagues the electro-mechanical enterprise in Taean near Nampo, one of the country's mightiest industries. Apart from its industrial achievements the enterprise is known for its "Taean system" of economic management, created here by Kim Il Sung in 1964.

The essence of the system is collective management through the party committee with the participation of the director, chief managerial staff and representatives of the workers. Nowadays the Taean plant leads the amalgamation of eight industries united on a cooperative basis. The plant produces power generators, transformers, welding machines, and all kinds of equipment for mining, metal, and chemical industries. The workshops visited by the author were equipped with modern machinery from Sweden, Germany, Japan and elsewhere.

In November 1994, the author visited the even more modern United Cement Works near the capital. The plant's capacity is two million tons of cement plus one hundred thousand tons of potash fertilizer. The plant has a staff of 380 and is fully automatized with no menial labor. The core of the plant is a control room where shifts of four engineers control the process through a TV network and computers. Computers also control the composition of raw material (limestone and gypsum). More than twenty-five percent of the cost of the facility had been dedicated to ecological safety both within the premises and outside. The plant earns a share in sales of the products abroad and uses hard currency to buy new equipment.

Recently the North Korean leadership is paying more attention to computerization. Schools, universities, and pioneers' clubs have computer classes. This development is led by the Korean

Computer Center in Pyongyang which the author visited in 1994. The Center was established in 1990; more than five hundred specialists were specially trained for the project in North Korean universities. A computer institute was also established with the same purpose. The center's main task is to produce control systems for different fields in the economy. One concrete example is a fully automated mine. Software developed by the center is used domestically and sold abroad by a specially established trade firm, and part of the hard-currency income is used for the center's needs. One of the center's works, a fingerprint identification system, was awarded at an international exhibition in Switzerland. Even though the center was established in the atmosphere of blockade by the developed countries, it succeeded in buying modern equipment from the USA, Japan, Taiwan, and other countries. Many things not available to the North Korean specialists were created on the spot. The center's staff follows recent developments in computer technology through journals, catalogues and foreign trips.

The author is fully aware that he has been shown the best instances of the North Korean technical revolution, patronized by the state. It can be hardly believed that similar achievements are traceable everywhere in the country. But these trailblazing examples are noteworthy as a trend in North Korean economic modernization.

A most significant factor testifying to the new turn in North Korea's economic policies is the adopted course of maximum cooperation with other countries and invitation of foreign capital investment. Here one may observe a significant deviation from the hard-line self-reliance policies. As early as in 1984, laws were passed to facilitate the development of foreign trade and joint ventures with foreign industrial and financial circles. In the list of measures regulating the economic situation (after the not very successful implementation of the third seven-year plan), topmost has been a priority on foreign trade. For the development of foreign trade the number of export-oriented enterprises and

firms has grown and they are granted full state protection. More recent activity has been coordinated by the state departments of foreign trade. Nowadays when the whole world is engulfed by the fighting for markets, North Korea's possibilities are indeed very limited, but it has to be noted that Pyongyang spares no efforts to solve the problem.

There are many problems in the establishment of joint ventures. Nevertheless more than 140 such ventures have been established, mostly with the Koreans residing in Japan and other countries. In Russia there are about 40 such joint ventures with North Korea.<sup>7</sup> As a rule they are relatively small and operate in the sphere of consumer industry, agriculture and services, but North Korea must have benefited of them because it continues efforts to establish more.

The most important measure to facilitate foreign investments is the program to establish the Tumen River free economic zone in the extreme north-east of the country (six hundred square kilometers near Rajin-Sonbong). Neighboring states such as the Republic of Korea have already expressed interest in the project. Concrete steps are being made to implement it. There is an idea for another free economic zone near the port of Nampo on the western coast. Some years back there was talk of a free economic zone around the 38th parallel, but it seems to have come to a dead end due to the deterioration of North-South relations. Of importance for both the North and the South is a planned gas pipeline from Jakutia through the Korean peninsula.

The North Korean side is doing much to attract foreign capital investment into the national economy. The renewed text of the constitution, adopted in April 1992, contains the new Article 37 which states, "The state encourages joint and cooperative ventures of our country's enterprises, factories and firms with private persons and corporations from abroad."<sup>8</sup> The new text

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7 *Nezavisimaya Gazeta*, 4 October 1996.

also states: "The DPRK guarantees legal rights and interests of foreign citizens on its territory."<sup>9</sup> Pyongyang has worked out and published various laws and ordinances determining the rules for foreign firms in North Korea, their rights and duties, the taxation system, guarantees for property and income, etc. According to some experts, Pyongyang has offered foreign firms and companies even more favorable conditions than have China and Vietnam.

The influx of foreign capital into the North Korean economy is being blocked by the instability of military-political situation on the Korean peninsula and periodic flashes of tension. The USA has loosened but not lifted its anti-North Korea trade embargo, though the Framework Agreement of 1994 contains a provision for the embargo to be lifted entirely. The Republic of Korea also has just now started to move away from its bans on economic contacts with the North, bans which have a negative influence on the whole political climate on the peninsula. Perhaps Pyongyang has also not done what it was supposed to do in order to inform the world business community about the situation in the country and the policies of the ruling party. Despite all difficulties the officially confirmed foreign investments in the North Korean economy amounted to \$140 million in 1995. It may seem too little but there are hopes for further development of the process.

In North Korea they do not like so much the talk of the "Chinese example" followed by Chinese leadership in economic reforms. They prefer to talk about their specific type of socio-economic system, the "Korean type of socialism," although the Korean leaders have visited China many times and learned from the Chinese experience. Be that as it may, it can be safely presumed that North Korea has set foot on a pathway similar to

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8 *Socialist Constitution of the People's Democratic Republic of Korea* (Pyongyang: 1993), p. 7 (Russian translation).

9 Article 16. *Ibid*, p. 3.

that of China and Vietnam, who have allowed a wide liberalization of their economies with the preservation of the existing socio-political system based on the leading role of the Communist parties. We may suppose that North Korea's move will be slower and more careful, under full control of the party and the state, with much less pluralism in the sphere of property, etc. The motion has started, however, and the tempo along with the distance passed will depend considerably upon further development of the situation on the peninsula and in North-South relations.

In discussing the steps taken by the North Korean government to overcome economic hardships, we have to note social policies. All socialist countries have held in common that the feature of social sphere be less significant than the burning necessities of creating mighty economic and defence potential. North Korea's situation was even worse because it was little involved in the economic integration of the socialist states and followed its own self-reliance course, so these burning necessities consumed nearly all of North Korea's economic activity. The constant tension existing between the North and the South also demands great spending on the part of Pyongyang.

Nevertheless it would be wrong to say that North Korea is neglecting the social needs of the people. Since 1984 no taxes have been levied from the population there. In 1992 wages were increased about 1.5 times, as well as pensions and student grants. It is impossible to discuss here at length the development of the higher education network (there are 283 universities now), to describe the development of the secondary school system, health centers (with special attention to the prevention of disease), etc., as well as the development of Korean national culture, sports, etc. Perhaps compared with the achievements of other nations the North Korean progress in this sphere seems modest, but it would be just to compare it with the recent past, when almost everything started from zero.

It so happens that this author visited North Korea for the first time in 1966 and next time not until 1987. The country was really difficult to recognize; it has changed dramatically and positively. Every new visit brings about opportunities to see new residential areas and social buildings occupying the place of the low and unpleasant buildings of the past. Modern construction techniques are successfully combined with the national traditions of architecture. Each time, you can see newly built houses, bridges, tunnels, sports complexes, cultural centers, etc., built by the state in the cities as well as in the countryside. Sometimes the projects even seem too costly. Like many other visitors, the author was quite impressed by the gorgeous interiors of the new Palace of Pioneers and Schoolchildren in Pyongyang (the old one, more modestly built, also operates). The author's remark that the construction might have been a little too expensive, was answered: "We spare nothing for the children." Similarly rich and beautifully built is the Palace of People's Study (National Library), Mansudae Theater and other public buildings in the capital. On the provincial level everything is made in a more modest way, but lovely buildings can be seen there as well. In the cities streets are clean with much greenery. In Pyongyang, for example, there are forty-eight square meters of greenery per resident.

Even the appearance of the people is changing. The acceleration process has also spread among the Korean youth. Many people are much better dressed, and the Pyongyang residents, young women in particular, are hardly different from Muscovites in their dress styles. Despite the prevalent atmosphere of arduous labor, people in general seem to have more leisure time. Anyway, in Pyongyang's mammoth Culture Park near the Mangyongdae house of Kim Il Sung the author has observed during working hours big crowds of young people enjoying themselves there, women strolling with children, etc. On the banks of the Taedong and Potong rivers fishermen sit all day long watching the oarsmen train for competition. Fabulous

Kumgang and Myohyang mountains are frequented by tourist groups, and the health resorts there are never empty. Big factories and cooperatives have their own rest houses and health centers.

Food and consumer goods supply are indeed an acute problem. There is a food rationing system providing 700-900 grams rice and other cereals per worker per day for minimum price (other categories of population receive less). There is a periodical centralized distribution of kimchi cabbage and fish. Other foodstuffs are obtained from the market. The northern part of Korea has always been agriculturally much less favorable than the south. Once the author's praise of the scenic beauty of the mountains was countered by the bitter remark of his guide: "What is the use of these mountains? No bread grows there!" In the Nampo region near the famous Taedonggang dam, built for agricultural needs, one can observe a huge project to wrest some cultivable land from the sea; they plan to gain 300 thousand chongbos (hectares) in this manner.

The author received some information about North Korean agriculture from his visit to the Haksang cooperative near Pyongyang. It was created in 1964 especially to supply foodstuffs to the capital. Kim Il Sung visited twenty-one times, Kim Jong-il has been there twice. The cooperative has 1,500 hectares of land, 700 for rice and the rest for corn, vegetables, etc. There is a special cattle-breeding team. The cooperative owns eighty tractors, twenty trucks, and thousands of rice-planting and harvesting machines. There are three thousand workers, including 500 specialists. Every family has a 0.01 hectare plot of land (the same size all over the country) attached to its house as it wishes, and some keep cattle. The average monthly wage is 150 Won, and daily foodgrain allowance per worker is 800 grams. At the end of the agricultural year every family receives, according to its labor achievements, a certain part of the produce remaining after the planned delivery to the state. Extra rice is sold to the state (rice is a state monopoly), other crops are allowed to be mar-



keted. The cooperative has a shop in Pyongyang, a hospital, health centers, a kindergarten and nursery for every team, a hairdresser's salon, bath house, club, etc. The author was given an opportunity to visit both a traditional Korean-style house and a modern flat in an apartment building.

Dress, shoes and other consumer goods are obtained by the North Korean population at minimum prices from the state. As a rule, these goods are distributed on occasions such as birthdays of Kim Il Sung and Kim Jong-il which are celebrated as national holidays. But the shops are never empty and it seems that people do have money to buy things. Hard currency shops in Pyongyang and other cities, where previously only foreigners have had access, are surprisingly full of local residents who not only look at window displays but also buy shoes, cloth, cameras and household appliances. Prices as converted into dollars are much lower than in Moscow. Hard currency can only be coming from relatives in Japan, China or other countries, or from those employed in joint ventures; neither can the black market be excluded. A number of privately owned foreign-made cars have appeared, a totally new phenomenon for the North.

The above-mentioned facts are not for the sake of window-dressing and painting a rosy picture of North Korean life and the country's regime. It hardly needs to be proved that an objective analysis is impossible if one's approach is partisan and limited, that any country's development has positive and negative sides, none of which should be neglected or distorted for the sake of vested interests. Due to various reasons North Korea lives a difficult life, enduring so many obstacles; measures are being taken to counter some of them, perhaps not always with success but always with enthusiasm. What should not be ignored is that work goes on to improve the situation. As a rule the existing problems are not solved immediately; they need time and efforts which are unfortunately being diverted to needs such as defense. It is no mere accident that North Korea must repeatedly return

to problems in the efficiency of agriculture, mining industry, energy supply, consumer goods production, transport, etc.

Of a seriously disastrous effect was the natural calamity in summer 1995, which affected the greater part of the country. To withstand it all, forces were mobilized including the army. In some places people had to be evacuated by helicopter. Observers usually mention the loss of the major part of crops, but residential houses, bridges, factories, roads, irrigational systems, etc., were also destroyed. Their rebuilding will require great expenditure. International assistance offered by foreign states and organizations is important but constitutes only a small part of what is needed. It can be supposed that the consequences of the natural calamity will be a great obstacle along North Korea's road to economic reforms.

The food situation, the problem that it has been, became even worse. Maximum daily rations went down to a maximum of 650 grams (including 400 grams of rice), and there must be some delays in food supply. But according to objective estimates there is no starvation; those who state the opposite do so with some unclear purpose in mind. A section of the world media has expressed the opinion that help offered to North Korea from abroad may be used for filling military stocks. Red Cross personnel and representatives of other international organizations working in Pyongyang and controlling the distribution of aid have disproved this many times and stated that the entire amount is reaching the population. In estimating the North Korean situation observers from abroad usually discuss only the state system of supply, but there are other sources perhaps less significant but not to be neglected. Many big factories have farms. The above-mentioned Taean plant has 200 chongbos where vegetables are cultivated, in addition to a milk farm and a poultry farm. Such additional facilities are being used, no doubt, to help overcome the food scarcities.

The North Korean press, giving no overall estimates, regularly reports about this or that economic news. During the disastrous

1995 a new bridge and a new tunnel were completed in Pyongyang, along with a road connecting the capital with the resort area of Myohyangsan and the electrification of a part of the railway in the northeast. Some new factories started such as the export-oriented cloth factories in Kangson and Pyongwon. Some factories and mines have been renovated, their technological processes developed, and new production has been adopted. Similar information appears this year also. It disproves the verdict of certain foreign experts that the North Korean economy is breathing its last. On the contrary, it lives despite so many hardships, and continues to develop and create premises for overcoming the difficult situation. Moreover, even some South Korean publications, making an objective analysis of the economic failure in the North, do mention the trend of a cease in the production decline.<sup>10</sup>

Negative estimates and gloomy prognoses coming from abroad are in many cases brought about by the peculiarities of the political situation in the North. Two years have passed since the demise of Kim Il Sung, general secretary of the Korean Workers' Party and president of the republic. He was succeeded by his son and official heir Kim Jong-il, entitled "the great leader (*Ryongdoja*)."

Officially Kim Jong-il still holds only the posts of chairman of the Defense Committee and commander-in-chief of the armed forces, and he is the only living member of the Presidium of the Central Committee of the party. He has not formally and fully assumed, however, the legal status of the official heir of the deceased leader. There are many speculations on this matter, but the North Koreans seem to be sincere explaining the delay by the old Korean tradition of mourning observed by a son after his father's death, during which no festivities and ceremonies accompanying the new leader's inauguration are possible. They also add that Kim Jong-il is keeping everything under control and everything goes on

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10 *Vantage Point*, November 1995, Vol. XVIII, No. 11. (Seoul: Naewoe Press), p. 9.

smoothly in the country. Perhaps this is really the case even though there are problems. For example, after the death of Kim Il Sung there was no session of the Supreme People's Assembly, which is supposed to adopt the country's economic plans and budget, hear the reports of their implementation, etc. This may presumably have a negative influence on the working of the state mechanism. Many efforts have come about to explain the incomplete inauguration of Kim Jong-il by some serious contradictions in the country's leadership, but two years would seem to be sufficient for all contradictions to have come to the surface—if they really exist. A contradiction actually seems absent, at least in the form hoped for by some of these foreign analysts. Over his half century in office Kim Il Sung has done away with all opposition menaces, made his position strong, and prepared a basis for his son and heir.

For more than thirty years Kim Jong-il was included in North Korean leadership; for the last two decades he has continued to be number-two in the state hierarchy, enjoying a firm position. The far-sighted Kim Il Sung had by the end of his life made the junior Kim commander-in-chief of the army, thus strengthening his position there as well, and for quite a long time Kim Jong-il has had North-South relations in his hands. For years and years the North Korean people have been seeing Kim Jong-il as the closest associate and successor to Kim Il Sung, thus the transition of power was looked upon as something quite natural and corresponding to the will of the deceased leader. The author witnessed this during his visit to North Korea in 1994, talking to rank-and-file people and top officials alike. They all talked of the new leader with sincere veneration and full confidence in the legitimacy of his rights. It can hardly be presumed that in the atmosphere of all-round recognition anybody would have courage for any opposition.

Political leaders of North Korea have in most cases started their careers under Kim Jong-il and naturally with his sanction. They all may be styled as "Kim Jong-il's team." The team is

cemented by several of Kim Il Sung's elderly associates, but prevalent are people close to Kim Jong-il regarding age or viewpoint. As a rule they are experienced pragmatics, some with scholarship degrees, differing from their predecessors by their better education and training, wider outlook and ability to see, despite all ideological dogma, the real necessities of the society and to find adequate solutions for the existing problems. Stability in the ruling team can be testified by the fact that within two years there have been practically no changes apart from the replacement of deceased members. It does not mean that no changes are possible in the future, when Kim Jong-il occupies his post in full. We should not, at least theoretically, rule out certain problems within the team, mostly linked to the economic situation or to the way in which recent problems can be solved.

The character of the ruling team is embodied in the person of Kim Jong-il. The author has had no opportunity to meet him (no foreign delegations have been received by Kim Jong-il over the last two years because of the mourning), but what appears from the available materials and discussions with people is the image of a knowledgeable, realistic-minded and brave leader. He may not have enough experience of state administration, as Kim Il Sung did have along with charisma, but experience will come. What he already has is the ability to assess realistically the situation and to feel the necessities of renewal and of finding adequate ways and means—of course, within the framework of the existing system. It can be supposed that the recent image and the above-mentioned modernization processes are what North Korea owes to Kim Jong-il. Perhaps new steps along this way are to be expected from Kim Jong-il and his team, mostly due to the challenges of recent economic problems.

It seems in some cases that certain political circles in the Republic of Korea are not helping the activization of the North-South dialogue hoping that the North Korean regime will collapse soon under the heavy burden of difficulties and that all obstacles for national unification will disappear by themselves.

Sometimes it seems that certain people are tempted to "push" such a development, especially during the periods when tension on the peninsula grows. It is a grave and dangerous mistake. The North Korean regime appears to have a considerable survival capacity and strength, and it is able to increase this capacity, if necessary. Catastrophes may be possible, but with dire consequences for the whole of Korea and its neighbors. It should not be forgotten that half a century of the present regime has brought people up in a certain spirit. There is a huge social layer which owes everything to the regime and is ready to fight for it to the end.

North Korea is now really on the "hard march," but not in an acute crisis as many would presume. It appears from the tendencies analyzed in this article that the aspiration by the leadership and the people to modernize the country, their readiness to adopt new ideas and experience, to maintain contacts with the leading forces of the world economic and scientific-technological progress bring hopes for the overcoming of all hardships and the renewal of the country's movement towards progress. This movement needs all-round assistance to be on the path of the world civilization development. World community and most of all Korea itself are vitally interested in the establishment of peace and stability on the peninsula. It can never be achieved without North Korea or contrary to it. It can only be realized if the idea of isolating North Korea be dropped, if equal and mutually beneficial relations with it be maintained by all countries, if assistance be offered to it without humiliating conditions, and if the country's openness to the world be ensured and real impetus be given to the far-reaching socio-economic reforms, to the policies fully corresponding to the requirements of peace and security on the Korean peninsula and peaceful unification of Korea.