

Informal Political System in North Korea: Systematic Corruption of “Power-Wealth Symbiosis”

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This paper takes note of the continuity and changes of the North Korea’s *suryong* dictatorial system, and elucidates the informal political system of North Korea focusing on the systematic corruption of “power-wealth symbiosis.” The following are the main outcomes of this study. First, the command economy of the North Korean *suryong* dictatorship brought about political clientelism. Second, the current North Korean clientelism operates by means of “power-wealth symbiosis” mechanism. Third, with the marketization and the changes in the political environment, the behaviors, relations, and interactions of the actors in North Korean regime became unstable. As a result, the necessity for protective mechanism of individual actors has surged, the informal network of “patron-client” has become an institution of day-to-day lives. Fourth, the North Korean market economy has evolved for more than twenty years. However, following the informal political system of dictatorship, the fissure within the patron sector has deepened, disrupting the formation of a civil society that is able to confront the state and the bureaucracy. Finally, the current corruption network of “power-wealth symbiosis” has positively acted for the continuity of the *suryong* dictatorship. But in the mid-to-long term, the change in rules of the game might instigate the network to act a rationalist one that leads the public opinion on social changes in times of sudden transformation. Also, the main actors of the informal political system that leads the clientelism are likely to emerge as a new capitalist class when the North Korean regime transition takes place.

Keywords: North Korea, informal political system, power-wealth symbiosis, systematic corruption, clientelism

Introduction

Why is the North Korean style of “*suryong* dictatorship” still persistent despite changes in people’s lives resulting from the collapse of North Korea’s planned economy and marketisation, leadership succession over three generations and the ensuing series of purge campaigns against power elites? Is it possible to maintain *suryong* dictatorship over 20 years up to the present 2015 simply through an authoritarian control system and ideology, military-first politics and Chinese protection? Is there a possibility for a different political system to take root? This research seeks to answer such questions. Existing literature on the topic has discussed issues such as the rising level of inequality and changes in class structure¹ and corruption² in North Korea. Each study puts forward notable outcomes in terms of status analysis. However, analysis of such topics in relation to the continuation of the *suryong* dictatorship is only in its embryonic stages.³

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1. Representative studies include Lee Seung-hoon, Hong Du-seung, *North Korea’s Socio-economic Changes* (in Korean) (Seoul: Seoul National University Press, 2007); Choi Bong-dae “The Marketization of Urban Private Sector and Economic Stratification in North Korea after late 1990s: The Mediating Effect of Individual Household’s Informal Network Resources on the Stratification System,” (in Korean) *Contemporary North Korean Studies* 11, no. 2 (2008); Cho Jung-A, et al., *Average Life of North Koreans* (in Korean) (Seoul: Korea Institute for National Unification, 2008); Kim Soo-am, et al., *Quality of North Korean People’s Lives* (in Korean) (Seoul: Korea Institute for National Unification, 2011); Park Young-Ja, “Cleavage by Class, by Generation, and by Region in the Changing times of North Korean Regime: Situation and Structure basing on Model of the Actor,” (in Korean) *Korean Political Science Review* 46, no. 5 (2012).
 2. Representative studies include Park Hyeong-jung et. al., *Status of North Korea’s Corruption and Strategies for Anti-corruption* (in Korean) (Seoul: Korea Institute for National Unification, 2012); Kim Soo-am, et al., *Correlation between North Korea’s Corruption and Human Rights* (in Korean) (Seoul: Korea Institute for National Unification, 2012).
 3. The preceding studies that provided the idea for this research are Choi Bong-dae “The Effects of North Korea’s Personal Dictatorship on Its Economic Cooperation in Northeast Asia: The Dictator’s ‘Informal Management System of Foreign Currency’ and His Anti-Market External Policies,” (in Korean) *Contemporary North Korean Studies* 14, no. 1 (2011); Park Hyeong-jung, “Towards

Due to the spread of “political market economy” within North Korea’s *suryong* dictatorship system in the 2000s, systematic corruption has been institutionalized. Systematic corruption is an important mechanism on which a political community operates, and means that corruption led by political power is inherent within the socio-economic system.⁴ In particular, in underdeveloped, hereditary dictatorship politics, corruption is structuralized into the state system. This can be observed in countries that hold low levels of responsibility toward its citizens, where rules of the market economy based on individual’s needs, responsibility, labor, competence and competition take lead, or in countries that regulate individuals through a tight bureaucracy and maintain control over the market economy. This is because corruption where political and economic powers unite is institutionalized in the process of the dictator securing a financial base and gaining domination over bureaucrats by allocation of public goods and bureaucratic positions. In such society, behavioral interactions of actors that are involved in the corruption structure are closely knitted through the pursuit of benefits of protection and compensation. In other words, the informal network of patron-client ties and interest-based exchanges function on a daily basis.⁵

How can this phenomenon be interpreted? According to James

a Political Analysis of Markets in North Korea,” (in Korean) *Korean Political Science Review* 46, no. 5 (2012); Park Young-Ja, “North Korea’s Class, Generational, Regional Cleavages in Periods of Systematic Transition,” (in Korean) *Korean Political Science Review* 46, no. 5 (2012); Park Hyeong-jung et. al., *Status of North Korea’s Corruption and Strategies for Anti-corruption* (in Korean) (Seoul: Korea Institute for National Unification, 2012); Park Hyeong-jung, “Political System and Three Models of Corruption,” (in Korean) *Journal of National Defense Studies* 56, no. 2 (2013).

4. John Joseph Wallis, “The Concept of Systematic Corruption in American History,” in *Corruption and Reform: Lessons from America’s Economic History*, eds. Edward L. Glaeser and Claudia Goldin (Chicago: University of Chicago Press, 2006), pp. 23-62.
5. Oliver Schlumberger, “Structural Reform, Economic Order and Development: Patrimonial Capitalism,” *Review of International Political Economy* 15, no. 4 (2008); Feisal Khan, “Understanding the Spread of Systemic Corruption in the Third World.” *American Review of Political Economy* 6, no. 2 (2008).

C. Scott, corruption, the informal political system which has existed as a hidden political arena in numerous countries from the past to the present, plays a central role in the governance of a regime. Analysis that neglects such fact can invite inaccurate and even incorrect prescriptions. Ample experience and research outcomes establish that corruption shows similar causes, patterns and results even when political circumstances differ. Especially when looking at the history of underdeveloped countries, the cause of corruption must be found in the social structure and values regardless of whether it is a military or civil government. Also, as not a single country is free from corruption, the problem should not be about whether corruption exists or not but rather about how diverse aspects of corruption appear in different political systems, how corruption forms at different levels or how to assess the influence of corruption in different political systems.⁶

Thus, going beyond a simple status analysis, this research takes into account the continuity and change of the *suryong* dictatorship system and focuses on the systematic corruption of “power-wealth symbiosis” to investigate North Korea’s informal political system of the 2000s. The second chapter outlines the relevant theory and method. It first looks into theories of rent seeking, clientelism and corruption as an informal political system which offer meaningful implications for analysis of the dictatorship of Kim Jong-un’s regime. Then, the method of in-depth interview conducted on North Korean defectors is described. In Chapters 3 and 4, systematic corruption of “power-wealth symbiosis,” presented from perspectives of both patron and client, is examined. By selecting paragon cases among over 300 in-depth interviews conducted on North Korean defectors by the Korea Institute for National Unification (KINU) between 2010 and 2014, this study analyzes the situation and structure of systematic corruption based on experiences and perceptions that appear in their statements. Chapter 5 concludes by investigating the comparative historical characteristics of North Korea’s systematic corruption

6. James C. Scott, *Comparative Political Corruption* (Englewood Cliffs, NJ: Prentice-Hall, 1972), pp. 2-10.

which has evolved over the past 20 years and offers future outlooks based on comparison with China in the 1980s.

Theory and Method

Research Perspective

Scott diagnoses that Western prejudice and immaturity is the reason the majority of analysis on corruption in Asia or Africa focuses on “Why corruption is widespread in such countries.” His alternative approach to the study of corruption in underdeveloped countries assumes the following perspective in terms of structure and value.⁷ First, in order to explain market corruption related to organizational bribery or government goods/services trading, one must take a structure-level approach. By explaining the cause of corruption in underdeveloped countries with a focus on the structure, at the core is the government which supplies product, service and employment. Because the government is the most important actor (employer, regulator, producer, and consumer), at large, two forms of corruption structures develop. On one hand, as the bureaucracy is large, state bureaucratic sectors become easy preys of corruption. Bureaucratic factions increase due to conflict of interests among bureaucratic sectors or clienteles’ sectors, and each faction becomes virtually feudalized. That is, they take advantage of their status to unjustifiably exploit or utilize their clienteles (or citizens) or certain sectors of the economy. On the other hand, the huge disparity in status, information, and education among officials and their clienteles which develop in underdeveloped countries, invites patron-client relation model corruption. In other words, bureaucrats (officials) become patrons and hold power to make decisions and receive bribes while powerless clients (citizens) form a clientele which bribes patrons in order to obtain their goals.

7. James C. Scott, *Comparative Political Corruption*, pp. 10-15.

It is also useful to borrow from the field of anthropology when explaining the cause of corruption with a focus on values. This is because a large portion of what is perceived as corruption is the extension of the practice of gift giving. As customs and conventions of underdeveloped countries were interpreted from a western perspective, the act of gift giving was perceived as corruption. When importance is put on values, kinship and regional loyalty become important. The primary responsibility of humans in traditional societies is to protect relationships with families, descendents, households and race etc. Thus, when an individual becomes an official, it is difficult for them to ignore the requests of kins. It is important to note that such customs act to "strengthen the loyalty" to the regional community or the state. Another important observation is that these customs and regional ties appear as part of the corruption which exists in underdeveloped countries. In particular it occurs as a main form of corruption in countries where a bureaucratic structure has been added to the traditional order.

Connections or social networks can play both the positive role of social cohesion and safety net formation and the negative role of promoting corruption. This so-called Asian tradition, a tendency of prioritizing social network, appears frequently in developmental state models. Even in the case of South Korea, this tendency remains apparent up to the present 21st century.⁸ Furthermore, systems such as North Korea, characterized by patrimonial capitalism resulting from the evolution of dictatorship and politically dominated marketization, incur unequal trade and high transaction costs due to compliance to the politically dominant order. Neoclassical economics or institutional economics is unable to provide accurate analysis tools for politically dominant economic order which thrive in non-democratic environments.⁹ Rather, political economy theories of dictatorships are

8. Kim Woo-sik, "The Effects of Social Networks upon Conceptions of Bribery," (in Korean) *Korean Corruption Studies Review* 16, no. 2 (2011), pp. 25-49.

9. Oliver Schlumberger, "Structural Reform, Economic Order, and Development: Patrimonial Capitalism," *Review of International Political Economy* 15, no. 4 (2008), pp. 622-649.

useful. According to the survival logic of dictatorships based on game theory, the core mechanism through which dictatorships maintain power is the symbiosis of minority ruling coalition formed upon decision making rights on taxes and rents, disproportionate distribution of resources, opportunities and information and hierarchical patron-client systems.¹⁰

Thus, in order to interpret the systematic corruption of “power-wealth symbiosis,” it is necessary to bring together not only theories of comparative politics which interpret the political economy of dictatorship continuity, but also theories of anthropology to yield a more comprehensive perspective.

Concepts and Theory

Corruption and clientelism, the core concepts of this study, are both deeply related to rent seeking. Rent seeking is a form of behavior which seeks to maximize private profit through public sector. Sociologically, societies where the need and desire to amass wealth through state power is apparent are defined as rent-seeking societies. They are societies in which the creation and allocation of rents led by state power¹¹ act as important mechanisms for wealth accumulation, and are often found in authoritarian dictatorships. In the case of China in the 1980s which has been most widely studied as an example of a rent-seeking society, bureaucrats and enterprisers established patron-client models on various rents and pursued common interests, portraying aspects of widespread corruption. This is symbolized as “*guanxi* (connection),” a Chinese term identical to clientelism.¹²

10. Ronald Wintrobe, *The Political Economy of Dictatorship* (Cambridge: Cambridge University Press, 1998), pp. 20-39; Bruce Bueno de Mesquita and Alastair Smith, *The Dictator's Handbook* (New York: Public Affairs, 2011), pp. 4-15.

11. Rents are usually created when the state tries to control the market with a price that exceeds opportunity cost. Limitation of free trade or foreign currency distribution, monopolistic profit mechanisms etc. are representative.

12. Flora Sapio, “Rent Seeking, Corruption, and Clientelism,” *Rent Seeking in China* edited by Tak-Wing Ngo and Yongping Wu, *Routledge Contemporary China Series* (New York: Routledge, 2009), p. 22.

Conceptually, corruption means deviation from general behavioral standards. Such standards are public interest, public opinion and legal norms. Vast parts of these three standards overlap but each has a different analytical focus and cause different problems. The most generally applied standard among the three is legal norms. According to legal norms, corruption means to use one's status to pursue individual interest or influence issues unjustly. That is, to diverge from one's public responsibility for the sake of the private interest of oneself and his/her family, friends etc. The usual corruption structure involves a transaction between two parties where one is a public official and the other belongs to the private sector.¹³ Corruption operates through a "patron-client" or "public-private sector" network.

Thus, corruption is connected to clientelism. The term clientelism refers to the "patron-client tie model." It refers to unequal trade relationships such as material attraction, gift giving, and service provision which develop between the patron and the client. Clientelism is maintained for the sake of material and immaterial profits and benefits. The most important aspect of the transaction (trade) is political support. Through this relationship, the client can secure political protection, privileges, and social dignity. The patron utilizes the relationship to enhance his private power or wealth. The main function of clientelism which is generally accepted in the fields of anthropology, sociology, political science and Chinese studies is to acquire political interest or profit representation. Clientelism allows individuals who seek inclusion in the political system to achieve their goals of private profit pursuit outside the official channel. Environmental conditions for clientelism are mutual ties among individuals with unequal statuses and their proximity to one another. In other words, an adjacent network and difference in social status are important factors. In principle, the relationship forms between two individuals who are in different positions of the social ladder. Also, in order for utilitarian exploitation to be possible at all times, emotional factors are necessary. To sum up, to form an environment where clientelism can

13. James C. Scott, *Comparative Political Corruption*, pp. 3-5.

develop, structural hierarchy and cleavages are required, and in terms of the value aspect, loyalty, obedience, partnership and group consciousness is necessary.¹⁴

Therefore, clientelism and corruption play important roles in a dictatorship. Politically, corruption is a trading practice in which an individual utilizes "wealth" or ties with family, friends or acquaintances to change governmental decisions. Corruption is also a way through which an individual persuades or influences someone with public power to act in a way of his/her will. There are many ways to exert influence. Among them, corruption refers to cases when outcomes differ according to whether or not ties exist or whether or not bribery is involved. Meanwhile, factors such as whether there exists a voting system, whether "wealth" holding elites are systemized, and whether there are racial or religious barriers that hinder them from entering the public sector decide the type and amount of corruption within a political system. Each political system shows different aspects according to how "wealth" influences national policies.¹⁵

Unique characteristics of corruption exist according to the difference in political system and environment of each country, and clientelism operates as a political institution in relation to the nature of the system. In the case of China, which has been most frequently studied in relation to this topic, clientelism operated as an institution. It was institutionalized as the market economy which developed in the reform and opening process of the 1980s merged with the former controlled economy. The weapon of patrons was rents and clients adopted the strategy of maximal profit pursuit.¹⁶ Despite continuing policies of exclusive dictatorship and reform repression, the developments in Chinese society in the 1980s appeared in the 2000s in North Korea in the process of marketization and trade development, pro-

14. Flora Sapio, "Rent Seeking, Corruption, and Clientelism," pp. 27-28.

15. James C. Scott, *Comparative Political Corruption*, pp. 21-23.

16. For an institutional interpretation of the patron-client model which integrates anthropological findings, see David L. Wank, "Private Business, Bureaucracy, and Political Alliance in a Chinese City," *The Australian Journal of Chinese Affairs*, no. 33 (1995), pp. 67-69.

motion of foreign currency earning and expansion of exports and imports, and the development of the *suryong* economy which aimed to secure a financial basis for political rule. Further, as Kim Jong-un strengthens market exploitation while actively utilizing the market economy to secure a financial base for his regime, systematic corruption of “power-wealth symbiosis” is becoming an informal political system.

Method

The main research method of this study is analysis of oral text which has been acquired through in-depth interviews with North Korean defectors. Based on the recordings of more than 300 in-depth interviews conducted by the Korea Institute for National Unification between 2010 and 2014 for the purpose of status analysis on North Korea, paragon cases of patron and client which show the typical order of North Korea’s “power-wealth symbiosis” were selected, and the situation and structure of systematic corruption was analyzed with a focus on their experiences and perceptions. The testimony of a speaker not only shows the situation of a society’s system but also connotes the structure as well.¹⁷ Furthermore, oral data is vivid experimental data of the actor which provides information not attainable in literary data.¹⁸

In order to select paragon cases, the oral text of the 300 defectors was analyzed, and among them, interviewees who provided information on systematic corruption of the Kim Jong-un regime and the operational mechanism of the *suryong* dictatorship system from perspectives of a patron or client were chosen for a 2nd in-depth interview. Four to five sessions of in-depth interviews, each 3 to 4 hours long, were conducted on those who lived as patrons or clients in North Korea in the 2000s. Their oral testimonies were recorded and

17. Erving Goffman, *Frame Analysis* (New York: Harper and Row, 1974), p. 463.

18. Paul Thompson, *The Voice of the Past: Oral History* (Oxford, Oxford University Press, 2000).

used as texts for analysis. Description of the situation is given through interpretation of experiences and perceptions of the interviewees or through direct quotation of oral texts. In order to enhance the reliability and validity of the testimonies, quotes are utilized after cross analysis with various preceding studies and information on North Korea.

The patron case is a soviet university educated man in his early 50s who was a mid-level cadre in Pyongyang with experience as a central bureaucrat in the cabinet. He defected in 2011. The client case is a university educated man from Pyongsong region in his mid-50s who was the head of a foreign currency earning company (head of a trading company) with background as a “*donju* (nouveau riche)” who worked as a wholesaler in the region of Shinuiju-Pyongsong-Pyongyang and with experience as a manager of a state-owned mining complex. He defected in 2010. Pyongyang is the center of North Korea’s political system and Pyongsong in South Pyongan Province is the national center of wholesales and can be characterized as a satellite city of Pyongyang which logistically connects Shinuiju and Pyongyang. The two cases are of individuals who have directly experienced North Korea’s systematic corruption in Pyongyang and Pyongsong which is at the heart of the *suryong* dictatorship. They are also actors who had directly experienced the history of change in North Korea over the past 30 years from the planned economy of the 1980s to the market economy of the 2000s at economic sites. Their interviews will contribute not only to dynamic research of North Korean politics but also to broadening interpretation on the operation of Kim Jong-un’s *suryong* dictatorship.

Situation and Structure from the Patron Perspective

This chapter investigates the operation of North Korea’s informal political system through the situation and structure of systematic corruption from the perspective of a patron. The first section is substantial status and discretionary power, the second is price generalization

and its decision factors, the third survival methods and symbiosis structure of patrons, and the fourth section is the clientelist structure of North Korean dictatorship.

Substantial Status and Discretionary Power

In order for clientelism to operate there must be a patron with the power to satisfy the requests of clients. That power is larger when the status of the patron is higher and when the patron holds a position that can serve the interest of clients. The fact that a majority of officials in North Korea live on and even amass wealth through their status, not through rations or paychecks, has been established through many channels. Their status and duties allow them to access rents and many people work hard to get in line for it. The testimony regarding the situation is as follows.

“North Korean officials live off of their status and position. Even if you are in the central committee of the party, working in the Propaganda and Agitation Ministry alone is difficult to make a living. That is because there aren’t any ‘substance.’ In North Korea, the core power of party is the Central Organization Department, and the Department is classified into Inspection, Administration and Cadre management. Even without requesting, those in the department can continually to receive bribes. If there is even a slight connection, people try hard to use that connection to establish relationships. If they do, they pour in bribes.”

As described, the reason people try to establish relation with patrons is because they have discretionary powers. The authority of patrons to utilize their status and duties to meet the interests of clients is what makes clientelism possible. Especially, in a situation where the rule of law is not properly in practice, this authority of officials works as a greater power than laws. The authority of patrons makes patronage a network which operates through everyday relationships. Thus, an informal patron-client structure of mutual protection is formed. The testimony in relation to this is as follows.

“Though criminal law exists in North Korea, there are many problems that are not legislated in criminal law. Therefore, proclamations are made under the name of each organization. The proclamation of the Ministry of People’s Security, the proclamation of the Ministry of State Security and the Ministry of such and such etc. For example, the Ministry of People’s Security proclaims that ‘Those who cut electric wires will face severe punishment. Any organization or company that encourages such act will also face severe punishment.’ This is not legislated in criminal law. But in courts, such proclamation has force. They sentence rulings on the basis of such proclamations, for instance, ‘According to Proclamation 101 of the Ministry of People’s Security, defendant 000 is sentenced to 10 years in prison camp.’ North Korean citizens don’t know well about criminal law so they just have to adhere to such sentences. If bureaucrats in Inspection Division or Regional Guidance Division or the Life Guidance Division of the Organization Department in the Central party take action, they can come up with many ways to kill or save a person. But wouldn’t it be difficult to meet cadres after a sentence has been given? That’s why people (clients) try to buy the favor of cadres (patrons) and regularly present them with gifts. And patrons like me help people that can take responsibility and maintain secrecy for me even if the bribery problem has been exposed.”

Price Generalization and Decision Factors

As compensation for patronage has become institutionalized, price has also become generalized. In 2010 Pyongyang, a murder case was priced at over one hundred thousand dollars, drug dealing at one thousand dollars, house trading at ten thousand dollars, going overseas as laborers such as in the Russian forestry or mining sector five hundred dollars, going overseas as an instructor or manager twenty to thirty thousand dollars, going overseas as a restaurant waiter ten thousand dollars and matriculation into Kim Il-sung University twenty thousand dollars. Meanwhile, there are differences according to the severity of the case or the organization in charge and as the status of the patron is higher, the case is easier to take care of requiring less steps which leading to a lower price. The situation is described as follows.

"The price changes according to the details of the request and the price differs depending on which organization is in charge. For instance, regarding cases of drug dealing, the price differs in relation to the rank of the organization that processes the case. Depending on whether it is the security agency of district, the security agency of province, Anti-socialist Investigation Group or Ministry of People's Security, the price is set differently. If the dealer is caught by Military security, a thousand dollars would do. And if it is a case involving more than 1kg of *Bingdu* (North Korean drug known as 'ice'), a thousand dollars won't do. If you actually trade 1kg of drugs in North Korea, that would amount to twenty thousand dollars. You have to put about five thousand (25 percent) of it aside for purposes of bribery."

The sector where bribery has been most active in North Korea in the 2000s is the housing sector. According to North Korean law, the trading of state issued residence permits¹⁹ among individuals is a severely illegal act as it is regarded private utilization of national property. However, it has become the ordinary method of house trading after the 2000s through North Korea's marketization and its corruption structure. North Korea's "informal political system" which is entangled in corruption forms the foundation. The phenomenon owes to the "patron-client symbiosis" relationship which is tied to authorities and those with connections to them who live in Pyongyang.

"Housing is the biggest sector for bribery. People used to live in houses designated by the government but after the 2000s, all of them are bought and sold except for organization apartments which belong to the most highly rated organizations (Party-Center, Ministry of State Security, Ministry of People's Security, and Ministry of the People's Armed Forces). In legal terms, the sole act of selling or buying a house is illegal. That is why a lot of bribery takes place in the process of receiving state issued residence permits or selling and buying them. First, the official in charge of housing receives a hundred dollars for each residence permit. Then, officials who mediate the transaction

19. It is a housing residence certificate which shows the individual has been allocated residence by the state. It is similar to South Korea's permanent rental housing residence contract.

receive one thousand five hundred dollars from the owner who is selling a ten thousand dollar worth house. They also receive two thousand dollars from the person that is buying the house. If it is a three bedroom house, they usually take about three thousand and if it is a two bedroom house, about one thousand five hundred dollars. School and work assignment and overseas dispatch are areas that are also heavily bribed following housing.”

Corruption has become part of the everyday lives of citizens and not only bribes concerning crimes or inspections but also in various other sectors bribery has become institutionalized in ways akin to the setting of a market price. The cost is formed around 25 percent of the price. But this is lowered as the status of the patron gets higher or familial ties of the client get stronger.

Survival Methods and Structure of Patrons

In order to prevent widespread bureaucratic corruption from invading the dictatorship regime, central authorities have created institutions to control it. Politically, dictator driven bureaucratic inspections and a so called “loyal reporting” system which fosters internal mutual checks are used. Socially, “appeal system,”²⁰ a reporting system which has long been in place to maintain *suryong* dictatorship, and anti-socialist inspections which have expanded after marketization are used. In addition to exposure through inspections, when a bribed patron fails to keep his/her promise with the client, it is possible to appeal to higher level central authorities through the “Appeals Office.” In this case, however, clients who are aware of the possibility of a punishment that exceeds removal of the patron from his/her a position try to find solutions that will help maintain relations with higher ranking patrons while minimizing trouble in case they themselves are reported. The testimony in relation to this is as following.

20. Refers to a system through which North Korean citizens can directly notify the *suryong* of injustice and report cadres which is managed directly by the Appeals Office.

“For instance, if I have received a thousand dollars to free someone who was caught by the Ministry of People’s Security, I give five hundred dollars to a higher ranked patron, and keep the other five hundred. I don’t give it to lower ranked cadres. I would just buy them a meal and grant them some of their small requests. If there is a problem later on, I give two hundred dollars to my patron to handle the case. However, even if I am a higher ranked cadre, I would not directly order my subordinates to ‘release the person.’ I would rather say ‘This is a case I know of. Make sure to take good care of it. There many different kinds of laws so take care of it according to the law.’ I try not to provide any words they can pick on. I don’t leave any records. There has to be an escape. Also, if the person who bribed me reports the case to another inspection organization, I use all my ties to ostracize that person. Secrecy is the basis for making a request.”

Though there is a difference in the severity of the case and the proceedings, a symbiosis system generally operates among officials. There are two ways officials guarantee security in this informal political system. The first is conspiracy following the patronage ladder which exists among officials of different ranks. The second is a symbiosis structure on the promise of secrecy which the client uses to protect the patron-client relationship. There are also symbiotic rules that are in place to protect such relationships within the bureaucracy, and there is an implicit but public patron rule of returning the bribe if the patron fails to meet the request of a client. The testimony in relation to this is as following.

“There are business principles. If a person called A and I are in the same department, and if a client makes a request to both A and me (meaning that he/she is using two lines in the same rank), this causes trouble. In order to protect the relationship, a request must be made one-on-one. But if, for instance, someone has made a request to A and another person to me regarding personnel designation, we ignore what we know and do not interfere with each other. The final decision is made according to the power and connections that A and I have. And if I fail to meet the request of my client, I have to return the money. If I don’t, my status is in danger because that person can appeal. Only low ranking petty officials engage in acts of fraud. We,

who are above the mid level, always return the bribe if the request cannot be accepted. If I keep my status and duties and continue to be promoted to higher ranks, I can receive tens of hundreds of times that money. So if I can't handle a small case and lose my position, the only thing I can be called is a fool."

The survival and methods of relationship protection among patrons are diverse depending on conditions such as the status of the patron, the relationship between the patron and the client, the severity of the case as well as the organization in charge of the case.²¹

Clientelist Structure of the Dictatorship

The first rule of a dictatorship is that the dictator guarantees economic privileges of a small ruling coalition which is comprised of his/her closest advisers.²² Therefore, in response to corruption that threatens the regime, measures such as reporting and purge campaigns that were discussed above are used. However, corruption which does not cause notable harm to the rule of the regime and which is controllable by the central authority is used as a mechanism to foster the loyalty of officials. After the economic crisis and marketization, the North Korean regime institutionalized this survival rule of dictatorship. The related testimony is as follows.

"Kim Jong-il knew about the corrupt situation and Kim Jong-un probably knows it as well. The reason they turn a blind eye is because it is clear that they cannot maintain their regime if they don't protect the

21. For a notable case study on China which offers important implications for the analysis of North Korea's informal political system, see David L. Wank, "Bureaucratic Patronage and Private Business: Changing Networks of Power in Urban China," in Andrew G. Walder (ed.), *The Waning of the Communist State: Economic Origins of Political Change in China and Hungary* (Berkeley: University of California Press, 1995); Flora Sapio, "Rent Seeking, Corruption, and Clientelism," in Tak-Wing Ngo and Yongping Wu (eds.), *Rent Seeking in China* (New York: Routledge, 2009).

22. Bruce Bueno de Mesquita and Alastair Smith, *The Dictator's Handbook* (New York: Public Affairs, 2011).

patrons. In the current political system, the regime only punishes a few mid-level cadres as an example and the rest must be given protection. If not, the regime cannot function. The regime cannot offer them a living through rations or paychecks. Instead, they allow them to make a living through informal rights or the status of a cadre. And if they don't keep loyal, they are exposed and punished. That is how the regime manages them."

As described, clientelism which exists under the protection and check of the dictatorship acts as a contributing factor to the continuity of the dictatorship. When North Korea's market economy began to operate in the *suryong* dictatorship in the early 2000s is when the clientelist order of "power and wealth" symbiosis began to properly function under North Korea's dictatorship. The related testimony is as follows.

"I didn't know about money or bribes until 1995. Bribes were usually small gifts such as ten packs of cigarettes, 2-3 kilograms of meat or several bottles of liquor. After 2000, money exchange between cadres suddenly surged. From 2001 and 2002, mid-level cadres would say to each other 'let's accrue just three hundred thousand dollars.' So the 'three hundred thousand dollars campaign' started to spread. If I can garner just three hundred thousand dollars through bribes while I am in office, it is not too excessive and I can maintain my position in office receiving food and money for gas from the state while being able to take care of my children and live a comfortable life."

Furthermore, as the "connection between power and wealth" further developed with marketization of the North Korean economy after 2000, a new upper class (*nouveau riche*) was formed. This class was able to amassed personal wealth in amounts none could have imagined. As the informal political system evolved, in the case of Pyongyang in 2010, new powers who were called "new chaebols" who had an average of a million dollars emerged. Through their economic support, patrons carry out the orders of Kim Jong-un which is called "offering of loyalty." Thus, they form a financial ruling base for Kim Jong-un.

Situation and Structure from the Client Perspective

This chapter investigates North Korea's systematic corruption of "power-wealth symbiosis" from the perspective of the client. The first section is political protection and economic need, the second is methods of establishing relationships and the scale of bribes, third the situation after the currency reform, and fourth rent allocation and structure of dictatorship continuity.

Political Protection and Economic Need

The main reason power-led clientelism has been institutionalized in North Korea is because there are a great number of clients who are in need of political protection and economic profit making mechanisms. The main reason they need political protection is due to the North Korean *suryong* dictatorship system which experiences frequent policy changes due to numerous instructions and alterations in such instructions as well as political and anti-socialist inspections according to one's background. Economic need is not only to secure a living but also due to the desire to amass wealth and enhance social status. Thus, a large number of clients try to find a patron for purposes such as protection and punishment relief from regulations of the dictatorship, manipulation of official documents such as evaluation reports and the issuance of various certificates to secure privileges and opportunities as well as mediation for promotion, employment and matriculation opportunities.

This chapter focuses on manipulation of official documents and issuance of inspection evasion certificates to look into the situation of corruption from the client perspective. In relation to the manipulation of evaluation reports through which the party and the state evaluate and manage individuals, traditional and modern methods coexist. The reason the client in our case was able to enter a prestigious university and become a manager at the state-owned complex despite his familial background of having a South Korean lineage, is because his father changed certain parts of the resident registration through bribery. He

says that nowadays, it is possible to drastically forge public documents and become even a high ranking official. The related testimony is as follows.

“People who have money use connections to create a case that shows that their grandfather or father was loyal to Kim Il-sung or Kim Jong-il. It is also possible to buy a cadre position. You just have to give a thousand dollars to the person who manages residence registrations or someone who is the Cadres Department, or ten thousand in case of the military. People who manage the documents can’t live off the salary the state gives them. They can’t live without bribes. The bribes are their salary.”

Meanwhile, the reason why bribery has been structuralized in the 2000s is due to everyday wide ranging inspections. Bribery for protection from inspections has become a routine in not only markets or foreign currency earning companies (trading companies) but also company sites. The related testimony is as follows.

“If you are a manager, you are subject to a lot of inspections. They come from the Party Organization Department, the Prosecutors Office and even the Hygiene and Quarantine Office. The Departments in the People’s Committee each come as well as the military. Also, anti-socialist inspection is a comprehensive one. Once, they even came 17 times in a month. Every time, you buy them meals and drinks and offer them presents or even money. That’s how you keep trouble away. The reason I could keep my manager position is because I served the cadres well.”

“In North Korea, everyone must be affiliated with an official organization. Even foreign currency earning is an informal economic activity which takes place through affiliation with an official organization. When I was the head of a foreign currency earning company, I had to give dollars to people like school presidents in the military that my company belonged to. If you ask them (heads of organizations) for help (asking them for affiliation with their organization) to become the head of a company, you have to give them at least five thousand dollars. In North Korea, five thousand dollars is a great amount of money. That’s what you have to pay to become the head of a company.²³ Also,

on national holidays, birthdays or other personal occasions, you have to give them presents or money on a regular basis. That's about four times a year at most."

The next testimony is about corruption regarding travel permits. The development of the market economy as well as the need political protection has increased the prevalence of traveling, hence increasing the need for travel permits.

"On Chosun[North Korean] territory, you can only move around if you have a travel permit. I learned how the North Korean system works and how cadres act during the three years of my experience as a head of company. I got an active military travel permit for two hundred dollars in 2006 when I was the head of company. I dressed as real soldier and wore an insignia to use the permit. Ordinary citizens in North Korea have to register with the police, be investigated and wait a long time in order to receive a travel permit. But if you have money, it is delivered to your home. When I left North Korea, I had two ordinary permits as well as two military issued ones. But I was still nervous and traveled through deep mountains. In North Korea, if you have money and competence you can do anything."

Methods for Establishing Relationships and the Scale of Bribes

In North Korea, they call establishing relationships with patrons "*jultagi* (balancing, literally, walking on a rope)." Methods of establishing such relationships and the scale of bribes to do so are very diverse but after 2000, a certain pattern was formed and the scale of bribes also began occur systematically. It is necessary to give special attention to *jultagi* for the purpose of securing a living and *jultagi* within complexes for purposes of political protection or promotion to the cadre level. The first case will look into the foreign currency earning business.

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23. Depending on the business of the foreign currency earning company and characteristics of products traded, the head of a company could have hundreds of subordinates or may have only three.

“When I was a manager of a state-owned enterprise, I received two thousand dollars from a relative in South Korea whom I got to know through a broker, and bought a car under the name of the enterprise and started a transportation business. But the reason I became a head in a military complex is because I was caught by the Ministry of State Security for meeting my South Korean relative in China. I was dismissed from my position and when I came back from prison no one would take me. And the Ministry of State Security assigned me to a very harsh job. Friends (regional cadres) tried to employ me in their organization but the Ministry of State Security kept on interrupting. That’s why I started to look into the military. Because of military first politics, it was most advantageous for me to join the military. The State Ministry of State Security can’t mess with the military. It’s the characteristic of the society. That’s why I became the head of foreign currency earning company in the military.”

“When I started my position of manager of the company, I bought meals and presents for the chief in charge of the organization’s foreign currency earning. Then, he introduced me to cadres telling them that ‘I know someone with great competencies.’ Then, I give the cadres presents or bribes, and that’s how you walk lines and establish relationships. 30 percent of whatever I earn goes to them. I have to pay all the different ranks. I can get over low ranked cadres with a truck of coal and to higher ranked cadres I have to offer dollars. But now dollars are used for mostly all occasions.”

The following describes the *jultagi* situation of the interviewee when he was the manager of company.

“Money and relationships for promotion or entry into the cadre level is important even when you are a manager. I also engaged in a lot of *jultagi*. You also have to be competent. *Jultagi* requires skills. I used about one to two thousand dollars every year on higher ranking political cadres in order to keep my position as manager. If I wanted a promotion, I used about five thousand. I continued to socialize with them in everyday life; lunar New Years, Chuseok, birthdays of Kim Il-sung and Kim Jong-il, Independence day of North Korea,²⁴ birthdays of cadres

24. September 9 Day (September 9, 1948, Official Foundation Day of North Korea).

etc. I usually give them money but if they refuse to receive the money, I offer presents in the same amount. That's how we give them gifts on a regular basis. But it's also worth about a thousand dollars in money. So eventually, money or gift, it is all material."

The Situation after the Currency Reform

Due to the sudden announcement of currency reforms on November 30, 2009, small and medium merchants who only held North Korean currency suffered a huge blow.²⁵ But for heads of companies or *donjus* who accumulated money in dollars or *renminbi* (Chinese currency) to prepare for later times after being subject to extensive state inspection in 2007, currency reform was an opportunity. It was also an opportunity for clients who knew ahead about the currency reform through their patrons to accumulate wealth. Thus, after the currency reform the structure of clientelism became more sophisticated. The situation is described in the following testimony.

"After the reform, heads of companies or *donjus* seemed to have suffered a lot but they all quickly recuperated. Do you know why? They already held all their money in foreign currencies. They usually would have about half their money in dollars or *renminbi*. So they only suffered damages on domestic currency and their wealth was safe in foreign currencies. So they used it to trade with Chinese merchants to bring in products and that's how the market was vitalized in North Korea. These heads of companies were the main powers behind the market. If they moved, products moved in markets. Thus, this market power made currency exchange meaningless."

25. The North Korea announced that the currency will be reformed, thus between the seven days of November 30-December 6, 2009, all citizens must exchange the old currency for the new currency. However, the state devaluated the value of the currency at 100 (old currency) to 1 (new currency), and limited the amount one household can exchange to a hundred thousand won. As a result, a dollar before the currency reform was worth 100 won but its value surged to 8,000 won afterwards and North Korean currency became useless. Also, the dollar started to play the role of key currency in the North Korean economy. A dollar price became the standard in trading transactions, market transactions as well as bribery.

“People all know. They know who to bribe and what to do. Even the amount of money is all set out. Chief secretary of military, chief secretary of city, if I want to tell them that I want to start a trading company, I give the chief secretary of city about three thousand dollars. The price is set like the market price that is set naturally, and it begin in 2000 and developed even more after the currency reform. Bribery is mutual help. Money is all connected. Heads of companies all know.”

As described above, the currency reform carried out by the North Korean regime for the purpose of controlling the market economy and collective foreign currency failed due to the market force and the connection of power-wealth symbiosis. Rather, it led to unintended consequences of deepening wealth inequality, the pricing of patrons and the worsening of systematic corruption of “power-wealth symbiosis.”

Rent Allocation and the Structure of Dictatorship Continuity

In a dictatorship, the dictator and his closest aides are in charge of the resources available for state use. Thus, in order to maintain power, they give various organizations and ruling systems finances and privileges in exchange for continued loyalty. Through this dictatorial rule, allocations of rents regarding the authority to regulate people and run institutions are made, and mutual reporting and loyalty competitions take place between political factions. This ruling strategy which constitutes the main factor of dictatorial continuity is closely related to systematic corruption. The testimony on the detailed situation is as follows.

“They give the right to process drug dealing cases to the Ministry of State Security for them to run a drug crackdown squad. Then all bribes related to drug cases belong to the Ministry of State Security. The Ministry of the People’s Armed Forces is in charge of car dealing. Drug dealing which involves a lot of bribery belongs to the Ministry of State Security; so instead, they let the Ministry of the People’s Armed Forces have authority over car dealing. This is how they allocate rights.”

The relation to the continuity of the *suryong* dictatorship is seen in areas of both informal and formal systems. On the one hand, each organization is allowed to engage in informal bribery to live off patron-client relationships. On the other hand, loyalty competition based on mutual checks among organizations that compete for such rights is induced through reporting systems and briefings to the dictator. The following quotes the oral testimony on this matter.

“The person in charge of each organization presents offerings to Kim Jong-il or even Kim Jong-un in order to secure such benefits. There is fierce competition. Also, there is a line of information which is formed according to the *suryong*'s guards. These people separately brief Kim Jong-il or Kim Jong-un. So in order to maintain benefits you have to be loyal to the regime.”

It is necessary to note that for each organization, there are allocated rents for the operation of the *suryong* dictatorship, but it can be seen that the military and certain special organizations indiscriminately exploit such rents. Thus, there is room for irregular behavior and the importance of lines and connections is further accentuated.

Conclusion: Comparative Historical Characteristics and Future Prospects

The findings on North Korea's systematic corruption, which has been operating as an informal political system in the post-2000 *suryong* dictatorship, has been analyzed with consideration to the past 20 years of North Korea's marketization as well as China's increase in market economy of the 1980s. The historical characteristics drawn from this study and future prospects are as follows.

First, the command economy of North Korean *suryong* dictatorship resulted in political clientelism. Clientelism in North Korea is rooted in bureaucracy, which derives from a planned economy, and has become a generalized informal political system through the *suryong* dictatorship and marketization of the 2000s as well as the self-reliant

process of survival rule establishment among the citizens. Thus, it is a historical characteristic of a command economy. In a command economy, officials hold monopoly rights over allocation of resources that citizens need. Officials have vast discretionary powers regarding not only goods and job allocation but also punishment. In North Korea, this right acts as a symbiosis mechanism between the *suryong* and officials. It is the survival mechanism of the dictatorship and contributes to the political legitimacy of the socialist state.

Individuals can access such resources through special relationships with officials. Thus, patron-client relationships are formed between the state and society and this relationship becomes institutionalized over time. This was possible owing to the closed environment and was strengthened through emotional ties of loyalty and responsibility.²⁶ However, that relationship is characterized by a hierarchy that is led by a patron who holds power and the submission of a client. This power dependent clientelism is based on "infrastructure power," the system ability of the state to penetrate and control the society, conceptualized by historical sociologist Michael Mann.²⁷

In a society where the state holds power to penetrate and control the society the client usually accommodates central policies and commands and cooperates with the official.²⁸ Meanwhile, clientelism creates social cleavages between groups that are patronized and groups that are not. It also functions to suppress structural opposition toward state power.²⁹ Business and citizen groups that represent the society

26. Zevedei Barbu, *Democracy and Dictatorship: Their Psychology and Patterns of Life* (London: Routledge, 1998); T. H. Rigby and Ferenc Fehér, *Political Legitimation in Communist States* (New York: St. Martin's Press, 1982).

27. Michael Mann, "The Autonomous Power of the State: its Origins, Mechanisms, and Results," *European Journal of Sociology* 25, no. 2 (1984), pp. 185-213.

28. Clientelism between bureaucrats and private enterprises which appeared in China in the 1980s depicts the situation well. David L. Wank, "Bureaucratic Patronage and Private Business: Changing Networks of Power in Urban China" in *The Waning of the Communist State*, edited by Andrew G. Walder (Berkeley: University of California Press, 1995), p. 153.

29. Ronald Wintrobe, *The Political Economy of Dictatorship* (Cambridge: Cambridge University Press, 1998).

are ruptured according to interests and relationships and this make collective resistance against the state and state officials difficult.

Second, North Korea's clientelism currently operates on a "power-wealth symbiosis" mechanism. In comparison to China in the 1980s, there are similarities and differences owing to the political system, the underdevelopment of reform and openness policies, the commercialization process and the principal agents of action.

The "power-wealth symbiosis" structure of North Korea in the 2000s shows aspects of a power driven clientelist corruption system of patron-client connection. It is possible to find similarities with the clientelist political order of China in the 1980s. Meanwhile, in China, the bureaucratic control function weakened in the process of commercialization. This is because commercialization limited bureaucratic monopoly and weakened the state dependent clientelist base in the process of allocation of resources and opportunities. This is an important point to note considering that the reemergence of private businesses operated outside the command economy.³⁰

In the case of North Korea, commercialization progressed over the past 20 years, yet even up to the present 2015, it still remains under the influence of the "dictator's rent distribution" within the command economy. Thus, the reemergence of private companies is not occurring at the same level of China in the 1980s. Rather, from the perspective of medium and long term change in North Korea, the profit structure of trading companies, *donjus*, managers and merchants is continuing to change in the marketization process. Considering the possibility of patron-client interest conflict which occurs because the interest of patrons and clients do not necessarily conform and the conflict mechanism of power-wealth network operation, it is possible to predict the weakening of bureaucratic control mechanisms and state infrastructure power.

Third, due to marketization situations and rapid changes in the political environment, instability in actions, relationships, and mutual interactions among *suryong* and officials who are key agents of the

30. David L. Wank, "Bureaucratic Patronage and Private Business," pp. 153-154.

North Korean system in the State sector, heads of foreign currency earning companies, *donjus* and merchants in the market sector, and citizens of the social sector increased. As a result, the need for a protection mechanism among individual actors increased and the patron-client informal network became a mechanism of life.

The political economic situations and policy trends that appear in North Korea in 1995, 1998, 2000, 2002-3, 2005, 2007, 2009, 2010 and 2013 lay grounds for this argument. This change can also be inferred from “political behaviors of the *suryong* and officials that can be seen in economic policy decision-making processes”³¹ up to 2015. Over the past 20 years, North Korea’s regime attempted policy change in the direction of “planned → market → planned → market.” This caused dynamic changes in behavior and interaction among actors. As a result, in order to protect their status and profits, North Korean authorities (patrons) vowed loyalty to the *suryong* while developing the informal political system, and clients routinized contacts with the patron sector for safer *jultagi*.

Fourth, for the past 20 years, the market economy has been evolving in North Korea. However, unlike the Western experience of business alliance or citizen solidarity, cleavages worsened in the client sector owing to the dictatorial informal political system which makes it difficult for a civil society capable of confronting the state and bureaucrats to form.

According to international level empirical research on the formation of a market or civil society capable of confronting state power, an economic system in which state enterprises and private enterprises coexist fosters horizontal integration. Entrepreneurship was the most reliable resistance strategy against state control and entrepreneurs eventually sought to form horizontal alliances with other subordinate groups such as intellectuals or laborers. Thus, civil society attains the

31. In relation to this, see Han Ki-beom, “Bureaucratic Policies and Organizational Behavior in North Korea’s Policy-making Process: Focus on the expansion and withdrawal of economic reforms (2000-2009),” (in Korean) PhD Dissertation, Kyungnam University, 2009; Park Hyeong-jung “Changes in North Korea’s Political System in the 1990s,” (in Korean) *Policy Studies* 168 (2011), pp. 103-130.

ability to receive more concessions from the state. This is a widely accepted interpretation for socialist transition countries such as the USSR and eastern European countries.³² Such interpretation also exists for China.

However, after the mid 1990s, anthropological and sociological studies based on participant observation shed light on a different route for China. According to the results of a participant study through in-depth interviews on “entrepreneurs, bureaucrats and political coalitions which appeared in Xiamen” in the late 1980s, it is possible to identify a configuration of state (party), society and private enterprises which clearly deviates from the eastern European case. For instance, Chinese entrepreneurs had no consistent identity as an interest group which is a fact that is generally assumed. That is because their wealth was created in the structuralization process of the market economy which was created in a command economy. Differences in social background, business size and clientelist bureaucratic support set entrepreneurs apart into different groups that each faced different opportunities and limitations.³³

This phenomenon is evident in the case of North Korea as well. As wealth inequality increased social cleavages appeared, and the lives of those who engaged in *jultagi* and those who did not changed. In the client sector, an internal profit conflict structure was formed which made it difficult for them to unite. As a result, it has become difficult for clients to take collective action to express their interests against officials or to form a civil society capable of confronting the state.

Lastly, based on the situation and structure of systematic corrup-

32. Gil Eyal, Ivan Szelenyi, and Eleanor Townsley, *Making Capitalism without Capitalists: Class Formation and Elites Struggles in Post-Communist Central Europe* (London: Verso, 1998); Grzegorz W. Kolodko, *From Shock to Therapy: The Political Economy of Postsocialist Transformation* (Oxford: Oxford University Press, 2000); Bernard Chavance, *The Transformation of Communist Systems: Economic Reform Since the 1950s* (Boulder, CO: Westview Press, 1994).

33. David L. Wank, “Private business, Bureaucracy, and Political Alliance in a Chinese City,” *The Australian Journal of Chinese Affairs*, no. 33 (1995), pp. 55-71.

tion, currently, “power-wealth symbiosis” clientelism is contributing to the continuation of the *suryong* dictatorship. However, there is also a possibility for it to have an adverse effect in the medium and long term.

Currently in North Korea, from the *suryong* and ruling collation, each regional unit and party · military · political power organization is leading and engaging in clientelism with lower level officials, heads of foreign currency earning companies, *donjus* and merchants as well as citizens that have interest. On the one hand, it is the result of interaction between the *suryong* system’s “wak (trading right, a kind of rents) allocation” (which moves the largest amount of finances) and commercialization of rents by state authority, marketization that expanded around the retail market, and the economic survival structure of citizens through markets. On the other hand, it is the result of the North Korean regime, which failed to return the national economy to the planned system of the 80s despite efforts to shut down markets, exchange currency, ban the use of foreign currency, and ban organizations and individuals to participate in market trade, turning the market economy into a beneficial force for the maintenance of power through political management after the 2000s.

In this process, the informal political system of North Korea which has evolved up to 2015, rather than forming anti-dictatorship forces which threatens the dictatorship, seems to be contributing to the continuity of the Kim Jong-un regime and the complex evolution of hereditary rule along with various control systems and the *suryong*’s rent allocations. Also, the new wealthy class which has developed along with marketization, or “red capitalists,” form a symbiotic relationship with the *suryong* and ruling coalition for their own benefit and safety. Thus, in the recent situation of systematic corruption, it can be assessed that power authorities and the wealthy class are seeking an “exploitative conspiracy” against the people’s economy.³⁴

34. Park, Young-Ja, “Evolutionary Peculiarity between ‘the Market System and the Dictatorship’ in North Korea,” Presented at the 2012 Korean Political Science Association Autumn Conference on August 31, 2012.

Meanwhile, from a medium and long term perspective in relation to outlooks for change in North Korea, especially from the client perspective, due to fluctuations in the power structure of the Kim Jong-un regime and frequent changes in national policies, clientelist networks can become unstable and it can become difficult to endure a “price that exceeds utility (excessive bribes).” Also, entrepreneurs can notice that it is difficult to continue to accumulate wealth in the North Korean economic situation marked by excess distribution and an absence of self-production.

In sum, in the short term, North Korea’s informal political system, the systematic corruption of “power-wealth symbiosis,” contribute to the continuity of the *suryong* dictatorship. However, in the medium and long term, there is a possibility that it can act as a rationalist force network that can create public opinion for social change in a time of rapid fluctuation during which the rules of the game change. Also, it is possible that principal actors of the informal political system which has led clientelism can become a new capitalist class in a situation where systematic transition occurs in North Korea.

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