



Being in North Korea

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Being in North Korea

- ▶ Who is Andray Abrahamian?
 - ▶ Citizenship? Family in US, but he says he is a dual US-British national (p 77)
 - ▶ Surname Armenian (lots in California, but also in Armenia and Russia); given name a Russian form of Andrew, but he says his family is Armenian from Iran p77
 - ▶ (would not have been able to enter North Korea for Choson Exchange on the US passport) p78
 - ▶ Age? Not clear, but possibly in 40s (from picture)
 - ▶ Education
 - ▶ MA University of Sussex (England) 2005—subject “media & North Korea”
 - ▶ PhD University of Ulsan (South Korea) 2012 International Relations
 - ▶ Books “Myanmar and North Korea” 2018, “Being in North Korea” 2020
- ▶ Worked for “Choson Exchange” since 2010, visited North Korea 30 times, speaks Korean
 - ▶ First trip in 2010 booked through Koryo Tours (organized by a couple of British expatriats)

What kind of experience?

▶ Choson Exchange

- ▶ Founded in 2009 by Geoffrey See, a Singaporean entrepreneur to train North Koreans in entrepreneurship and modern economics
- ▶ Singapore established diplomatic relations with both North and South Korea in 1975, and until mid-2016 North Koreans could travel to Singapore without a visa
 - ▶ Relations soured after North Korea's 2017 6th nuclear test, but the Trump-Kim meeting of 2018 was held in Singapore partly because of Choson Exchange
- ▶ Worked from Beijing office

▶ APARC Center

- ▶ Endowed research center at Stanford University that frequently hosts retired diplomats, military and other figures who are knowledgeable about East Asian affairs
- ▶ Abrahamian a fellow there 2018-19 when in wrote this book

Issues to think about

- ▶ A “no” society? P4
- ▶ Why are the border guard concerned about whether you are ethnic Korean? P5
- ▶ Concern about printed material and pictures
 - ▶ (at Geumgang Mtns in 2007 we had to leave phones and computers in South Korea)
- ▶ Complicated relationship with “minders” (who help but who are also responsible for one)
- ▶ What, actually, could Abrahamian see?
- ▶ Are North Koreans more relaxed since the death of Kim Jong Il?
 - ▶ Can't use the term “reform” because that implies something is broken and needs fixing p22
- ▶ Ersatz meat (injo kogi pap) made from soybean dregs (i.e. a kind of tofu)

More issues

- ▶ Organized society ("walled society")
 - ▶ East German lady annoyed by unwillingness of North Korea guides to deviate even slightly from the official line (p40-41)
 - ▶ "Externally we must not reveal ourselves to the outside world" (Kim Jong Il)
 - ▶ "wrapped in fog mentality"—information only on a need to know basis
 - ▶ Foreigners are treated like invading bacteria—foreigners' Sim cards can call out, but not domestically whereas those for North Koreans allow only domestic calls
- ▶ China changed after 1976, North Korea did not
 - ▶ China used to have sōngbun (chengfen 成分), communes, minders, and restricted travel, but now these are gone (but facial recognition wares are everywhere, and the internet is censored)
 - ▶ North Korea organizational life and self-criticism on Saturdays, 3.4 million KWP party members about 15% of the population (China more like 5% of the population, more a vanguard as opposed to a mass party)

More issues

- ▶ Indoctrination (compulsory “study sessions”) and self-criticism (“life harmony”생활총화) [would translate “life harmonization”]
- ▶ “Marketization” is gendered—women more easily leave state enterprises and engage in market activity
- ▶ Access to outside information?
 - ▶ Radio—receivers limited to one station, but not hard to tinker and change, and some reports of listening to foreign broadcasts (South Korea, Radio Free Asia, BBC Korea Service)
 - ▶ Thumb drives on computers
 - ▶ Mobile phones—smuggled in from China, since North Korean ones cannot connect with the outside
 - ▶ Foreigners can buy local SIM cards, but cannot call North Koreans with them
- ▶ Ethnic Korean residents of Japan (Choch’ongnyŏn) p61
 - ▶ Headquarters in Tokyo recognized by court as de facto North Korean embassy and sold to pay back DPRK debts to Japan in 2014
 - ▶ Run a Korean language school system in Japan and Chosen University

“Victorious Fatherland Liberation War” rewriting of history

- ▶ North Korean name for Korean War is Fatherland Liberation War (祖國解放戰爭)
 - ▶ Museum is 조국 해방 전쟁 승리 기념관 p73
 - ▶ North Korean line:
 - ▶ South Korea started the war and North Korea merely counter attacked
 - ▶ (the most recent evidence, however, shows preplanning by Kim Il Sung and the Soviet Union)
 - ▶ North Korea was mostly victorious
 - ▶ (DPRK was quite effective at the beginning of the war, but after the Incheon landing in September 1950 North Korea troops retreated and were basically defeated by December 1950. China entered the war in earnest in December 1950 and reversed North Korea's defeat)
 - ▶ Soviet and Chinese aid during the Korean War is barely acknowledged
 - ▶ In reality North Korea had relied on Soviet arms, planning and air support
 - ▶ In reality there were large-scale Chinese troop deployments to Korea
 - ▶ (325,000–526,000 North Korean soldiers dead or missing—208,000–400,000 Chinese dead or missing)
 - ▶ The date of the 1953 armistice, July 27, is celebrated in North Korea as National Victory Day

Foreigners in North Korea

- ▶ Chinese residents (hwagyo 華僑)
 - ▶ About 5,000 left who are bilingual and can freely travel between China and North Korea
 - ▶ Their travel freedom makes them critical middlemen between China and North Korea, and many are very prosperous
- ▶ Chinese tourists—in normal times large scale, but none now because of Covid
- ▶ Russians resident in North Korea “live in their own world” p73
- ▶ Munsu Diplomatic Compound
 - ▶ All embassies except the Russian and Chinese are there, and North Koreans are not let in

Munsu-dong diplomatic compound



US Unilateral Actions Limiting North Korea

- ▶ Proliferation Security Initiative (May 2003)
 - ▶ US watched North Korean shipping closely and threatened to stop and interdict North Korean ships
- ▶ Move against Macao banks (September 2005)
 - ▶ Banco Delta Asia assets frozen and it and other banks frightened away from doing business with North Korea
- ▶ After that North Korea's nuclear tests (2006-2017) motivated the UN to take action
 - ▶ After first nuclear test (2006) Japan banned all imports from North Korea and prohibited North Korean ships from berthing in Niigata, cutting off remittances to North Korea from Japan
 - ▶ Remittances had begun to flag after KIS's death in 1994 anyway
 - ▶ By 2012 Japanese pressure against Chochongnyŏn had made them go broke and they sold their Tokyo headquarters (that had been an unofficial North Korean embassy)

Nuclear Tests and UN Sanctions Limit North Korean Foreign Trade

▶ Nuclear Tests

- ▶ 1st 10/2016, 2nd 5/2009, 3rd 2/2013, 4th 1/2016, 5th 9/2016, 6th 2017

▶ UN Sanctions

- ▶ 1718 (2006)—prohibited export of some military supplies and luxury goods to North Korea
- ▶ 1874 (2009)—broadened arms embargo and encouraged inspection of North Korea ships
- ▶ 2087 (1-2013)—clarified states' right to seize and destroy NK contraband (after satellite launch)
- ▶ 2094 (3/2013)—sanctions on money transfers to shut NK out of international financial system
- ▶ 2270 (3/2016)—banned export of gold, vanadium, titanium and rare earth metals, also coal and iron except for “livelihood purposes”
- ▶ 2321 (8/2017)—banned all exports of coal, iron, lead, and seafood, and prohibited increase of number of North Koreans working abroad
- ▶ 2375 (9/2017)—limited petroleum imports, banned joint ventures, textile exports, natural gas, and North Korean nationals from working abroad

After Kim Jong Un's succession in 2011

- ▶ Purges
 - ▶ Ri Yong-ho, Jang Sŏng-thaek—in both cases perhaps linked to foreign trading rights that Kim Jong Un wanted to take back (>Hastings p102)
- ▶ Chinese traders doing business with North Korea noticed few changes
- ▶ June 28, 2012 Measures—Field Responsibility System (Chŏnp'ŏ tamdangje)
 - ▶ Work subteams of 4-5 people (families?) rather than 15-20, but still under work team supervisor
 - ▶ State/production team split 40/60 rather than (70/30)—2013-4 were good production years for North Korea recovered by 2015
 - ▶ "Kitchen gardens" (전포=채소밭) up to 3 hectares (de facto decollectivization?)

New Situation

- ▶ Ordinary people participate in entrepreneurialism to make ends meet
- ▶ SOE's need to make money to pay kickbacks (in lieu of taxes) to the state
 - ▶ Some go directly to the Kims (3%), some to the state
- ▶ Middle management
 - ▶ Rent seeking (i.e. charging for licenses, seeking kickbacks for favors)
 - ▶ Entrepreneurialism
- ▶ Result--a mutually reinforcing ladder of patron-client relations (Hasting p 106)
 - ▶ Small fry trade in North Korean wŏn, big fish trade in hard currencies

Everybody Needs Supplementary Income

- ▶ Official salaries provided by SOE's are at the official (not black market) value of the wŏn
- ▶ Nominally civil servants get \$1-6000 a month, but in black market terms this is more like \$1.50 to \$10.00
- ▶ Thus every family has to have a side income
 - ▶ Buying and selling
 - ▶ Offering a service
 - ▶ Accepting bribes
 - ▶ Appropriating state property

Pseudo-State Enterprises (Hybrid Enterprises)

- ▶ >Andrei Lankov *JEAS* 17-51-67 (2017), also Tudor pp34-9
- ▶ Emerged in DPRK after the famine as “marketization from below” continued
- ▶ Foreign Trade Companies
 - ▶ Established by state-owned enterprises for foreign trade purposes
 - ▶ An entrepreneur with expertise and access to capital is appointed manager of a FTC “division” (kiji) and pays a commission to the central office—independent in all but name, and engages in foreign trade

Other Kinds of Hybrid Enterprises

- ▶ Directly Registered Company
 - ▶ Entrepreneur strikes deal with administration to pay a fixed sum of money (plus bribes) to be registered as a state company, but the company in fact is managed privately
- ▶ Entrepreneur takes over a state factory
 - ▶ Entrepreneur pays (say 20%) of turnover to use idle (state-owned) factory and equipment to manufacture a product
 - ▶ De jure this entrepreneur is state employee, but de facto the entrepreneur provides capital, expertise, and hires and fires personnel
- ▶ These are sometimes called August 3 enterprises—remember the August 3rd [1984] Consumer Goods Production Movement?

Where do Entrepreneurs Come from?

- ▶ Sŏngbun important to rise up the party ladder, but not relevant for businessmen
- ▶ Pay 8.3 money (p'alsam chagŭm) to be released from one's work assignment
- ▶ Acquire capital through small-scale market activity
 - ▶ Smuggle goods from Chinese border
 - ▶ Have a booth at a general market (used to cost \$100)
 - ▶ Have relatives abroad who can stake you hard currency
 - ▶ There are regular networks for smuggling money into North Korea
- ▶ \$5000 is enough to start a pseudo-state enterprise
 - ▶ It is legal for "state-owned firms" to trade with each other

Consequences I

- ▶ New class of “money lords”—tonju—who don’t depend upon sŏngbun or position in the party nomenklatura for their livelihood
 - ▶ In P’yŏngyang and other places they engage in conspicuous consumption
 - ▶ Go out to fancy restaurants
 - ▶ Wear fashionable clothes, flash watches, smart phones, imported cars
 - ▶ Live in good apartments (for which there is a market)
- ▶ Incentives of central and local officials different
 - ▶ Local officials want steady income, smooth functioning, and a healthy local economy, so allowing PSEs (for a fee) is in their interest
 - ▶ High central officials are less dependent on bribes and more ideologically committed, so they are more likely to crack down
 - ▶ Over time large-scale entrepreneurs are subject to arrest and execution

Consequences (2)

- ▶ Travel to China under Kim Jong Un was liberalized until Covid
 - ▶ Used to be only the old who could visit China because Kim Jong Il was afraid the middle aged would defect
 - ▶ North Korean was exporting labor to China
 - ▶ North Koreans go there to work and earn money to send back home
 - ▶ Buy goods in China
 - ▶ Come back to North Korea to trade
- ▶ Used to be that travel to Yanji and Dandong about the same
 - ▶ Now Dandong has overseas North Korean communities and gets almost all the travel (because of good connections to the rest of China)

Consequences (3)

- ▶ North Korean economy growing despite international sanctions
 - ▶ Even with being cut off from China as a consequence of Covid the existence of marketization and pseudo-state enterprises may very well allow modest economic growth without external stimulation
- ▶ The North Korean government is not broke because they can skim taxes off the growing market economy