[page 43]

**The North Korean Struggle for Survival: 1980-1990**

Sofie Bosma

Much has been said about the North Korean isolation from the world and its ambiguous relations with its powerful neighbours, China and the Soviet Union. In the eighties, however, many changes, both in the international and national environment, influenced this North Korean isolation. It is the aim of this paper not to examine the changing external factors that may have influenced North Korean behaviour in this critical period, but to look at internal political and economic factors that are just as important to the behavioural aspects of the regime.

The eighties saw a slowdown in the economic growth that, at first, had surpassed that of its South Korean rival. Consequently, North Korea had to break free from the self-imposed isolation of its juch’e ideology. Self-reliance had always been an important factor in North Korean politics, although it did trade with other countries, mainly China and the Soviet Union. When these ideological brothers started to turn away from certain socialist economic theories, and even become friendly with former archrivals from the mid-eighties onward, North Korea was left abandoned on a road it could not follow. The ideological system, the juch’e ideal, was the cornerstone of the regime’s legitimacy without which it would surely not have survived. It also prevented the regime from undertaking those reforms that its neighbours were so eagerly embracing.

The eighties also saw the successful rise of Kim Jong II, the future leader of the nation, and his allies. Economic well-being was essential to enable him to build up the necessary popularity and legitimacy, and he appears as the author of a number of economic measures over this period. In order to understand the economic developments of the eighties it is necessary to go back briefly in time.

[page 44] THE HISTORICAL PERSPECTIVE

The North Korean economy is one of the last and strongest centralized command economies in the world, and all means of production, distribution, and exchange are owned by the state or by co-operatives, since private ownership is a concept that is said not to exist. Economic goals are set by the state by means of plans that cover a certain time span, and planning is thus a central aspect of the economy. Consequently, economic needs and targets are determined by the state and drafted by the State Planning Commission which falls under the legislation of the Administration Council. All state and co-operative enterprises are required to conform to pre-set targets. Economic policy, however, differs from that of other socialist states in its ideological emphasis on self-reliance. It is primarily an inward looking economy that focuses on the domestic market through a strategy of import substitution, hence the priority given to heavy industry which, theoretically, would supply the economy with the means of production to further develop the light industry, agricultural, and armaments sectors.

Upon independence in 1945 expropriation was started by allocating land that was formerly owned by the Japanese and privately owned plots exceeding five hectares to landless peasants, thus creating a small, rural economy of owner operated farms. This was, however, interrupted by the Korean War of 1950,when all efforts and funds were diverted to the war. Post-war reconstruction presented a major challenge as the war had left the country devastated. Financial help was provided by the traditional North Korean allies, the Soviet Union and China. In 1957,the first Five Year Economic Plan (1957- 1961) was launched. It primarily emphasized heavy industry development, and was completed one year early in 1960. By 1958 land reform had been completed, which meant that all farms were organized into co-operatives with the ultimate goal of being transformed into state farms. These farms are government owned and often more mechanized and specialized than the co-operatives. Kim II Sung referred to them as “ownership by all the people.”

This period was marked by rapid industrial growth with stress on self-suf- ficiency. Accordingly, the state implemented the Chollima Movement. It aimed at inducing speedy economic development and socialist construction through ideological and technological revolutions. More specifically, it urged workers to produce more in a shorter period and was loosely modeled on the Great Leap Forward in China, although its effects were far less disruptive. A similar campaign was used to whip up productivity in the agricultural sector in 1960. This was the Chongsanri Method. It required administrative personnel [page 45] to follow Kim II Sung’s example of on-the-spot guidance by talking to the workers in the fields and improving their ideological education. These mass mobilization movements had a strong ideological character, and replaced the economic incentives found in the capitalist system by a form of worker motivation based on loyalty to the leader. The First Seven Year Plan (1961-1967) focused on defense issues and once again on heavy industry. This period was marked by a slowdown in industrial growth. Consequently, the Seven Year Plan was extended by three years and did not end until 1970,although even then industrial output lagged behind the set target of 18%.

A new campaign, the Tae-an System, was implemented in the industrial sector to improve output. In practice, the program centralized industrial management under the auspices of the Korean Workers Party. In the second half of the sixties South Korea started to outstrip North Korea in economic growth. This was another thorn in the side for the leadership of the country. Industrial output had slowed for a number of reasons. In the first place, there had been a large increase in defense expenditures at the expense of other sectors. Furthermore, the economy had become increasingly complex, with a strong centralized bureaucracy that became more inflexible over time, and failed to respond to the immediate needs of the economy. This resulted in severe bottlenecks and production below capacity. In the early sixties foreign aid also decreased, especially that of the Soviet Union, which was even halted in 1963-1964.

Moreover, the Chollima campaign had distorted the economy through the production of poor quality goods in the rush to meet new targets. Thus the seventies loomed dismally on the horizon whilst the government attempted to re-examine its economic policy. This resulted in a new Seven Year Plan (1971-1976) that focused on those areas that had been identified as bottlenecks in the sixties, namely mining and electric power. Nevertheless, it continued to emphasize heavy industry whilst, for the first time, the government started looking to Western Europe and Japan for the import of plants and machinery and economic assistance. Imports from non-communist countries, which had been a mere 11% in 1971, shot up to 60% in 1974. This, in turn, led to an accumulation of foreign debts and eventually to the default of debt payments in late 1974. These measures were, however, not effective and the economy continued to be plagued by the same bottlenecks with the added burden of transportation problems. The Three Revolutions Teams movement was implemented in 1973 under the leadership of Kim Jong II to try to meet the pre-set goals. The idea was that teams of young specialists were to be sent out to improve production techniques and to further encourage revolutionary zeal, revolutions which were ideological, technical, and cultural. In practice it was a[page 46] purely ideological movement that sought to re-emphasize the importance of juch’e and self-reliance and to exhort the population to work even harder whilst it attacked bureaucratic inefficiency. It also symbolized the start of Kim Jong Il’s rise to power in the party, whereby he was closely identified with the propagation of ideological indoctrination, thus fulfilling the classical role of the mentor of the people whilst also providing him with a loyal power base. The Three Revolutions were followed by the Seventy Day Speed Battle of 1974,which aimed to speed up production and surpass targets. All to no avail; 1977 was declared a year of adjustment as planned targets were not met and time was needed to prepare a new plan which would continue in the spirit of the Three Revolutions. Thus North Korea faced the eighties with large debts that had to be rescheduled in the late seventies, an increasingly sluggish bureaucracy, and complex economy, whilst industrial targets had not been met. High defense expenditures and overemphasis on the heavy industry sector had diverted investment away from other sectors, especially that of light industry and consumer goods.

THE EARLY EIGHTIES: REVIEW OF ECONOMIC POLICY AND A PERIOD OF ADJUSTMENT

The Second Seven Year Plan (1978-1984) continued to reflect the spirit of the Three Revolutions Movement, that placed emphasis on ideological education under the juch’e banner and modernization in economic development. Following the disastrous effects of the government’s venture into the world market, it is hardly surprising that the new plan did not mention foreign trade, and instead focused on the importance of juch’e and self-reliance in economic development. The plan was presented to the Supreme People’s Assembly by Premier Li Jong-ok in December 1977. It called for the traditional increase in industrial output and targeted an increase of 2.2 times by 1984. It also concentrated on the previously identified bottlenecks of mining, electrical power, and coal production needed to supply power plants with energy. Consumer goods were not an important part of the new plan, yet 60% of these were to be supplied by local production. The absence of any reference to foreign trade and the increased weight given to self-reliance were reflected by a speech given by Kye Ung-tae, at the time vice premier and minister of foreign trade to the Supreme People’s Assembly. It concentrated on the need to increase domestic production by making use of previously imported technology, but in 1979 foreign trade had risen to levels double those in 1977 and 1978.

[page 47]

The eighties appeared on a more optimistic note. On the occasion of the Sixth Congress of the Korean Workers Party in 1980, Kim II Sung gave a speech in which he supplanted the goals previously set by the Second Seven Year Plan with others that aimed at higher increases in production. These were the so-called ten long-range goals of socialist economic construction:

We have every possibility of attaining the new, magnificent long-range goals of socialist, economic construction. The independent national economy we have already built has tremendous potentialities, and our country is blessed with abundant natural wealth and unlimited scientific and technological resources which can be newly exploited and used in the future.

Clearly, Kim stresses the importance of self-reliance and the need to exploit more fully and effectively existing resources independent of foreign aid. His aim was to increase industrial output by 3.1 times by the end of the eighties, a higher target than that of the Second Seven Year Plan (see Appendix). Yet, contrary to the Li Jong-ok speech of 1977,Kim does mention the importance of foreign trade in the future development of the economy, whilst stressing the need to promote foreign trade, which should be based purely on export until such time as the country could afford to import anew:

One of the important questions arising now in the economic development of our country is how to promote foreign trade quickly. By developing foreign trade quickly in the future, we should actively export those goods that are produced in large quantities in our country and in great demand abroad, and import in time those goods which we need... In this way, by the end of the 1980s our annual exports should increase more than 4.2 times.

The experience of the early seventies, which had led to a rescheduling of debts at the end of the decade, had left the leadership wary of foreign trade and technology, but as trade had picked up by 1979, Kim became more optimistic in his speech to the Sixth Congress. Unfortunately, over the period of 1980-1983,foreign trade slipped back from the level it had reached in 1979, so Kim II Sung did not mention the issue in his 1982 and 1983 New Year speeches, and relied instead on a renewed emphasis on juch’e out of necessity, thus further isolating the country. Instead, Kim’s speeches concentrated on the need to improve coal production and consequently power. Indeed, in the 1980 speech he held that thermal power capacity had doubled over the decade of the seventies, but by 1982 he realized that coal production was not sufficient to sustain this and there was a shift back to an emphasis on hydro-electric power.

The Speed of the Eighties Movement encouraged the people to work even harder in an effort to improve industrial output and stimulate economic[page 48] growth. This movement was launched in the early eighties under Kim Jong II, as this was the period during which he was increasingly made responsible for the initiation of such movements. By late 1983 it became plain to see that, faced with slow economic growth and low international credibility because of the defaulting of payments on debts, the government could not hide behind the idea of self-reliance as a stimulant to economic expansion; more important was the need for investment. The country needed foreign capital to upgrade its production apparatus and consequently increase the production of consumer goods as the population was suffering from a lack of material incentives and even such basic commodities as food and clothing. Kim II Sung accentuated this problem in a speech given in 1979:

If only the work norms are raised without increasing rewards to the working people, they will dislike the increases in work norms, but if the living allowances, bonuses, and incentive allowances to the workers are increased in accordance with the increase in work norms, they will actually strive to improve techniques, economize on labour and materials, and produce more.

With this in mind the country applied for loans from its allies and international organizations. In 1983 it agreed to a project loan from the United Nations Development Program (UNDP). The loan covered the period from 1983-1986 and aimed to upgrade national industry, science and technology, agriculture, transportation and communication, and natural resources development. Nationally, it also launched new programs, which aimed at stimulating light industry. Limited economic reform, which was perceived necessary, slowly took form in the minds of the leadership.

CRISIS AND REFORM: POLICY ADAPTATION 1984-1990

In his speech on the thirty-fifth anniversary of the founding of the Democratic People’s Republic of Korea in September 1983, Kim Il Sung declared that the ten long-range goals of 1980 should encompass a more satisfactory solution of the food and clothing problems, the most important and urgent problems in the people’s lives. This anticipated a change in policy, that was to be implemented over the next year, and hinted at the increased difficulties of the North Korean economy as apparently it had difficulty filling the basic needs of the people. The second issue that was to emerge in 1984 was that of foreign trade. Previously, in 1982, Kim II Sung had already visited China and gone with Deng Xiaoping on a special guided tour to the new special economic zones that[page 49] China had implemented under its reform program. Kim Jong II visited China in 1983. This indicated that the leadership was examining the possibility of economic reform or limited opening up to the world. The inauguration of Kang Song-san as the new premier in January 1984 seemed to confirm this idea, as he was known for his economic expertise and commitment to the improvement of living standards. The same month saw the adoption of a resolution by the Supreme People’s Assembly “on further strengthening north- south cooperation and external economic work and further developing foreign trade”. It stated that the government had long emphasized the importance of foreign trade and, now that a strong self-reliant economy had been established, it was time to expand trade and other forms of technical and economic cooperation:

Only by widely developing external economic relations, including trade, can we accelerate the country’s economic construction and improve the people’s living standards.

At the same meeting a number of administrative reforms were implemented in the areas of domestic and foreign affairs. The most important of these was the creation of a new Economic Policy Committee under the Central People’s Committee. Furthermore, the appointment of Kang Song-san was made public at the same meeting, and he presented the resolution. Clearly, in the minds of the leadership the two issues were now interlinked and the opening of the country was seen as imperative to the improvement of economic conditions. This led to the implementation of the Joint Venture Law on 8 September 1984:

 It is a consistent external economic policy of the KWP and the government of the Republic to expand and develop economic and technical interchange and cooperation with many countries of the world. The DPRK encourages joint ventures between its companies and enterprises with foreign companies, enterprises and individuals within its boundaries on the principle of equality and reciprocity.

Two months after adoption of this twenty-six article law, Yun Gi-bok, Vice Chairman of the new Economic Policy Commission of the Central Committee, outlined the rules and regulations covering the law. These allowed the establishment of joint ventures between North Korean and foreign companies,, including companies from Western Europe, and including only those countries that “respect our sovereignty and independence”, and Koreans resident in Japan. Investment was called for in the fields of electronics, automation equip- [page 50] ment, metallurgy, mining, energy, chemicals, foodstuffs, clothes, daily necessities, construction, transportation, and tourism. Imports of goods for joint ventures were to be exempt from tariffs, as were profits for the first three years, and subsequently set at 25% adjustable downwards depending on profit levels. Within a year the government claimed to have concluded ten joint ventures, whilst it was negotiating for thirty others.

A further measure implemented in late 1984 was that of the August the Third Drive for People’s Consumer Goods, under the auspices of Kim Jong II. Kim Jong II emphasized the need to increase the supply of consumer goods by “means of tapping and using by-products, waste materials, and other local reserves”. The aim was to increase the production of goods such as clothes, shoes, utensils, and furniture by using waste materials, hard work, and innovation. Local industry would produce for local consumption under local administrative districts. Kim Jong Il declared that direct sale shops should be built up in each district of Pyongyang to meet the increasing demand of the citizens for daily necessities in keeping with the strengthening of home workshops. Thus products were sold directly to consumers through direct sale stores. Although this signified that the leadership had realized that there was a need to improve the light industry sector, it did not signal an actual move to improve the sector at the macro-economic level. The program merely sought to improve production by the utilization of local reserves using the by-products of the heavy industry sector, which reflects a shortage of resources to develop the light industry sector effectively. In Kim II Sung’s New Year speech in 1985, he noted the importance that should be given to the improvement of the population’s living standards, but the emphasis was still placed on mining, transportation, and steel production. Thus there was no significant shift to the development of the light industry sector.

The Second Seven Year Plan was due to be completed by the end of 1984,yet Kim made no mention of it in his New Year speech wherein he only announced the successful fulfillment of the economic plan for 1984. This was already indicated at the Tenth plenary meeting of the Sixth KWP Central Committee on December 10 when the meeting pointed out that:

Great successes have been achieved in attaining the targets of the Second Seven Year Plan this year by accelerating production and construction with the spirit of adding the “speed of the eighties, to chollima in all areas of the national economy and in achieving the ten major prospective targets in socialist construction for the 1980s.

Eventually, in February 1985, the Central Statistics Board reported the[page 51] overfulfillment of the Seven Year Plan. It claimed this in terms of industrial gross output value: industrial output was said to have manifested a growth of 2.2 times and the average annual growth rate reached 12.2%. Furthermore, according to the released figures, peaks in coal, cement, chemical fertilizer, textiles, and marine products were also realized. As no new plan was announced, however, until 1987,it is now assumed that these figures were not entirely accurate, and that real growth had taken place in the period 1978-1980 when plants built with foreign technology had started to operate, whereas growth slowed significantly in the early eighties.

In the period preceding the announcement of the new plan, Kang Song- san’s leadership in matters of economic policy reflected the awareness of the elites for the need to open the economy to the world, and that national economic development was thus linked to that of other countries:

It is imperative that exchanges of information and experience in the pro-duction of commodities, scientific technology and production technology occur between countries... this is a realistic need for the construction of a socialist economy.

It was realized that the development of light industry necessitated foreign aid. Throughout 1985,following the rise to power of Gorbachev in March and the implementation of perestroika and glasnost, the press carried editorials that focused on economic laws such as “the principle of value,” which suggested that more emphasis was to be placed on material incentives to encourage production, such as cost, price, and profit, although priority was to be given to political work. In practice, however, these discussions remained general in substance and resulted in only a few changes in economic policy. These involved a certain degree of decentralization of the decision making process and affected state industrial enterprises that had already achieved a certain degree of individual autonomy from central power since the sixties in the form of an independent accounting system that aimed to increase efficiency.

In 1981 responsibility was decentralized to the provinces under provincial committees for economic guidance that were responsible for managing the economic activities of the province. In 1985, however, the government established an integrated enterprise system whereby complementary enterprises were brought together under one unit to promote efficiency and reduce the problems of bottlenecks. The revised independent accounting system that emerged in 1985 gave enterprises more room for independent decision making concerning production input factors and greater discretionary powers. Furthermore, they were permitted to retain a part of excess profits for expansion and[page 52] provide material incentives to their employees. The system focused on the operational side of production whereas production output, such as prices, product, and marketing remained under central government control The government viewed it as a system of a transitory nature which combined central management by the state with autonomous management by the enterprise:

The independent accounting system is a managerial method that heightens the responsibility and initiatives of the enterprise while firmly guaranteeing the state’s centralized, planned management.... therefore, the independent accounting system must be used as a means of scientifying and rationalizing management that responds to the various economic laws operating in the socialist society.

Thus a certain degree of adaptation was deemed necessary by the leadership, but reform remained under strict government control, and the changes reflected a growing unease about the production of consumer goods rather than about the necessity of far reaching economic reform and decentralization along Chinese lines.

With the removal of Kang Song-san from the economic scene and the appointment of Li Gun-mo as his successor, a new economic plan was finally approved in 1987. The preceding two years had been governed by the National Economic Plan for 1985 that aimed to readjust the economy, or in other words to allow extra time to enable the completion of those targets that had not been met. Officially only the goals of electricity and steel fell short of their targets. More to the point, in practice, the goals of the Second Seven Year Plan had clearly not been achieved. In the words of Li Gun-mo himself:

This was a wise policy to consolidate the successes achieved in socialist economic construction during the Second Seven Year Plan, and to realize suc-cessfully the ten major prospective targets of socialist economic construction set forth by the Party Congress by comprehensively exerting the might of the economic base already built.

Throughout 1986, however, reports emerged that the country was suffering from shortages, especially of raw materials- This was confirmed by the emergence of new mass campaigns, such as Produce More With Less Raw Materials in mid 1986. In the field of consumer goods, employees were encouraged to organize side job, work teams in factories and cooperative farms to boost the production of daily necessities, which indicated that no major progress had been made in this field. At the Eleventh Plenary Meeting of the Sixth Central Committee of the KWP, held in February, the need to[page 53] solve the problem of scientific and technological development was addressed, to break new ground in the fields of laser, ultra high-pressure physics, cell engineering, and the introduction of computers. It is clear that the leadership fully realized the need to update the economy, and the only way to achieve this would be through foreign co-operation and exchange. No doubt the appointment of Li Gun-mo, one of the most progressive premiers in the history of the country, was made with this in mind. The visit of Premier Honecker of East Germany in late 1986 seemed to confirm the fact that the government was actively seeking technical assistance, even more so as the new economic plan was announced during his stay. The new Third Seven Year Plan (1987- 1993) was approved by the SPA at its second session in April, 1987 upon its presentation to the assembly by premier Li Gun-mo. In essence the plan was a four year extension of the future ten major targets adopted by Kim Il Sung in 1980 that was scheduled for completion by 1989; only now completion was deferred until 1993. The new plan again focused on the problem of electricity with an aimed output of 100 billion kilowatt-hours per year. To this aim most power was to be generated by expanding existing thermal power plants combined with nuclear power plants that were to be built with Soviet assistance. Indeed, the first of these had been completed in 1985. The problems facing steel production had not been solved as the target set by the Third Seven Year Plan was one third below that set by Kim II Sung in 1980:

Considering the changed circumstances and the demands of the people’s economy, our party and the government of the Republic have decided to adjust the steel production target among the 10-Iong range goals. ...Today, throughout the world, the rolled steel market is sluggish. As a result, in many countries steelworks are unable to operate properly.

Concerning the issue of consumer goods, Li’s report referred to more smoothly solving the question of food, clothing, and housing, suggesting that the issue remained a problem and no significant improvements had been made. Because the consumer industry relies on local production on a small scale (the side-work teams were another method or increasing production at a local level), black market activities started to emerge. These are known as farmer markets. They function like a normal free market with ready availability of goods superior in quality to those sold in state markets. They are said to account for about 10% of the market and are tolerated by the government if for private needs.

[page 54]

With the economy slowing significantly, or even facing a crisis, over the second part of the eighties, the country was increasingly faced with a Jack of the resources needed to re-launch growth. Nothing had been done to solve the problem of huge foreign debts and in late 1987 the government could no longer meet the interest payments on its debt of $779 million, and North Korean assets abroad were frozen. The country was in dire need of foreign currency and, with this in mind, the new plan increased the targets for a number of export products, such as non-ferrous metals and marine products, whilst it also aimed to increase foreign trade 3.2 times. The joint venture law had not yielded the expected results and foreign capital was not drawn into the country. It had mainly attracted loyal Korean residents in Japan, known by the name of chongryon, and a few investments from China and the Soviet Union. The ideological rigidity, uncertain profitability, and lack of international credibility seem to have been the main deterrents, especially for western investors. Furthermore, bad communications and infrastructure combined with limited markets could not convince prospective investors of the economic viability of launching upon such a risky scheme. The construction, which started in 1984, of a large 46-story hotel in a joint venture with a French firm, came to a standstill in 1985 whilst the hotel remained uncompleted. At the end of 1989 most of the joint ventures, including chongryon entrepreneurs, were reportedly 102 in number. Most of these were operating by early 1990 and were in the form of small-scale factories specializing in consumer goods. In April 1987, North Korea’s first golf club, the product of a joint Japanese North Korean effort, was opened in Pyongyang, presumably to the great joy of the Japanese investors.

Kim Il Sung’s New Year’s message of 1988 differed greatly from that of 1987; indeed it reaffirmed the importance of juch’e in carrying out the three revolutions and did not mention the need for foreign technology and capital. The appointment of Yon Hyong-muk around the same time was presumably made with this in mind. Known for his commitment to the juch’e idea, it signaled a return to a more conservative approach to foreign trade, but the Thirteenth Plenary Session of the Sixth Central Committee of the KWP discussed the development of science and technology, and especially the importance of electronics and biotechnology, to achieve the modernization of the people’s economy. This could hardly be achieved indigenously without the aid of foreign inputs; hence the words of the leader contradicted actual economic policy. It could be that propaganda was seen as a measure to prevent foreign penetration from influencing North Korean society which in turn would undermine the regime. If the population strongly believed in the juch’e ideal whilst con- [page 55] demning the rest of the world, any contradictory reports emanating from foreign sources could be dismissed as propaganda and loyalty to the regime ensured.

In the same speech Kim Il Sung admitted that the country was suffering from shortages of food, clothing, and housing, fairly necessary items. The World Festival of Youth and Students, held in Pyongyang in 1989,further contributed to the economic difficulties facing the regime. The country had to bear the full cost of the event, and unlike South Korea, which recouped most of the cost of the 1988 Olympics through commercial fees, did not recoup any. The cost was estimated by the government at $4.5 billion. In the second half of the eighties, North Korea had embarked on, albeit limited, economic reforms five years after those of China and a year before those of the Soviet Union. By the time changes were sweeping through the former Eastern Block, which were perceived as a serious threat by the North Korean government, the country found itself in a serious economic crisis which had led it to rely more strongly on the idea of self-sufficiency notwithstanding the realization that foreign exchange was to be the only effective medicine. The question remained of how to administer it without undermining the political system of the country.

THE REDEFINITION OF JUCH’E AS A MEANS OF POLITICAL SURVIVAL

The move in the late eighties to open up the economy was implemented under a leadership whose political philosophy remained that of juch’e and self-reliance which underpinned the entire legitimacy of the regime. Over the last forty odd years the political system had revolved around this concept. It has been cited as the basis of North Korea’s claim to an important position among other developing countries, because, in theory, it does not rely on any major power for support. It has also been a strong component in the propaganda battle with South Korea, as it could claim moral superiority over a ‘corrupt’ leadership that had sold its soul to foreign powers for economic gain and military protection. To reconcile the new economic moves with its political philosophy, the latter would have to be adapted to include new concepts without losing any of the power which had enabled the leadership to justify its rule for over forty years. The political element would, however, remain more important than the economic components, as the entire system is built on abstract political concepts. Juch’e had to remain the only existing philosophy if the regime were to survive and not lose credibility. Furthermore, in a strictly con-[page 56] trolled society where the population has no knowledge of the outside world, not indeed of the fact that North Korea might not quite be a ‘paradise on earth’, the move away from excessive self-reliance could in itself be construed as a failure of the system. This had to be prevented at all costs, and that is one of the reasons that the reforms were far more limited than those of China in the late seventies or those of Vietnam in the late eighties. The collapse of socialism that spread throughout the Soviet empire in the late eighties was a further threat to the socialist elements that were the foundation of the juch’e philosophy. The failure of the socialist system combined with an economic crisis, which could only be salvaged by opening the country’s economy to foreign exchange, threatened the entire political legitimacy of the regime. Consequently, the only way to survival was through adjustment of the political philosophy, first by redefining it to encompass other forms of economic development and secondly by disassociating juch’e from other forms of socialism.

In the early period following the 1984 Joint Venture Law the regime was largely in favor of economic opening, as witnessed by Kim Il Sung’s New Year’s addresses and the goals of the 1984 and the 1987 Seven Year Plans. In the late eighties, however, notably in 1988,there was a move back to reaffirming the importance of self-reliance for economic development. In fact, following the decision to open the economy the government had been increasingly concerned with the possibility of adverse impact from abroad. Leading newspapers started warning the population of the dangers of capitalist influence:

The victory of socialism in our society can be secured only when we eradicate the dangers that may induce us to return to capitalism.

The reform movements that were sweeping through the Soviet Union and Eastern Europe were strongly criticized in the press and emphasis was put on the successful transfer of power to Kim Jong Il in order to avoid any possible factionalism and social unrest. Internally the renewed emphasis on juch’e was further strengthened and adapted to the changing political circumstances. In 1986 a new theory appeared, under Kim Jong Il’s name. This was known as the Social Political Life Theory which applied a “biological-organic” theory to juch’e ideology. In fact it compared the relationship between leader and followers to that of parents and children and was meant as a justification of the population’s remaining loyal to the leader:

Nothing is more important to an individual than human life. Of all forms of life, socio-political life is more important than physical life, and social group life is more important than individual life. Only by relying on social group life can individual life be possible. Thus, when an individual is loyal to his Leader-[page 57] party-people, the origin of his own life, he is doing it out of the intrinsic need of his socio-political life, not because someone is asking him to do so. This is because being loyal is not for others, but for himself.

The leader, of course, is the centre of the social group, and as such loyalty must be extended to him unconditionally:

In our country, everyone regards and supports the leader as they would their own father. They trust and follow the party, regarding its embrace as that of their own mother. The leader, the party and the people form one socio-political organism, and share the same destiny.

As the theory carried Kim Jong Il’s name, an analogy can be drawn with the role of his father, and it is clear that the content of juch’e, over all these years, has not significantly changed and still carries strong Confucian origins. In the same year Kim Jong Il also launched the idea of the supremacy of the Korean nation, which had clear connotations of nationalism, a concept that Kim Il Sung had always abhorred as one that contained both imperialist and aggressive elements. Juch’e, on the other hand, was justified as a form of defense against foreign influence and aggression and could not, in his eyes, be equated with nationalism. Until 1985 nationalism was rejected as:

... an ideology justifying the interest of the bourgeois in the name of the people’s interests, that is obscuring class contradiction and impeding the working class’ struggle, and serving as a justification for foreign invasion and plunder.

With the implementation of perestroika in 1985, however, and the inherent criticism of the socialist system that followed over the years, North Korea was anxious to establish an identity which would dissociate it from the tottering political scene of the former Soviet Union. The solution was to redefine the concept of the nation, and accordingly numerous volumes on the subject of the nation’s essence and nationalism were published throughout 1985, topped by a publication called the ‘Theory on the Supremacy of our Nation in 1989. The new definition given by Kim Jong Il was as follows:

The basic essence constituting nationality is consanguinity, language, and common region. Among these, consanguinity and common language are the most important elements of nation.

At the basis of the redefinition lies the principle of maintaining the North Korean socialist system by emphasizing its independence from the socialist block, that of China as well as that of the Soviet Union, and that its road to socialism was now to follow a path of its own, namely that of “socialism of [page 58] our own style,” which leaned heavily on juch’e and self-reliance and would not include far-reaching economic reforms in the Chinese or Soviet style. The move away from economic issues, which featured in many publications in the first half of the eighties, signified that the regime was facing increased economic difficulties. The emphasis now lay on the mental and psychological satisfaction of the people, appealing to feelings of nationalism and unconditional loyalty to the leader, old or new, as a defense against the threatening world that lay beyond the frontiers, a threat that could seriously undermine the legitimacy of the regime at the dawn of a new decade.

At the dawn of the nineties, North Korea was still protected by its ideological walls, although it continued to flirt with foreign capital with the opening of a special economic zone in the faraway and isolated region of Rajin-Sobong. With Kim Jong Il now firmly in place, as the first father-to-son succession of the communist world is completed, it seems unlikely to change:

... Comrade Kim Jong Il consolidated the political and ideological situation of our country and, at the same time, directed greater energies to strengthening the People’s Army, the pillar of our revolution and the main force for completion of the juch’e revolution, and he led the party, the army, and the people to rise up under the banner of self-reliance, overcome the economic blockade of imperialists and repeated national disasters, and bring about a turn in socialist economic construction.

It is really a miracle that we have exalted the dignity and honor of Korea, the homeland of juch’e, defending socialism by ourselves.

Obviously the ideological emphasis continues to lie on self-reliance and an independent economy; extraordinary is the fact that the revolution has become a national cause. It has even become a property of the nation; it has become a ‘juch’e revolution’ and North Korea seems to be the only country in which socialism has survived. No longer is ‘socialism of our own style, the projected road. North Korea is now the defender of the socialist ideal.

In 1995. the world predicted an economic collapse within the next couple of years and South Korea started to build refugee camps to cope with the expected flow of economic refugees, but despite the death of Kim Il Sung at a most inopportune time when he was negotiating with the United States and South Korea for a peace treaty and possible economic relations and a three- year wait for his successor to be announced amidst speculation that Kim Jong Il lacked sufficient army support, and despite reports of a famine that could be killing thousands of people and a worsening economic crisis, the government still stands; political continuity seems assured, and North Korea continues to defy international opinion on all fronts.

[page 59]

**BIBLIOGRAPHY**

Ahn, Yinhay. 1993. Elite and policy making in North Korea: a policy tendency anal-ysis. The Korean Journal for National Unification Volume 2.

Clough, R.N. 1987. Embattled Korea: The Rivalry for International Support. Westview Press.

Jun, Sang-in. 1993. A maker of history vs. a victim of history: a comparative histori-cal study of economic reforms and developments in Vietnam and North Korea. The Korean Journal of National Unification, Volume 2.

Koh, David. 1982. The political economy of the DPRK in the post-1958 period. Journal of Contemporary Asia, 12-3.

Kim Jong Il. 1994. Socialism is a Science. Pyongyang.

Korean Central News Agency, Pyongyang.

Lee, Chong-sik. 1994. Prospects for North Korea. Unpublished, presented at Direction and Durability of the Four Remaining Socialist Countries: China, Vietnam, Cuba, and North Korea. Korean Association of International Studies and Research Institute for National Unification, Seoul.

North Korea Quarterly 191. 1989.

Oh, Kong-dan. 1988. Leadership change in North Korean politics; The succession to Kim Il Sung. Rand Publication Series, October.

Oh, Seung-yul. 1993. Economic reform in North Korea. Is China’s reform model relevant to North Korea? The Korean Journal of National Reunification 2.

Suh, Jae-jean. 1992. Theatrical Revision of Juche Thought and Nationalism in North Korea. The Korean Journal of National Unification 1.

Vantage Point. Seoul: Naewoo Press.

[page 60] Long Term Economic Goals over the Eighties

|  |  |  |  |
| --- | --- | --- | --- |
| Sector | 10 Long Term Economic Goals | Second Seven-Year Plan (1978-1984) | Third Seven-YearPlan (1987-1993) |
| Electricity | 100 billion kwh | 56-60 billion kwh | 100 billion kwh |
| Coal | 120 million tons | 70-80 million tons | 120 million tons |
| Grain Products | 15 million tons | 10 million tons | 15 million tons |
| Rice |  |  | 7 million tons |
| Chemicals | 7 million tons | 5 million tons | 7.2 million tons |
| Machine Tools |  | 5 million tons | 2.5 increase (no figu- |
| Cement | 20 million tons | 12-13 million tons | 22 million tons |
| Marine Products | 5 million tons | 3.5 million tons | 12 million tons |
| Textiles | 1.5 billion meters | 800 million meters | 1.5 billion meters |
| Non-ferrous Metals | 1.5 million tons | 1 million tons | 1.7 million tons |
| Tideland Cultivation | 300,000 hectares | 100,000 hectares | 300,000 hectares |
| RR Freight Transportation |  |  | 1.6-fold increase |
| Auto Transportation |  |  | 2.6-fold increase |
| Foreign Trade |  |  | 3.2-fold increase |
| Technicians and Specialists |  |  | 2 million |

Source: North Korea Quarterly 48, Spring 1987, pp. 42-49