

A “Strong and Prosperous Country”?

Field Report from North Korea

Dr Benjamin Habib
La Trobe University

Paper presented at the Australian Political Studies Association conference, 24-26 September, University of Tasmania, Hobart, Australia.

In December 2008 the Kim regime announced its intention to mobilise the country toward the goal of turning North Korea into a “strong and prosperous country” in time for the centenary of Kim Il Sung’s birth in 2012, through a concerted nation-wide mobilisation campaign based on the *Chollima* movement launched in 1956. The decade following original *Chollima* movement was considered to be North Korea’s golden age, when its economic growth and standard of living was at its highest, in line with the initial growth successes achieved by countries throughout the Communist bloc during that time (Chung 2009). The timing of the neo-*Chollima* announcement was no accident. Reports surfaced in August 2008 that Kim Jong Il had suffered a stroke, compounding the urgency of earlier rumours that he suffered from diabetes, high blood pressure and heart disease, and is thought to have undergone heart surgery in 2007 and 2008 (Erlanger 2008). Kim’s ill health is likely to have accelerated succession planning and increased the urgency of the task of economic development to lay the foundation for a smooth leadership transition.

Kim Jong Un’s designation as heir to the North Korean leadership in 2009 added new impetus to research into regime stability in the DPRK. Prior to Kim Jong Il’s death, authors such as Lim and Yoo (2010) investigated the factors influencing Kim Jong Un’s choice as designated heir. Byman and Lind (2010), Park (2011), and Choi and Shaw (2010) emphasised Kim Jong Un’s position within the structure of North Korean elite politics as a determinant of smooth leadership succession. Anticipating a rocky leadership transition, Cho (2012a), Stares and Wit (2009), Bennett and Lind (2011), and Hassig and Oh (2011) explored the possibility of rapid political change and the implications of a power vacuum in the DPRK. Others such as Lee (2012) and Cho (2012b) surveyed possibilities for regime evolution under Kim Jong Un.

Fast-forward to Kim Il Sung’s centenary year: Kim Jong Un has assumed the leadership after the passing of Kim Jong Il in December 2011. Now is an appropriate time to re-consider the issues of North Korea’s economic development and regime stability raised by the neo-*Chollima* movement mobilised in December 2008. Has North Korea become a “strong and prosperous country” in the intervening period, in time for the 2012 centenary year? Has Kim Jong Un enjoyed a trouble-free transition into the leadership? What challenges remain to achieving the “strong and prosperous country” objective and the cementing of Kim Jong Un’s rule? 2012 has been a pivotal year in the history of the DPRK and therefore a propitious time for a North Korea analyst to visit the country to be an eyewitness to this extraordinary historic moment.

Methodology: In-country Field Research in the DPRK

This paper is inspired by observational data obtained on field trips to North Korea (visiting Pyongyang, Kaesong, Wonsan and Hamhung) in July 2012 and the Yanbian Korean Autonomous Prefecture (visiting Yanji, Hunchun and Fangchuan) in Jilin Province, China, in December 2011. There is no substitute for in-country experience in coming to terms with North Korea and contextualising primary source data and secondary source accounts. One cannot fully understand the relentless psychological assault of the regime's personality cult without experiencing it directly, or fully appreciate the scale of the country's land management problems without seeing the scale of mountainside erosion with one's own eyes.

However, direct observation has its limitations. Generally, foreign visitors can only visit the DPRK as members of an officially sanctioned tour group, chaperoned at all times by one or more regime officials. While these officials perform all the ordinary functions of tour guides, they are also required to report to their superiors regularly on the behaviour of tour participants and where multiple guides accompanying a group, on each other as well. Tour itineraries are structured to prevent independent travel and to make sure visitors only see and photograph approved sites. Interaction with ordinary North Koreans is minimised by pre-planned clearing of public spaces or through the discretion of North Korean citizens themselves, who understand that interaction with foreigners can bring them unwanted attention from the coercive apparatus of the state. The result is a Potemkin village effect, painting a picture of the DPRK that may be constrained, distorted and incomplete. Nonetheless, a perceptive visitor will look for clues from what one *is* allowed to see (buildings, land, people, propaganda and discussions with guides) as well as what one is not.

For epistemological clarity, observations made in-country need to be corroborated by other information sources. This paper makes use of several additional information sources to corroborate my field observations, including economic data published by the *Bank of Korea*, diplomatic cables from the Wikileaks "Cablegate" cache,¹ and official material published by the North Korean government via the *Korean Central News Agency* and the *Foreign Languages Publishing House* in Pyongyang, along with secondary material from the academic literature. All of these data sources have limitations, but by piecing them together through a process of cross-referencing, one can develop a more accurate picture of the DPRK than would otherwise be visible through any one information source.

Field Report

New Wealth in Pyongyang

There is visible evidence of a new affluence in Pyongyang that was not visible prior to 2009. The most obvious examples are additions to the city skyline, including the freshly-built "new street" modern apartment buildings adjacent to Mansudae, built specifically as a celebration of North Korean prosperity in 2012. These buildings, along with Juche Tower and the Mansudae monuments have a guaranteed redundant electricity supply so their bright neon

¹ *Wikileaks* documents are cited throughout this paper using each cable's unique reference number (e.g. 09BEIJING5435 — year/embassy/cable number in that year). Caveat: care must be taken to corroborate raw data from diplomatic cables, which are themselves necessarily second-hand information sources.

lights are always visible at night, such is their importance in conveying regime prestige and commitment to its stated goals of a “strong and prosperous country.” The monumental Ryugyong Hotel is also nearing completion. Construction began on this immense pyramid-shaped building in 1992 but stalled during the Arduous March period as the North Korean economy contracted, leaving it as a conspicuous concrete shell on the Pyongyang skyline for over a decade. Its glass and steel exterior is now finished with final completion of the building slated for the end of 2012. At street level, a greater number of motor vehicles are using the roads and while the number of cars remains insufficient to generate gridlock, traffic flow has increased significantly from the recent past. There were a considerable number of mobile phone users in Pyongyang (09SEOUL661),² along with numerous small tents on many city streets, where state-sanctioned vendors sell food, drinks and cigarettes. Residents appeared well dressed and reasonably well nourished in comparison with residents from other areas of the country we visited, which corroborates reports from international NGO employees cited in diplomatic correspondence (09SHENYANG185).³

Where is this Wealth Coming From?

What revenue streams are funding Pyongyang’s *nouveau* affluence? As a result of long-term systemic decay of its command economy prior to 1991 and its collapse during the mid-1990s, North Korea produces very few goods of tangible value that could raise export revenue. The North Korean economy was originally developed with an emphasis on heavy industry, an approach that was initially successful but which fell away from the late-1960s as global demand for high-tech light manufactures began to outpace that for heavy industrial products. As late as 1990, heavy industry—mining, manufacturing and construction—accounted for 49 percent of the North Korean economy. By 1997 however the industrial sector had dropped to 32 percent of the overall economy, clearly affected by the resource shock that accompanied the cessation of imports from the Soviet bloc. By 2004, the manufacturing sector accounted for only 18.5 percent of GNP (Bank of Korea 2005a), part of an industrial sector that had recovered to constitute a 40 percent slice of the North Korean economy by 2007 (Nanto and Chanlett-Avery 2008, 13). Manufacturing continues to be hampered by energy shortages, low labour productivity and a dilapidated industrial base whose infrastructure was stripped and sold during the famine (International Crisis Group 2005b, 14). These circumstances leave few candidates as income sources that could potentially fund the new development evident in Pyongyang today.

Arms Sales

The military economy is now the most important component of the North Korean economy, encompassing all activities related to the production, distribution and consumption of materials within the military sphere. The National Defence Commission controls all activity within the military economy, responsible for planning, financing, production and distribution of military-related equipment and technologies, as well as a large portion of foreign sales of military hardware (Pinkston 2003, 45-47). The vehicle for the growth of the military sector

² According to Western diplomats in Pyongyang, Egyptian company *Orascom* launched a 3G mobile phone network in the DPRK in December 2008.

³ This concurs with the observation of one foreign aid worker with prior experience in famine zones across Africa, who was quoted by Norma Nichols, Dean of the Yanbian University of Science and Technology, as saying “I know what starving people look like...these people are clearly not starving.” Nichols shared this observation with diplomatic staff from the US consulate in Shenyang, China.

has been Kim Jong Il's doctrine of *Songun* (*military-first*) politics, first proclaimed in 1998. The ultimate goal of *Songun* politics is to create a self-sustaining defence sector in which military activities generate more resources and economic goods than they consume (Eberstadt 2006, 288-89). Estimates of annual military expenditure range from US\$1.7 billion to US\$5 billion, or between 15.7 and 27.2 percent of North Korea's GNP. Yet these figures alone understate the size of the wider military economy, which commands preferential allocation of the country's materials, resources and labour force. Not only does it subsume the tasks of provisioning supplies and armaments for the KPA, it incorporates many other aspects of the civilian economy (Ri 2012, 18). I observed KPA work crews employed in agricultural and construction labour on several occasions.

Arms exports have become an important sector of the military economy, with military-run enterprises producing products including small arms, artillery, and light tanks for export. The regime has sold ballistic missile systems to Iran, Pakistan, Yemen and Syria, along with alleged sales to Iraq prior to 2003, Nigeria, Gaddafi-era Libya and Mubarak-era Egypt (Kim 2011; Noland 2002, 173). Earnings from weapons exports reportedly net North Korea up to US\$1 billion annually, approximately half of which came from the sale of missile systems (Pinkston 2003, 5). Kim Kwang Jin (2011), a North Korean defector and former fund manager for the National East Asia Bank operated out of the Korean Workers' Party Organization Guidance Department, claimed in 2011 that his bank alone handled several hundreds of millions of dollars a year in income from weapons sales.

Criminal Economy

In addition to arms sales, profit margins on illicit activities are often as high as five hundred percent, far beyond those earned by conventional trade (Asher 2005). The Kim regime is widely accused of involvement in the production and distribution of drugs, including heroin and methamphetamine, although there have been no recorded instances of narco-trafficking linked back to the DPRK regime since 2003 (US Department of State 2010, 480-81). Other lucrative criminal activities including counterfeiting, money laundering and smuggling carry the Kim regime's fingerprints. North Korea was the source of so-called "super-notes"—high quality counterfeit US\$100 bills—which have been circulating globally since 1989 (07STATE94546).⁴ The counterfeit production of cigarettes has become a lucrative earner: a container-full of cigarettes may cost US\$70,000 to produce, but can retail on the street for between three and four million dollars. It is likely that North Korea's annual income from counterfeit cigarettes is as high as US\$80 to US\$160 million (Chestnut 2005, 92). North Korea has also been involved in smuggling items such as conflict diamonds, ivory, rhinoceros horn, and other exotic animal species, often under the cover of diplomatic protection. Kim Kwang Jin (2011), mentioned above, has made sensational claims about the Kim regime's establishment of a "royal court economy" financed by systematic international insurance fraud. The full spectrum of illicit activities linked to the regime indicate that systematic regime-backed criminal enterprise is an important source of hard currency, with speculative estimates of illicit income ranging from US\$500 million to US\$1 billion annually (Perl and Nanto 2007, 2).

⁴ This classified cable (07STATE94546) unearthed in the Wikileaks cache discusses North Korea's distribution of "supernotes" and attempts to purchase a custom-built bank note press from German company *Drent Goebel*.

Resource Extraction

The DPRK has a rich endowment of mineral resources including rare earth metals and a substantial endowment of anthracite and bituminous coal, the two highest grades of coal (Kwon 2009, 10; Aden 2006, 10). Indeed the resources sector is one of the few non-illicit sectors where North Korea has a comparative advantage. Chinese state-owned companies began growing investment in North Korea's mining and resource sector from 2005, accelerating rapidly from 2008 (Gearin 2010, 3). The timing of this acceleration coincides with a renewed focus from the North Korean government in developing the mining sector. The regime's 2009 Joint New Year Editorial (2009c) announced expansion of production and profit from mining as one of its priorities for economic regeneration:

The coal industry should boost production. It is necessary to strengthen material and technological foundations of rail transport and organize and guide transport scrupulously to remarkably raise the railway traffic capacity. The mining industry should develop promising mines on the principle of bringing profit and the machine-building industry should boost production and accelerate modernization.

Coal exports are conspicuous on North Korea's roads, where red trucks laden with coal can be seen regularly driving toward Pyongyang and then north to the Chinese border. According to Bank of Korea data for 2011, the mining sector grew 0.9 percent, along with the construction (3.9 percent) and services (0.3 percent) sectors (Park 2012, 3). The growth statistics in construction and services would appear to corroborate the visual evidence of new wealth in Pyongyang, with income from mining providing the foreign currency to pay for it.

I postulate that of the foreign income sources discussed above, it is revenue from resource exports that has funded this new development. Revenue from military and illicit exports have been propping up the North Korean state since the Arduous March period, in addition to funding the development of the regime's nuclear weapons program. The only revenue stream that has shown visible growth in the period from 2009 that coincides with Pyongyang's new affluence is growth in resource exports. North Korea also generates foreign currency from remittances from North Koreans working in China and Russia (08MOSCOW3210),⁵ payments in the order of US\$20 million obtained from its cooperative venture with South Korean companies at the Kaesong industrial precinct (Nanto and Chanlett-Avery 2008, 22) and a small but growing tourism industry, part of the growing services sector. However none of these sources is likely to be large enough to account for Pyongyang's new affluence.

Persistent Agricultural Challenges

Many of North Korea's problems with agriculture are evident to an observer driving through the North Korean countryside, evident in cropping patterns, the activities of labourers and the physical scarring of the landscape. Geography and climate have always hampered food production in North Korea. Only a few regions are suitable for large-scale agriculture due to mountainous topography and the large temperature variation between winter and summer, which limits the length of the growing season. In 2004, the proportion of cultivated land in North Korea was estimated at 17-18 percent of the total land area, much of which was poorly productive due to inferior soil fertility (FAO/WFP 2008b, 13-15).

⁵ According to North Korea experts located in Vladivostok who were interviewed by American diplomats from the US embassy in Moscow, there were up to 3,000 North Korean citizens working in the Russian Far East, along with 35,000 ethnic Korean Russians living in the area.

Man as the Master of Nature

Great Leader Kim Il Sung attempted to address the arable land problem through an enormous land reclamation campaign to increase the stock of land under cultivation and bring the country into agricultural self-sufficiency. Mountainsides were terraced, land reclaimed from the sea, and over forty thousand kilometres of irrigation canals were cut to increase the stock of arable land for farming. Reflecting its communist heritage, North Korean propaganda often emphasises the primacy of man over his environment:

The basis of the *Juche* idea is that man is the master of all things and the decisive factor in everything. Remaking nature and society is also for people and it is work done by them. Man is the most precious treasure in the world and he is also the most powerful (Kim 1973).

These grand agricultural schemes came at a cost that would come back to haunt the regime. Mountains were terraced too steeply, which along with deforestation has contributed to soil erosion of the denuded hills. Nonetheless, Kim Jong Un has maintained a heroic humanist bent in his April 2012 proclamation on land management:

Under his wise leadership and concern, monumental structures of lasting value have sprung up across the country, and streets and villages have been turned into socialist fairylands. The land under cultivation in the country has been realigned into large-sized, standardized fields as befits the land of socialist Korea, vast tidal flats have been reclaimed into arable land and solid material and technological foundations have been laid for covering the whole country with trees and flowers (Kim 2012a).

The degree of mountainside cultivation is staggering to the foreign observer. Remnant evidence of the Kim Il Sung-era mountain terraces still exists in some places, though they are no longer cultivated and have been badly eroded. Today, mountainside cultivation consists of furrows dug into the slope by hand, which are readily washed away during summer monsoonal downpours in the absence of any trees or engineered structures to anchor the soil.

Deforestation of mountains for crop cultivation and firewood has severely reduced the water catchment capacity of the mountains and led to increasingly intense flooding events in the land below (WFP 2006, 5). When flooding occurs, crops sown in the valleys are destroyed, valuable top soils washed away, roads are cut and rivers clogged with silt. Mounds of silt and rubble remaining from past flooding events were evident in many of the river beds that our tour group crossed en route from Pyongyang to Wonsan. North Korea is susceptible to torrential rain and flooding, typhoons, drought, and acute cold weather. Since 1991, large-scale flooding events have occurred in 1995, 1996, 2001-02, 2004-07 and 2012, punctuated by drought years in 1997 and 2000 (Nanto and Chanlett-Avery 2008, 7). Although the North has increased its resilience against extreme weather events, repeated and sustained natural disasters decrease agricultural yield and thus worsen food insecurity within the country. Crop damage reduces the amount of produce available for distribution via the state ration—the Public Distribution System—and forces up the price of food sold on the black market (Yoo and Park 2012).

Productivity and Food Security

Rice paddies with herbs grown on their dividing embankments were observable on flat terrain along the tour routes from Pyongyang to Wonsan, Sinchon and Kaesong. Mono-crops of corn were grown on more undulating terrain, interspersed occasionally with discrete sections of wheat-corn companion cropping. On our tour, guides at the Chonsam Collective Farm near Wonsan stated that their farm cultivates a double crop of rice followed by potato and

wheat. Nonetheless, North Korea has experienced a permanent annual food deficit since the mid-1990s. Woo-Cumings (2002, 23) has estimated the minimum amount of grain needed for subsistence at between five and six million tons per annum, an amount that has not been reached by domestic production since the 1980s. According to the Food and Agriculture Organisation, an annual cereal deficit of 836,000 tonnes (as of 2008-2009) has left 32 percent of North Koreans undernourished (FAO/WFP 2008b, 21).

The food deficit in combination with official land management practice creates an incentive for the cultivation of marginal land. All the best farmland is monopolised by collective and state-run farms. Individuals are allowed to maintain private plots, either around their homes or in other locations such as mountainsides that are not under any other land use. In every city and town on the tour route, crops grown in private gardens looked noticeably healthier than those grown on farms. Citizens have a greater incentive to take good care of the crops they grow in their private gardens, which they will either eat or sell for profit, than they do to care for the crops they tend on collective and state-run farms, whose produce is appropriated by the state. Given this incentive structure, the unreliability of government rations and the fluctuating price of food on the black market, it is unsurprising that many North Koreans look to augment their food security in these ways.

A striking aspect of rural North Korea is the number of people in the countryside, tending to crops or walking along the roadside, in addition to ox-drawn carts, “smoker” trucks powered by coal briquettes and the occasional 1950s-era *Chollima* tractor. This is a clear indication that agriculture in North Korea is extraordinarily labour-intensive. Farm machinery and electric-powered irrigation systems are used sparingly due to energy shortages. Farm production continues to depend on human and animal labour to compensate for aging mechanised farm equipment, which lies idle due to economic sanctions and the inability of the regime to import new equipment and spare parts. Where double cropping has been employed, further strain is placed on farm labourers, draught animals and aging hardware because of the short time interval between the winter crop harvest and planting of the summer crop (FAO/WFP 2008b, 15).

Energy shortages compound the problem; even if the country’s farm machinery was in optimal condition, insufficient fuel is available to power its tractor fleet, limiting the rate at which harvested land can be freshly cultivated (Gunjal *et al.* 2004, 11). After 1991, the cessation of imports of fossil fuel feedstock for fertiliser production decimated the DPRK’s large indigenous fertiliser industry, in turn reducing crop yields. Soil analyses conducted by the Food and Agriculture Organisation (FAO) discovered that soil pH in the North’s cultivated regions are highly acidic. To the naked eye, some areas of soil on the Hamhung plain between Wonsan and Hamhung looked to be clay-based and lacking in humic material, the type of exhausted soil one might expect to see where cropping is relentless and nutrients can’t be replenished in the absence of adequate fertiliser supplies. By growing crops with significantly less fertiliser inputs, North Korea’s farms have effectively been mining nutrients from the soil, continually decreasing the fertility of those soils (FAO 2003, 2).

Regime Stability and Leadership Transition

North Korea watchers are familiar with the characteristics of North Korea’s coercive apparatus and capacity for repression. However no governing system can survive for long without positive incentives for compliance to complement coercion. It is apparent that

residence in Pyongyang serves as a positive incentive for North Koreans around the country to serve the state diligently and work hard within the ruling system. The standard of living in Pyongyang is noticeably better than elsewhere in the DPRK. The opportunity to live in the capital is reserved for the most loyal and well-connected citizens. Residence in Pyongyang is both a reward for loyalty and hard work as well as a privilege that can be taken away as a punishment. This incentive structure is relatively cheap because it only requires that Pyongyang be maintained at a higher level of affluence, rather than developing other parts of the country to the same degree, as the concentration of the new wealth in Pyongyang described above would suggest. This incentive structure can be maintained regardless of who ultimately leads the regime.

Kim Jong Un's Apprenticeship

The death of North Korea's "Dear Leader" Kim Jong Il cast a cloud over the future of the already weak North Korean state. Speculation about the future of North Korea post-Kim Jong Il had mounted since reports of his poor health surfaced in 2008, raising questions about leadership succession and the viability of North Korea's unique political system. The successor to the regime leadership is Respected Leader Kim Jong Un, whose young age raised questions about his ability to seize the reins of power and the strength of institutional attachments and personal loyalties he would need to establish as the foundation of his claim to the leadership. Kim Jong Il had a 20-year apprenticeship to secure his support base before he assumed the leadership in 1994. Kim Jong Un appeared to have only three years to establish institutional connections, leading to suspicions that his claim to the throne might be weak.

The Respected Leader's apprenticeship as dynastic heir was longer than previously thought. Kim Jong Un was accompanying his father on state inspections giving on-the-spot guidance as early as 2005, while his mother, Ko Yong Hui, was gently elevated into the dynastic pantheon in official propaganda in 2002 (International Crisis Group 2012, 2). The family linkage is important because it establishes legitimacy for the heir in a dynastic succession heavily influenced by bloodlines and Confucian filial devotion. Confucian values shape social interaction through strict rules centred on the five relationships: ruler-subject, husband-wife, parent-child, elder-youngster, and friend-friend. The father-child and ruler-subject relationships are of particular relevance. The family patriarch is due filial reverence from his family, while the state's due is political allegiance from the polity. The king, in this cosmology, is both father and statesman, owed loyalty both through filial piety and political allegiance (Hahm 2004). These Confucian ideas—political centralisation and obedience to authority—date back over six centuries in Korea and are firmly entrenched in Korean culture (Harrison 2001, 70-71). Thus, the strength of the Kim Il Sung leadership cult is that it incorporated political values which sat comfortably with Korea's neo-Confucian cultural heritage, which allowed the personality cult surrounding the Kim family to grow into a separate entity from the ideological core of communism. In the Kim Jong Un era, the Respected Leader himself has referred to the unified doctrine of *Kimilsungism-Kimjongilism* as the ideological basis of his proclamations (Kim 2012b), drawing on the earlier work of Kim Il Sung and Kim Jong Il for their inspiration and in turn staking his legitimacy on the filial connection.

Succession and Power

Filial connections notwithstanding, an aspiring autocrat still requires strong institutional backing. For this reason, collective leadership was suggested as a possible succession scenario in the form of a military dictatorship of top generals ruling by committee, much like the Burmese military junta. This outcome was thought possible because the military has assumed control over the command heights of the North Korean economy under the *Songun* system. The question here is whether the interests of the institutions that control these key economic sectors and those of the generals that oversee them, are best served within the existing political arrangements. One school of thought suggests that there is little divergence of interests between factions of the ruling elite: the Kim family, backed by the Korean Workers' Party, and the Korean People's Army (International Crisis Group 2012). All members of the DPRK elite hold a privileged position in North Korean society and should the regime collapse, none of them are likely to have a role in a successor government. The outward appearance of an apparently seamless transition to date would support this view. Much of the visual propaganda apparatus around Pyongyang and elsewhere has been altered to celebrate the Respected Leader Kim Jong Un, while other murals, statues and signs have been covered for alteration. Clearly a concerted effort has gone into mobilising agitprop devices in support of the new leader, an effort that would have required significant preparation.

Alternatively, there may be factional divisions within the elite between the conservative military establishment and the reform-minded Kim Jong Un, backed by his powerful uncle Jang Song Taek. A recent report from Reuters suggests that the removal of Vice Marshall Ri Yong Ho from office, ostensibly due to ill health, was in fact the biggest play in a broader purge of the military by Kim Jong Un to consolidate his power (Lim 2012). Reigning in the power of the military under the *Songun* system would give Kim Jong Un space to make changes to the structure of the economy that might otherwise be impossible. Reports of a power struggle concur with American diplomatic cables suggesting a similar divergence between the military and Kim Jong Il in the years immediately after his succession to power, which Kim Jong Il addressed by coopting the military through the *Songun* system (95STATE260249).⁶

Divining corroborating evidence of an elite power struggle is extremely difficult given the relative opacity of North Korea's ruling circles to outsiders and even to North Korea citizens themselves. Some observations are worth noting; Kim Jong Un is a charismatic figure who presents as a more confident public figure than his father. While Kim Jong Il rarely spoke in public at all during his two decades in power, Kim Jong Un has already delivered a number of speeches and made numerous public appearances at locations like Pyongyang's Kaeson Youth Park, recently equipped with brand new amusement rides imported from Italy.⁷ The Respected Leader even looks remarkably like a young Kim Il Sung, a striking resemblance which is being utilised in regime propaganda (International Crisis Group 2012, 1). The youth and charisma of Kim Jong Un may indeed tap into a broader lust for generational change among the wider population, a thirst for something new after the privations of the Arduous March period and ongoing economic stagnation under *Songun* politics. Whether these

⁶ A classified Department of State cable from 1995 documents a possible split between pragmatists within the regime, including new leader Kim Jong Il, and conservatives within the military.

⁷ There are several red plaques on display at the Kaeson Youth Park commemorating Kim Jong Un's recent on-the-spot guidance visits. These plaques commemorating on-the-spot guidance from the Great, Dear and now Respected Leaders are common throughout North Korea.

observations are representative of a seamless leadership transition or an internal power struggle remains to be seen.

Conclusion

North Korea is not a country on the verge of collapse. While North Korea may not be a “strong and prosperous country” in real terms, there is visual and data-based evidence of growing revenue streams in the resources sector and new signs of affluence in Pyongyang, if not elsewhere in North Korea. In the medium term, growing reliance on mining revenue may expose North Korea to fluctuations in global commodity prices and the danger of the resource curse (Abrahamian and See 2012), a possibility warrants further investigation. The country remains food insecure and faces significant challenges with regard to land management and agricultural production. Nonetheless, Kim Jong Un appears to have transitioned smoothly into the leadership in 2012 and enjoys a solid grip on power. These findings are unavoidably tentative given the obstacles to comprehensive analysis of North Korean society and politics. To achieve greater certainty, one would need to consult accurate official data along with interview testimony from regime officials and other well-positioned interlocutors, information sources that are either difficult or nigh on impossible to obtain. Further corroboration with official North Korean literature, international diplomatic communications, NGO reports and further in-country observation are required to solidify the hypotheses presented in this paper. Nonetheless, 2012 has proven to be a fascinating year for North Korea watchers during this critical moment in the history of the DPRK.

Reference List

1995. United States Department of State. "95STATE260249 - // INR Assessment // - North Korea - Danger in the Wind." *Wikileaks*. <http://wikileaks.org/cable/1995/11/95STATE260249.html>.
2003. "Fertilizer use by crop in the Democratic People's Republic of Korea." Rome: Food and Agriculture Organisation of the United Nations. <ftp://ftp.fao.org/agl/agll/docs/fertuseprkorea.pdf>.
- 2005a. "Gross Domestic Product of North Korea in 2004." Seoul: Bank of Korea. http://www.bok.or.kr/contents_admin/info_admin/eng/home/press/pressre/info/NKGDGP20042.doc
- 2005b. "North Korea: Can the Iron Fist Accept the Invisible Hand?". Brussels: International Crisis Group. http://www.crisisgroup.org/library/documents/asia/north_korea/096_north_korea_can_the_iron_fist_accept_the_invisible.pdf.
2006. "Protracted Relief and Recovery Operation—Democratic People's Republic of Korea." Rome: World Food Program. http://www.wfp.org/operations/current_operations/project_docs/104880.pdf.
2007. United States Department of State. "07STATE94546 - Potential DPRK Purchase of Currency Production Equipment and Related Technology (Secret)." *Wikileaks*. <http://wikileaks.org/cable/2007/07/07STATE94546.html>.
- 2008a. United States Department of State. "08MOSCOW3210 - Watching North Korea from Vladivostok." *Wikileaks*. <http://wikileaks.org/cable/2008/10/08MOSCOW3210.html>.
- 2008b. "FAO/WFP Crop and Food Security Assessment Mission to the Democratic People's Republic of Korea." Rome: Food & Agriculture Organisation / World Food Program. <ftp://ftp.fao.org/docrep/fao/011/ai475e/ai475e00.pdf>.

- 2009a. United States Department of State. "09SEOUL661 - UK, Swedish Diplomats in Pyongyang: Offering Training and Using Cellphones (Confidential)." *Wikileaks*. <http://wikileaks.org/cable/2009/04/09SEOUL661.html>.
- 2009b. United States Department of State. "09SHENYANG185 - Yanbian Sino-Korean Harmony: This is How We Do It (Confidential)." *Wikileaks*. <http://wikileaks.org/cable/2009/10/09SHENYANG185.html>.
- 2009c. "Joint New Year Editorial Issued." Pyongyang: Korean Central News Agency. <http://www.kcna.co.jp/item/2009/200901/news01/20090101-02ee.html>.
2010. "International Narcotics Control Strategy Report: Volume 1: Drug and Chemical Control." Washington DC: United States Department of State—Bureau for International Narcotics and Law Enforcement Affairs. <http://www.state.gov/documents/organization/137411.pdf>.
2012. "North Korean Succession and the Risks of Instability: Asia Report No. 230." Brussels: International Crisis Group. <http://www.crisisgroup.org/~media/Files/asia/north-east-asia/230-north-korean-succession-and-the-risks-of-instability.pdf>.
- Abrahamian, A. and G. See. 2012. *The Diplomat*. <http://thediplomat.com/new-leaders-forum/2012/05/01/north-korea%E2%80%99s-resource-headache/>
- Aden, N. 2006. "North Korean Trade with China as Reported in Chinese Customs Statistics: Recent Energy Trends and Implications." In DPRK Energy Experts Working Group Meeting. San Francisco: The Nautilus Institute for Security and Sustainable Development. <http://www.nautilus.org/fora/security/0679Aden.pdf>.
- Asher, D. 2005. "The North Korean Criminal State, Its Ties to Organized Crime, and the Possibility of WMD Proliferation." The Nautilus Institute for Security and Sustainable Development. <http://nautilus.org/fora/security/0592Asher.html>.
- Bennett, B. and J. Lind. 2011. "The Collapse of North Korea: Military Missions and Requirements." *International Security* 36(2):84-119.
- Byman, D. and J. Lind. 2010. "Pyongyang's Survival Strategy: Tools of Authoritarian Control in North Korea." *International Security* 35(1):44-74.
- Chestnut, S. 2005. "The 'Sopranos State?' North Korean Involvement in Criminal Activity and Implications for International Security." Stanford University: Center for International Security and Cooperation. <http://www.nautilus.org/napsnet/sr/2006/0605Chestnut.pdf>.
- Cho, H. B. 2012a. "The Possibility of a Crisis in North Korea in 2012." Seoul: Korea Institute for National Unification. [http://www.kinu.or.kr/upload/neoboard/DATA01/co12-03\(E\).pdf](http://www.kinu.or.kr/upload/neoboard/DATA01/co12-03(E).pdf).
- Cho, M. 2012b. "Regime Evolution in the Post-Kim Jong Il Era and Development Dictatorship Systems Moving from a 'Suryong' Dictatorship to a Development Dictatorship." Seoul: Korea Institute for National Unification. http://www.kinu.or.kr/eng/pub/pub_05_01.jsp?page=3&num=78&mode=view&field=&text=&order=&dir=&bid=EINGINSIGN&ses=&category=.
- Choi, J. and M. Shaw. 2010. "The Rise of Kim Jong Eun and the Return of the Party." *International Journal of Korean Unification Studies* 19(2):175-202.
- Chung, Y.-c. 2009. "Economic Upsurge in the 2009 New Year's Joint Editorial." Seoul: Institute for Far Eastern Studies. http://ifes.kyungnam.ac.kr/admin/upload_file/ifes_forum/1-19-Chung.pdf.
- Eberstadt, N. 2006. "Why Hasn't North Korea Collapsed? Understanding the Recent Past, Thinking About the Future." In *North Korea: The Politics of Regime Survival*, eds. Y Kihl and H Kim. New York: East Gate Books.
- Erlanger, S. 2008. "Doctor Confirms Kim Jong-il Stroke." *New York Times*. <http://www.nytimes.com/2008/12/12/world/asia/12kim.html>.
- Gearin, D. 2010. "Chinese Infrastructure and Natural Resources Investments in North Korea." Washington DC: US-China Economic Security Review Commission. <http://www.uscc.gov/researchpapers/2010/ChineseInfrastructureandNaturalResourcesInvestmentsinNorthKorea.pdf>.
- Gunjal, K., S. Goodbody, K. Oshidari and J. Fleuren. 2004. "FAO/WFP Crop and Food Supply Assessment Mission to the Democratic People's Republic of Korea." Rome: Food and Agriculture Organization of the United Nations. <ftp://ftp.fao.org/docrep/fao/007/j2972e/j2972e00.pdf>.

- Hahm, C. 2004. "The Ironies of Confucianism." *Journal of Democracy* 15(3):93-107.
- Harrison, S. 2001. "Time to Leave Korea?" *Foreign Affairs* 80(2):62-78.
- Hassig, R. and K. Oh. 2011. "Kim Jong-un Inherits the Bomb." *International Journal of Korean Unification Studies* 20(1):31-54.
- Kim, I.-s. 1973. "On Some Problems of Our Party's Juche Idea and the Government of the Republic's Internal and External Policies: Answers to the Questions Raised by Journalists of the Japanese Newspaper Mainichi Shimbun. September 17, 1972." In *For the Independent, Peaceful Reunification of the Country*. Pyongyang: Foreign Languages Publishing House.
- Kim, J.-u. 2012a. "On Bringing About a Revolutionary Turn in Land Administration in Line With the Requirements of the Building of a Thriving Socialist Country." Tokyo: International Institute of the Juche Idea. http://juche.v.wol.ne.jp/news/e120701_7.htm.
- Kim, J. U. 2012b. "Comrade Kim Il Sung is the Eternal Leader of Our Party and Our People." International Institute of the Juche Idea. http://juche.v.wol.ne.jp/news/e120701_6.htm.
- Kim, K. J. 2011. "The Defector's Tale: Inside North Korea's Secret Economy." *World Affairs Journal* September/October.
- Kwon, G. 2009. "Global Economics Paper No. 188: A United Korea? Reassessing North Korea Risks (Part I)." Goldman Sachs Global Economics, Commodities and Strategy Research. http://www.nkeconwatch.com/nk-uploads/global_economics_paper_no_188_final.pdf.
- Lee, S.-s. 2012. "Paradox of Neoliberalism: Arab Spring's Implications on North Korea." *North Korean Review* 8(1):53-66.
- Lim, B. K. 2012. "Exclusive: Kim plans economic change in North Korea." Reuters. <http://www.reuters.com/article/2012/07/20/us-korea-north-idUSBRE86J08X20120720>.
- Lim, J.-C. and H.-Y. Yoo. 2010. "Institutionalization of the cult of the Kims: its implications for North Korean political succession." *The Korean Journal of Defense Analysis* 22(3):341-354.
- Nanto, D. and E. Chanlett-Avery. 2008. "The North Korean Economy: Leverage and Policy Analysis." Washington DC: Congressional Research Service. <http://www.fas.org/sgp/crs/row/RL32493.pdf>.
- Natsios, A. 2001. *The Great North Korean Famine*. Washington DC: United States Institute of Peace Press.
- Noland, M. 2002. "North Korea's External Economic Relations: Globalization in 'Our Own Style'." In *North Korea and Northeast Asia*, eds. S Kim and TH Lee. Lanham: Rowman and Littlefield Publishers.
- Park, H. J. 2011. "Political Dynamics of Hereditary Succession in North Korea." *International Journal of Korean Unification Studies* 20(1):1-30.
- Park, Y. H. 2012. "Gross Domestic Product Estimates for North Korea for 2011." Seoul: Bank of Korea. <http://www.nkeconwatch.com/nk-uploads/DPRK-GDP-2011-BOK.pdf>.
- Perl, R. and D. Nanto. 2007. "North Korean Crime-for-Profit Activities." Washington DC: Congressional Research Service. <http://fpc.state.gov/documents/organization/81342.pdf>.
- Pinkston, D. 2003. "Domestic Politics and Stakeholders in the North Korean Missile Development Program." *The Nonproliferation Review* 10(2):1-15.
- Ri, J. C. 2012. *Songun Politics in Korea*. Pyongyang: Foreign Languages Publishing House.
- Stares, P. and J. Wit. 2009. "Preparing for Sudden Change in North Korea." Washington DC: Council on Foreign Relations. http://www.cfr.org/content/publications/attachments/North_Korea_CSR42.pdf.
- Woo-Cumings, M. 2002. "The Political Ecology of Famine: The North Korean Catastrophe and Its Lessons." Tokyo: Asian Development Bank Institute. <http://www.adbi.org/files/2002.01.rp31.ecology.famine.northkorea.pdf>.
- Yoo, C. and J.-m. Park. 2012. "U.N. team to tour flood-hit North Korea, no word from leader Kim." Reuters. <http://www.reuters.com/article/2012/07/31/us-korea-north-flooding-idUSBRE86U03320120731>.