

Current Policy Debates in North Korea: Some Pointers

Aidan Foster-Carter*

Introduction

To speak of policy debates in North Korea begs an obvious question. As in other Stalinist¹ regimes, past and present, the DPRK's political system militates in various ways against free and open discussion of policy choices. The obvious obstacles to such debate are two sides of a coin: (i) institutionally, the absence of independent social sciences as they are understood elsewhere; and (ii) the necessity to be seen to conform at all times to the dictates of party and leader. Whereas even Maoist China spoke of a struggle between two lines (although one was right and the other wrong), North Korea's insistence on *yuilsasang* or monolithic ideology privileges unity above all else.

It was not always so. Thirty years ago, North Korean economists were bold enough to warn that the very rapid growth of the DPRK's first two decades could not continue indefinitely. For this they earned the wrath of the Great Leader:

The 'theory' that large-scale economy cannot develop rapidly is but a sophistry brought forward by some people to

* University of Leeds, England

¹ Although casual journalistic use of this adjective can be tiresome (Yonhap please note), it also has precise analytical content which clearly applies to North Korea. See the no fewer than 24 separate points – covering party organization, ideology, economic policy, and political and personal style – adduced by Adrian Buzo in his excellent *The Guerilla Dynasty: Politics and Leadership in North Korea* (Boulder, CO: Westview Press, 1999), pp. 42-43.

justify the fact that their technical progress is slow and their economy stagnant because they, talking about 'liberalization' and 'democratic development', did not educate their working people and, as a result, the latter are ideologically so soft as to fiddle about and loaf on the job.²

Typically, Kim Il-sung thus reduced a genuine technical question of economic science, relating to diminishing returns and the transition from extensive to intensive growth, to a simple matter of ideology – and implicitly, of loyalty. ("Some people" means revisionists in the USSR and eastern Europe, where such matters had begun to be discussed.) No doubt North Korean economists got the message, and found it prudent to keep quiet if they wanted to save their jobs and even their lives. Thirty years on, the fact that history has proved them right and Kim Il-sung wrong is perhaps some small consolation.³

But the fact that such bullying has destroyed the public space for policy debates in Pyongyang does not mean that no such debates exist. The DPRK, like every other state, faces policy choices all the time and at every level.⁴ In any given situation, someone somewhere has to decide what to do, and what not to do. Indeed, by any standards the situation and dilemmas which confront North Korea today are especially grave. Choosing the right policy may be quite literally a matter of life and death – whether for hungry citizens, for the policy maker himself⁵, or even for the DPRK's ultimate survival as a state. Or at a more mundane level, different sectors and ministries compete for budgets in Pyongyang as they do everywhere; all the more so, now that available resources are

² Kim Il-sung, *On Some Theoretical Problems of the Socialist Economy*, 1969. Reprinted, among many other editions, as Ch. 9 in *Revolution and Socialist Construction in Korea: Selected Writings of Kim Il-sung* (New York: International Publishers, 1971), p. 165.

³ For a more detailed evaluation of the Great Leader qua economist, and an interpretative sketch of the DPRK economy as of 1990, see my "North Korea in Pacific Asia", Ch. 10 in Chris Dixon and David Drakakis-Smith eds, *Economic and Social Development in Pacific Asia* (London: Routledge, 1993), pp. 197-222. The published text is unfortunately marred by numerous gross typographical errors.

⁴ I argued this long ago, a propos an earlier period of debate in the mid-1980s. See my "Reading the entrails of the Pyongyang goat", *Far Eastern Economic Review* 29 August 1985, pp. 28-30.

⁵ As witness the disappearance and rumoured execution in late 1997 of So Gwan-hi, the long-serving party secretary for agriculture.

extremely scarce and becoming scarcer.⁶

Moreover, the right decision can never simply be read off automatically from holy writ. The Juche theory, like any theory, is abstract: it is not a blueprint, still less an instruction manual. In any given situation it must be applied concretely in practice, and it is rarely self-evident how to do this. Besides, as regards the economy Kim Jong-il appears to be less of a hands-on leader than his late father; which means someone else has to decide, and *inter alia* decide what the *widaehan yongdoja* wants.

These constraints, I shall argue, are also opportunities. The inevitable ambiguities inherent in applying doctrine and interpreting the Leader's will serve to create a space – albeit small and circumscribed – in which something akin to debating policy can and does take place, even in North Korea's seemingly uniform official publications. (A fortiori, there must of course be much more debate in private, behind closed doors in smoke-filled rooms.) These things go in waves, and the first half of 1999 has seen an increase in the frequency, intensity, range, and to some extent the quality of such writings; possibly as a result of last autumn's normalization and overhaul of the organs of government and constitutional revisions, after four years of virtual policy limbo since the death of Kim Il-sung.⁷

The aim of the present paper is to examine a number of articles from the DPRK media over the past year, as reproduced in the Chongryun fortnightly journal, *The People's Korea*. The hope is to

⁶ I take as read the spectacular decline and fall of the North Korean economy over the past two decades. Suffice it to say that this year's state budget, the first to be published in five years, projects both revenue and expenditure at *less than* half the equivalent figures for 1994, namely W20.38 billion as against W41.53 billion. See Economist Intelligence Unit, *Country Report: North Korea*, 2nd quarter 1999, pp.40-41. For a wider range of indicators and longer time series, see the indispensable work of Nicholas Eberstadt: "A Quantitative Comparison of Current Socio-economic Conditions in North Korea" in this journal (*The Economics of Korean Reunification*, Vol. 4 No. 1, Spring 1999, pp. 74-98).

⁷ The backgrounds of many of the new Cabinet appointed in September 1998 are encouragingly expert rather than 'red' (to use the old Maoist distinction). Thus Ri Ha-sop, the new agriculture minister, "played an important role in introducing microbial fertilizer"; Sin Tae-rok, now minister for power and coal, in the 1980s devised a method of turning coal gas into energy; and Ri Yong-son, minister of commerce, "is known for his economic theses including 'On intensifying and improving goods-provision activities' in 1997". For brief biographical notes on these and 13 other ministers, see "Profile of DPRK Executives in Charge of Economic Sections", *The People's Korea*, 30 January 1999, p.3.

give an idea of the range of issues currently under discussion in Pyongyang, and to show the implicit variety of priorities and policies. Clearly the method used here is somewhat speculative, and based on a fairly narrow set of sources which happen to be available in English.⁸ I should especially welcome comment from colleagues with access to the full range of DPRK Korean-language journals, as to how far the articles discussed here are typical or exceptional. At the very least, however, I hope to show what is perhaps not surprising: that, in dire straits as they are, North Korean policy makers and scholars have different, contrary, even contradictory answers to the old, fundamental Leninist question: What is to be done?

Ministries' Plans

Let us begin with a series of interviews in March, when The People's Korea (hereafter PK) talked to five vice-ministers or directors from various economic ministries about the situation and plans in their respective fields.⁹ One topic here was ministry reorganizations, a recurring leitmotif in Pyongyang - and a substitute, one suspects, for the market reforms and/or serious investments which are what North Korean industry really needs. Last September's Cabinet reorganization mostly saw the break-up of former "commissions" (super-ministries), but in at least two cases the reverse movement occurred.¹⁰

⁸ Then again, I take some comfort from the fact that a previous exercise of this kind (see footnote 3, above) was later confirmed by Russian diplomats in Pyongyang as broadly accurate. The general point - that the North Korean press can and must be read "symptomatically" - was long ago shown in a classic article by Morgan Clippinger, tracing the use of "the Party centre" as code for Kim Jong-il before his role as heir was officially announced. See his "Kim Chong-il in the North Korean Mass Media: A Study of Semi-esoteric Communication", *Asian Survey*, March 1981.

⁹ "PK Interview with DPRK Executives In Charge of Economic Sections", *PK* 27 March 1999, pp.2-3, 7. Subsequent quotations in this section all come from this source. The English is as printed in *PK*.

¹⁰ By way of precedent, in November 1985 13 separate economic ministries were streamlined into six "commissions". Most were later demerged, only to be remerged again - and now demerged again. In a parallel merry-go-round for elites, the chairman of the State Planning Commission changed six times in two years between 1986 and 1988: a record which even Kim Young-sam would find hard to beat. A clear winner in this game of musical chairs was Hong Song-nam, now North Korea's prime minister; who held the SPC job on three of those six occasions - including losing it in February 1988, only to regain it just four months later. This is an interesting way to run a planned economy.

Asked why the formerly separate coal and power industry ministries were now merged, director Kim Gi-ok of the new combined ministry's power resource department explained that "At present, we heavily depend on thermal-power stations. Electricity cannot be produced without coal, and vice versa." The aim was thus "higher efficiency". Surprisingly, however, director Kim also declared that "We will not newly build coal-fired thermal-power stations". It seems odd for the power industry ministry to take on responsibility for coal, at a time when its own priorities are moving away from this. If synergy is the point, other industries which consume coal, eg iron and steel, might be equally strong candidates for merger.

Instead, "This year, we plan to build a dozen of large-scale hydraulic plants". The reference to large-scale is interesting. In 1998, building more small local hydro-electric plants was all the rage in North Korea. Kim Gi-ok explained, however, that these "only serve people's living and local industries. Large factories demand large quantities of electricity". Despite his rider that "This does not mean we will ignore medium-size power stations", this looks like a shift of policy. With power shortages a serious problem, the energy sector is no doubt the subject of ongoing debates about optimal scale, choice of fuel source, and much else.¹¹

Another merger last September brought together the metal and machine-building industries in a single ministry. Vice-minister Kim Sung-hyun explained this in terms not often heard in Pyongyang: "This measure is absolutely aimed for profit-making". He continued:

In the past, fine quality Kim Chaek iron was exported. Now, we plan to use all homemade iron at home. In particular, it will be supplied to the machine-making sector, which will mass-produce machine tools for export. Machine export makes a profit tens of times larger than iron export.

¹¹ See Chong Bong-uk. "A Zigzagging Power Policy". *Vantage Point* Vol. 22 No. 3, March 1999, pp. 17-21. A comprehensive study of energy issues in North Korea is David F. Von Hippel and Peter Hayes. "North Korean Energy Sector: Current Status and Scenarios for 2000 and 2005". chapter 6 in Marcus Noland ed., *Economic Integration of the Korean Peninsula* (Washington, DC: Institute for International Economics, 1998, pp.77-117.

While seeking higher value-added exports, the aim is also to cut “the import rate of material and fuel”. Vice-minister Kim boasted of two new facilities: a corex furnace at Kim Chaek, North Korea’s major steelworks, and an oxygen-blowing furnace at Hwanghae - which use smokeless coal rather than the imported coke on which much of the industry depends. It remains to be seen whether a new untried technology, whose main aim is to save import costs, will produce steel of the requisite quality to manufacture globally competitive machine tools.

At all events, Kim Sung-hyun’s enthusiasm for exports is not echoed by his vice ministerial colleague at the trade ministry. Kim Ryong-mun told PK that “As our country is not like trade-centering economy in other East Asian countries, it does not depend much on trading”. Self-reliance remains the norm: “there will be no change in this line”. Even so, “we plan to set up special economic zones in other areas” besides the existing Rajin-Sonbong zone. On the export front, priority items include magnesia clinker, chemical products, and firebricks: no mention of machine tools. Asked what are this year’s main tasks, the vice-minister for trade did not even mention trade at first, intoning that “We intend to invigorate our unique economic line, which puts priority to the heavy industry, while simultaneously promoting the light industry and agriculture”. This sounds like a retreat from North Korea’s last known quasi-plan, the “adjustment period” after the admitted failure of the 1987-93 seven year plan, when for 2-3 years priority was to go not to heavy industry, for a change, but to light industry, agriculture – and foreign trade. It is striking that in 1999, with Pyongyang’s trade performance worse than ever¹², even a senior trade official does not feel able to stake a priority claim for his own sector; but can only repeat that “we subordinate ourselves to the self-supporting economic policy”.

¹² According to South Korea’s Ministry of National Unification, North Korea’s total trade in 1998 was between \$1.4 and \$1.5 billion: a fall of at least 30% from 1997’s \$2.19 billion. According to MNU, in the second half of last year exports fell 20% year-on-year to \$300m, while imports plunged 45% to \$400m (MNU pres release, 14 April 1999). This dire performance plumbs new depths in an already catastrophic record of decline and fall over a quarter of a century. As Eberstadt shows, in 1995 “North Korea’s trade volume was no higher than it had been 20 years earlier” - and less than 1% of South Korea’s (op. cit., pp. 90-91).

In refreshing contrast, at least one of PK's interviewees was prepared to think more boldly. Cha Rin-sok, a director at the agriculture ministry, was unusually frank in admitting to past mistakes: "In the past, we ignored soil conditions and climate, and uniformly planted corn in all the farming areas, spreading wrong cultivation practices". Moreover, "Consumption of vast amounts of chemical fertilizers in the past has acidified our land and diminished its fertility. Nothing increases yield from impoverished land".

Although the latter point has been widely made by foreign observers, this is the first time I have seen it acknowledged in print by a DPRK official. Such a note of self-criticism remains very unusual in North Korea, whose stultifyingly triumphalist official discourse makes it almost impossible to admit any errors ever – lest this imply that the Party and Leader could conceivably be wrong. One hopes that director Cha's honesty will be emulated more widely. The same official also sounded a radical note as regards what crops to plant: "The choice is entirely up to local farmers who grasp the local soil conditions". More on this in a moment.

New Priorities in Farming

Given North Korea's ongoing famine, agriculture is of course a sector of especial concern. In June, PK reprinted a series of articles which had run in *Rodong Shinmun* the previous month. Four of these cover the major specific priority themes of the moment – potatoes, seeds, land adjustment, and double cropping – while a fifth sums up the "Juche agricultural method".¹³

Where do these particular priorities come from? According to the party daily, from the top: "General Secretary Kim Jong-il in the past several years has suggested a unique idea and theory concern-

¹³ "Agricultural Policy Indicated by General Secretary Kim Jong Il". *PK* 12 June 1999, p. 3. Subsequent quotations in this section all come from this source. The English is as printed in *PK*. The original authors, titles, and dates of publication as given are: Chong Gwang-bok, "Juche Agricultural Method", 13 May; Kim Myong-hui, "Potato Revolution", 14 May; Pak Nam-jin, "Seed Revolution", 16 May; Chong Gwang-bok, "Land Adjustment", 17 May; and Pak Nam-jin, "Two-Crop Farming", 20 May. All are quite short, so it is not clear whether the versions in *PK* are complete articles or excerpts. No information is given in *PK* on the job title or other status of these three authors.

ing agriculture and wisely guided the struggle for its practice". Considering that the "past several years" have seen the death by starvation and illness of conceivably as many as 3 million North Koreans¹¹, it might seem a hostage to fortune to associate this time period quite so directly with Kim Jong-il's leadership.

Leaving that aside, what is interesting is how the device of attributing all initiatives to the Leader, which might seem to foreclose discussion, can sometimes be used as a cover for quite radical initiatives. Thus the lead article in this series interprets the "Juche agricultural method" in the same rather startling way as Cha Rinsok, who was quoted above:

It is none other than farmers who are most familiar with regional characters and climate conditions of their home towns. In addition, they are well aware of biological characters of agricultural produce and knowhow on manuring and cultivating crops... It is preferable to let farmers decide all the related problems. And this is a decisive factor for high yield.

Formally, orthodoxy is preserved by two moves: "In a word, the ideology of the Juche agricultural method is that the masters of agriculture are farmers"; and the imprimatur of the Leader: "Kim Jong-il said that farmers' will should be respected and their role be enhanced". Yet in the North Korean context this is radical indeed, flying in the face of all previous policy which – as in other sectors – firmly told farmers what to do, including what to plant.

At least four interest groups might be expected to resist any such move to peasant autonomy: political cadres, economic planners, agricultural scientists, and the military. All in different ways are used to bossing farmers about, and none will be short of arguments why this is a good thing. So it remains to be seen how much choice farmers will really get. Also, the principle of choice could clash with the four specific new policy priorities laid out, to which we now turn. Are North Korean farmers free to refuse new seeds,

¹¹ Marcus Noland, "Halting the Famine in North Korea", *The Economics of Korean Reunification*, Vol. 4 No. 1, Spring 1999, pp. 99-107.

double-cropping, potatoes or land adjustment, on the grounds that they know best?

One may also ask why these four particular themes are being pushed, and if these priorities are shared by independent observers. Since Pyongyang appealed for and received large-scale international aid after the floods of 1995, agriculture has become the one sector of the North Korean economy where outsiders, as donors and advisers, potentially have some impact and influence. Of the four areas, two – double cropping, and improved seeds – are in accord with outside recommendations, and indeed have been greatly assisted by donors ranging from the FAO and UN World Food Programme to South Korea's "Dr Corn", Kim Soon-kwon.¹⁵ (It is sad, but typical, that no article published in Pyongyang has the grace or gratitude to mention this indispensable aid: everything must be down to Juche. By contrast, the Tokyo-based *People's Korea*, true to the principles of internationalism, gives credit where it is due.¹⁶)

The other two goals are perhaps more questionable. On Pyongyang's new-found enthusiasm for the potato: while any move away from the misguided monocropping rightly criticized by Cha Rin-sok is welcome, the tone of this campaign is worrying. "Campaignism" as such is a defect of the North Korean system, another case in point being last year's drive to build small local power stations as mentioned earlier. A jerky succession of temporary crazes for this or that product or sector – usually something

¹⁵ On double-cropping, see "DPRK Pursuing Double-Cropping Farming For Solution of Food Issue", *The People's Korea* No. 1,836, 27 February 1999, p.2. This quotes a joint WFP-FAO crop assessment mission as reporting on 12 November 1998 that North Korea was expected to produce 375,000 tons of wheat and barley through double-cropping that year - over 10% of the total grain harvest. On "Dr Corn", see "Harvesting Compassion", *News Review* (Seoul) 10 July 1999, pp 12-13. A professor of plant genetics at Kyungbuk University in South Korea, Dr Kim has visited the DPRK seven times in 18 months. A new maize seed which he developed by cross-breeding northern and southern strains is now grown in 5,000 North Korean villages, and is credited with raising yields by 23% last year.

¹⁶ The point is a wider one. The view in Seoul and especially Tokyo, that Chongryun is no more than a fifth column for North Korea, has always struck me as a gross over-simplification. As a Pyongyang-watcher, I have found *The People's Korea* an indispensable source for some 20 years. Like the DPRK authors discussed in this article, *PK* obviously has its limits and its orthodoxies; but it also pushes at these boundaries, especially in recent years. For a nuanced insider's account of Chongryun, see Sonia Ryang, *North Koreans in Japan: Language, Ideology and Identity* (Boulder, CO: Westview, 1997).

big but technically simple, lending itself to mass labour mobilization – skews resource allocation and militates against balanced growth. There must be a risk that potatoes will be over-emphasized now, just as they were under-emphasized in the past. And why potatoes in particular? And will it be something different next year?

As for land adjustment, this is ominous. In principle, the notion of bringing waste land into cultivation sounds fine. In practice, anyone familiar with Korean geography knows that precious little such land exists. Those further familiar with North Korean history also know that calls to reclaim 200,000 or 300,000 hectares of new land have been around for at least 20 years. If it could be done, it would have been done by now. Indeed, it was this very impulse which led to excessive terracing, loss of tree cover, and hence disaster when the floods of 1995 and 1996 swept all this away and, causing double trouble, dumped it downstream to also take out large swathes of North Korea's all too exiguous better farmland.

The new version is frankly bizarre. Judging from pictures of the pioneer project in Kangwon-do, which in typical fashion is now being praised as a model for all to emulate, this "gigantic nature-remaking project" involves levelling the ground so as to "rearrange and standardize farmland in large units" where "all agricultural work can be done by machinery". Quite apart from the fact that the DPRK's failing factories can no longer produce the machines, the idea of solving North Korea's food problem by remaking the landscape – turning it into Iowa? – as a general proposition is simply mad. As Park Nam-jin's article on new seeds (a much better idea) pointed out: "Land in the northern half of Korea is not suitable for agriculture as it is mountainous with limited and small farming areas". Quite so. But unfortunately land adjustment has the blessing of Kim Jong-il; so one fears the wastage of many resources such as bulldozers that would be better employed elsewhere, as well as potential environmental damage, before this folly is dropped in favour of some new and hopefully wiser campaign.

In agriculture overall, the impression – from this series of articles in the party paper, and elsewhere – is of a genuine, even a desperate search for remedies. The Rodong Shinmun series can be

seen in part as a menu of competing rather than complementary policy options. Thus given Pak Nam-jin's tart comment above, it is hard to imagine that he supports land adjustment. However, any debate is bounded by the constraints of the North Korean system. This is also a factor in Pyongyang's dialogue with international donors. Of particular interest here is the Agricultural Recovery and Environmental Protection (AREP) programme initiated last year by the United Nations Development Programme (UNDP), in a bid to move beyond food aid and recreate a self-sustaining farm sector.¹⁷

The AREP process deserves a separate article, and is fascinating as an ongoing exercise in dialogue with the DPRK. Successes for UNDP include persuading Pyongyang to release a (relative) wealth of statistics; to admit that past policies have caused environmental damage; and to consider rural credit schemes which are implicitly market-oriented. On the other hand, AREP recommends a technical fix – rehabilitating North Korea's inorganic fertilizer factories – which is hard to square with the diagnosis of soil exhaustion that even Pyongyang officials are now admitting (cf. Cha Rin-sok, quoted above). And despite the fact that agrarian reform in other communist countries, notably China, has meant – indeed began with – dismantling the collective farm system, in the DPRK context this is evidently sacrosanct. Even raising the question of markets requires the authority of scripture, quoting Kim Il-sung's grudging view that “the peasant market ... is not such a bad thing ... even though it is a backward way”.¹⁸

A genuinely no-holds-barred debate on North Korean agriculture would burst the banks set by DPRK and AREP discourse alike. Marcus Noland in this journal has recently conceptualized four broad strategies, based respectively on production, aid, trade, and systemic reform¹⁹. In this framework, all the various North Korean suggestions as well as AREP are firmly within the first camp, which

¹⁷ UNDP, *Thematic Roundtable on Agricultural Recovery and Environmental Protection in DPR Korea*. Draft document, Geneva, May 1998. This and other AREP papers are available on the World Wide Web at <www.undp-dprk.apdip.net>, and serialized in *The People's Korea* (various issues).

¹⁸ Ibid. This quotation appears in the printed version, but apparently not on the website. The original source is *On Some Theoretical Problems ...*, op. cit. (see note 2, above), pp. 178-182.

¹⁹ Noland, op. cit. (note 14 above), pp. 105-106.

Noland sees as doubly flawed: natural conditions are inherently inimical to northern Korea growing all its own food, plus the essential industrial inputs (fertilizer, fuel, etc) are simply not there. By contrast, a trade-oriented solution would abandon the chimera of food self-sufficiency altogether, and instead seek comparative advantage in manufacturing or other foreign exchange earning activities. Particularly if accompanied by reform, this could make all North Koreans better fed through grain imports, even while local harvests fell. This is after all the path followed by South Korea over the past forty years. Otherwise the DPRK's reality is growing dependence on food aid, which will not be forthcoming indefinitely.

Mulling Markets

Farming

Another reality of North Korea is that the markets which Kim Il-sung graciously tolerated thirty years ago as a stop-gap have proliferated in recent years, to fill the void left by the collapse of the Public Distribution System (PDS) and other state channels which were meant to supersede them. This reversal of the Marxist historical script is obviously a problem for theory and practice alike. How far should markets be allowed to go? – and if they are tolerated, how is this to be explained without challenging orthodoxy (at least not openly)?

One scholar who has risen to this challenge is Ri Dong-gu, in an article entitled “Some Thoughts on Adjustment of Farmers’ Market Prices”, published in the *Kim Il Sung University Gazette*²⁰. Densely argued and somewhat cryptic – itself perhaps a useful defence against any risk of being charged with heresy – this advocates state intervention: not to abolish markets – “a forcible market closure will aggravate underground dealings” – but to try to control prices. Otherwise, “If the market is left alone without instruction, control, and price adjustment, serious damage will be done to workers’ normal living”. In a subtle analysis showing an acute grasp of how markets function, professor Ri argues that “commercial activities

²⁰ Vol. 44 No. 3, no date given. Translated in *PK* no. 1,836, 27 February 1999, p. 4.

should be energetically organized and managed by state-run and cooperative commercial groups". This might be paraphrased as: if you can't beat them, join them. But for this to work, the author is very clear that the supply situation must be improved: "to maintain a safe price system in the farmer's market, it is imperative to carry through the agriculture first policy and light industry first policy of the Workers' Party of Korea". No mention of heavy industry, be it noted.

Foreign Trade

If North Koreans these days increasingly use markets internally, they have long had to deal with them externally. Two articles by two professors Choe in the same university journal already cited – perhaps a special issue devoted to economic issues – tackle foreign trade.²¹ They agree on the need to increase the quantity and enhance the quality of exports, and that this is best done by exporting high value-added finished goods rather than raw materials. (In principle this may be desirable; but given the dire state of North Korea's plant, it may be more realistic at this juncture to sell minerals in many cases, as the DPRK always has done.) Choe Myong-ok further criticizes the idea – a former orthodoxy in Pyongyang, though he is too tactful to say so – that "goods are exported only when there are surpluses", describing this as "haphazard". A socialist state should plan its exports like everything else.

Both articles urge a careful and proactive analysis of overseas markets, in everything from tastes and demand to foreign exchange fluctuations (affecting choice of settlement currency). Choe Mun-su advocates two particular kinds of trade: resale – "a good and profitable trade method" – and processing, whereby "raw materials, equipment and half-finished products are mainly imported". (He omits to add that such business is especially active with South Korea.) Neither arbitrage nor processing requires much capital investment, an obvious advantage given the DPRK's shortage of funds. Neither author mentions the delicate matter of debt,

²¹ Choe Myong-ok, "Basic Demand Must be Met in Selecting Export Items", *PK* no. 1.840, 24 April 1999, p. 4; and Choe Mun-su, "Trade Income Must Be Increased", *PK* no. 1.841, 15 May 1999, p. 3.

although Choe Myong-ok's plea that "business relation should be maintained with [a favourable market] on a long-term basis" may be interpreted as implicitly critical of the one-off, zero-sum mentality which has so damaged the DPRK's credibility ever since the 1970s.

While neither article is mould-breaking – e.g. they concur in the narrow view that imports should be kept to a minimum – both exhibit realism and some sophistication as well as the requisite pieties. As ever, the latter can be turned to advantage. Choe Myong-ok talks of "thoroughly carrying out the party policy for foreign trade expansion", while Choe Mun-su quotes Kim Jong-il: "We must earn much more foreign currency". Given the DPRK's trade performance last year, one can only wish them luck. Hopefully too, the better that market principles are appreciated abroad, the harder it will become to resist importing them to work their same dynamic and healing power on the mortally ill North Korean body economic.

The Appliance of Science

A further strand in North Korean economic debate concerns science and technology. Like other communist states past and present, the DPRK has inherited Karl Marx's Promethean (and Victorian) faith in science and the conquest of nature. Education is heavily weighted towards technology: its other component, studying Juche, is likewise understood as grasping the science of society.²² (It is hard to believe that North Korean scientists do not wince at the clash between genuine scientific method and the tendentious simplicities of official ideology; while their social scientist colleagues, as we are seeing, must tread gingerly at all times.)

At one level, science and technology for the DPRK are like motherhood and apple pie in the US: everyone is in favour of them. But what might seem a mere cliché can have real point and bite when used to argue about policy priorities. Witness an article

²² Kim Jong-il's first major treatise after his father's death, published in *Rodong Shinmun* on 1 November 1994, was entitled: "Socialism Is A Science". See Kim Jong-il, *On Carrying Forward the Juche Idea* (Pyongyang: Foreign Languages Publishing House, 1995), pp. 382-412.

whose title states its case: "Development of Science and Technology Is Guarantee for Independent Economy", by Kim Hae-son.²³ Echoing the classic Sino-Soviet dispute in the 1960s on the relative priority of forces and relations of production, Kim is careful not to question the voluntarist orthodoxy laid down by the Great Leader: "In socialist society, the people's high revolutionary zeal is the decisive factor which causes the productive forces to multiply".²⁴ But he is bold enough to add, succinctly and correctly: "However, their zeal without scientific and technological support will not bear fruit". To achieve socialism, "material conditions should be met along with ideological conditions", – which requires science and technology. Kim Hae-son concludes, zealously enough, by calling for "a massive technological reform campaign".

This argument can be read on two levels. Directly, it seeks more resources for science and technology. Indirectly, it restores a necessary balance to the subjectivism of Juche, which has raged ever more ludicrously out of control as North Korea's productive forces have declined. Zeal is not enough. Hectoring a weary and hungry workforce is no substitute for giving them modern equipment, and has long since passed the point of diminishing returns (itself one of many neutral concepts of true economic science which the DPRK would do well to embrace). Making zeal an index of loyalty, another Pyongyang ploy, only compounds the crime. To put the point formally: in the limiting or asymptotic case – which until five years ago one would have dismissed as a *reductio ad absurdum* – even the most zealous subject of the Great Leader remains a physical organism, who if not fed will die. There are no calories in loyalty. The young Marx's philosophical anthropology derives from one simple premise: "Man must eat".

Legislating the Economy

North Koreans may lack food, but they are not short of laws. The Supreme People's Assembly (SPA), when it met in April for

²³ PK no. 1.842, 29 May 1999, p. 3; from Bulletin No. 1, 1999 of the North Korean magazine *Economic Study*. (I am not sure if this is the same as the quarterly *Kyongje Yongu*.)

²⁴ Kim Il-sung (1969, 1971), *op. cit.*, p. 161.

the first time in five years to discuss the budget, also passed a new “Law of the DPRK on the Plan of the National Economy”. This is just one of a series of similar more specific laws: others cover agriculture and even fish breeding.²⁵

The obvious question is put by PK’s commentator, Kang Il-chon, a professor at Chongryun’s Korea University in Tokyo. Why legislate now, “despite the fact that a planned economy has been implemented since 1947?”²⁶ The official reasons range from displaying the superiority of socialism to defending it against plotters. The kindest construction one can put on this ploy is as an attempt to reimpose a degree of order on what has become an increasingly chaotic economy. Yet mere law-making seems at best formalistic, or at worst one more way for a failing state to menace its people. Thus Article 27: “Organizations, enterprises and groups normalize production [and] fulfil without fail their daily, monthly [and] quarterly plans ...”

But even this is a two-edged sword. A suicidally bold citizen, taking the new planning statute at face value and keen to test if the rule of law has yet reached Pyongyang, could in principle sue the DPRK government for being in violation of its own laws. Thus Article 2: “The State steadily improve[s] the standard of people’s living”; or Article 3, “The State ... manages [the economy] according to a uniform plan”. (North Korea’s last formally constituted economic plan ended in 1993.) If this sounds fanciful now, so would the notion of Chinese suing their government - as is now routine - just a few years ago.

Military First?

Finally, we must examine a recent major policy statement which at first reading seems, and may indeed be intended, to terminate the discussions considered hitherto. On June 16 – just one day after North and South Korean gunboats had clashed in the

²⁵ For English texts or summaries, see “DPRK Law on People’s Economic Plans”, *PK* no. 1.840, 24 April 1999, pp. 2-3; “On Newly Adopted Agricultural Law”, *PK* no. 1.839, 10 April 1999, p. 2; “Fish Breeding Law of DPRK”, *PK* no. 1.841, 15 May 1999, p.2.

²⁶ Kang Il-chon, “Recent Economic Tendency in DPRK”, *PK* no. 1.844, 26 June 1999, p.3.

West Sea – the KWP daily *Rodong Shinmun* and its monthly journal *Kulloja* published a joint article entitled: “Our Party’s Policy of Giving Priority to the Army Is Invincible”. Such joint articles (often at New Year) are Pyongyang’s way of flagging something especially important, and this was duly publicized by KCNA and reprinted in *The People’s Korea* under the blunt headline: “DPRK Declares Military-First Policy”.²⁷

It has to be said that this makes grim reading, calculated to dismay those in Washington and Seoul who support policies of “sunshine” and engagement. Dialogue with “imperialists” – an earlier comment on whom is: “A rabid dog must be subdued with a cudgel” – must be done “without the slightest concession. A step backwards in diplomatic negotiations with the heinous imperialists will result in one hundred, one thousand retrograding [sic] steps”. South Korea will doubtless be glad to know that “Kim Jong-il’s ... resolve to complete by arms the Juche revolutionary cause, which was started by arms, is resolute and unshakable”.

As for the main thesis, it is both plainly stated – “We do not want to keep our main priority to military affairs veiled in mystery” – and argued for, after a fashion. The modes of argument include history – “In our country, the army was founded prior to the party and government” – and attempts at logic: “Independence is safeguarded not by not by fancy phrases or slogans but by weapons”. And to counter one obvious line of objection: “The economy can be recovered from its slump, but the weakened military power will demolish the eternal cornerstone of the country”.

This is a thoroughly depressing document – but is it the last word? I very much doubt it. For one cannot read this article without the sense that it is one side of an argument. Why did the KPA feel the need at this time to have the two main KWP organs proclaim the superiority of soldiers more bluntly than ever before? Perhaps because, as the economy slips ever further into the abyss, more and more party and state officials are coming to resent the armed forces gobbling the lion’s share of national resources, to the detriment of all civilian sectors. A blast like this is no doubt meant

²⁷ *The People’s Korea*, No. 1,845, 10 July 1999, pp 2-4.

to quell the muttering; but it does not change the basic situation.

Besides, other views continue to be heard. The *People's Korea* website – but not, as far as I know, the printed edition – in late June carried an article by one Ri Chang-gun, headlined: “Economic Development is Most Urgent Task for Building Powerful Socialist State”.²⁸ The latter phrase (*kangsong taeguk*), a fairly recent slogan, is sufficiently vague to allow divergent claims to be made on how best to attain this goal. In a pattern which is becoming familiar by now, all the author has to do is to genuflect briefly to orthodoxy – “The reason why economic activities should be promoted as the most important task is that it provides material guarantee for a strong ideological power and military power” – and then go on to concentrate on what he obviously thinks from his title is the real priority, namely the economy.

Conclusion

In this paper, I have tried to show that even within the constraints of North Korean official discourse there is prima facie evidence of a diversity of views, disarray, and implicit debate about economic and other policy priorities. Nor should this be surprising, given that (1) all governments face choices and (2) the DPRK's predicament is especially difficult and severe.

On this basis, I would predict that these “semi-esoteric” (in Clippinger's phrase) debates will continue, as the public tip of a much larger hidden iceberg. Of course it would be much better in every way if they could emerge from the shadows and be conducted openly. That way, to use Pyongyang-style language, the inexhaustible creative energies of the people's intellectuals could be boundlessly exercised, to the great benefit of policy-making in North Korea. Sadly, however, I see no sign of any such loosening of the reins. But the thinking will not stop. ■■■

²⁸ See <www.korea-np.co.jp/pk/100th_issue/99062304.htm> Original source same as in note 23. Other articles referred to in the present study should also be in the PK archives at <www.korea-np.co.jp/pk>