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THE TUMEN TRIANGLE DOCUMENTATION PROJECT

SOURCING
THE CHINESE-NORTH KOREAN
BORDER

edited by Adam Cathcart and Christopher Green

ISSUE ONE

April 2013 Sino-NK

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ABOUT SINO-NK

Founded in December 2011 by a group of young academics committed to the study and analysis of Northeast Asia, *Sino-NK* focuses on the borderland world that lies somewhere between Pyongyang and Beijing. Using multiple languages and an array of disciplinary methodologies, *Sino-NK* publishes a steady stream of China-DPRK (Democratic People's Republic of Korea/조선민 주주의인민공화국/North Korea/朝鲜/북한) documentation and analysis covering the culture, economies and foreign relations of these complex states.

Work published on *Sino-NK* has been cited in such standard journalistic outlets as *The Economist*, *New York Times*, *International Herald Tribune*, and *Wall Street Journal*, and our analysts have been featured in a range of other publications. Ultimately, *Sino-NK* seeks to function as a bridge between the ubiquitous North Korea media discourse and a more specialized world, that of the academic think tank debates that swirl around the DPRK and its immense neighbor.

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NOTE ON ROMANIZATION

Romanization of East Asian most names, place names and terms follows the Revised Romanization system for Korean and *pinyin* for Chinese. Exceptions are made for common usage, including Pyongyang (rather than Pyeongyang), Tumen River and Yalu River (rather than Tuman and Amnok, the Korean name for the Yalu), Yanbian (rather than Yenbyen or another variant), Kim Il-sung, Kim Jong-il, Kim Jong-un, Kim Kyung-hee and Jang Sung-taek. Where necessary, Korean and/or Chinese script is offered in parentheses following the first use of a given term in the body of the text.

Preface

Old Stories Told Anew

by James Hoare

One of the curiosities of retirement is noting just how many of the issues I once dealt with as a member of the Foreign and Commonwealth Office's (FCO) Research Analysts from 1969 to 2003 are still around. One of the first papers I wrote on joining the FCO was on the Daiyutai/Senkaku issue. The status of Taiwan was another early topic. The South China Sea was a perennial favorite, as was the issue of Japanese apologies for the war. A paper I wrote on Dokdo/Takeshima (독도/獨島) has, I understand, recently been re-circulated, complete with quote from "Hamlet." Most issues relating to the Korean Peninsula have not gone away. So in one way, it is no surprise that the concept of the Tumen River (투만강/图们江) as a development area has resurfaced.

Back in the early 1990s, when I was working in the British Embassy in Beijing, what was then called the Tumen River Development Project was just getting underway. It was a grandiose concept, under the auspices of the United Nations Development Program (UNDP), involving the People's Republic of China (PRC), the Democratic People's Republic of Korea (DPRK), the Republic of Korea (ROK) – then reaching out to the communist world as never before – Russia, Mongolia and Japan. There were great expectations of a region that was thought to be rich in natural resources, including oil and gas, minerals and timber. In theory, the project would affect over 300 million people. It would provide land-locked Mongolia with an outlet to the sea, and benefit remote areas of the PRC and Russia. It would bring the two Koreas together and in particular, provide a much-needed stimulus for the sagging DPRK economy. Japan was to be the financial powerhouse behind all this. It was, after all, the Japanese who had begun the first modern development of the area, creating the port of Rajin (라진시/罗津市) in the colonial period, better to link Korea and Japan. As the Cold War seemed to be finally ending, the economic and political benefits of the project seemed enormous.

When I visited the PRC's Yanbian Korean Autonomous Prefecture (옌볜조선족자치주/延边朝鲜族自治

¹ Hsi-I Angel Chen, <u>Transnational Sub-regional Cooperation in Practice: Dynamics of Micro-regionalism and Micro-regionalisation in the East Asia Pacific</u>, PhD thesis, University of York, 2009.

州珲春市) in May 1991, however, it was obvious that the concept had a long way to go. Yanbian would be an important part of the project but at that stage it was pretty undeveloped.² Away from the cities, the infrastructure was poor or non-existent. Although the PRC had already begun to develop Hunchun (毫全人/珲春市) as a center for the Tumen Project, we were not allowed to visit. This was unusual for by then the rules that had once restricted diplomatic movement over much of Chinese territory had begun to disappear and it was rare to be prevented from visiting cities except in Tibet and Xinjiang. But clearly at that time, Hunchun, and the Tumen Project were sensitive issues.

I must confess that the May 1991 visit was the only one that I have made to the Tumen River project, but I have followed its fortunes with interest ever since. This was helped by a flurry of academic and journalistic activity during subsequent years.³ Friends and acquaintances visited and reported back on developments on the ground. Japanese interest soon waned but the other countries continued with the project. The PRC, Russia, and the DPRK began constructing special economic zones in the region. Hunchun became more open and was soon a major city. The DPRK developed its first Special Economic Zone based on the twin ports of Rajin and Seonbong. The zone was treated as something of a joke in the Western media, which tended to ignore the bigger picture and concentrate on the fact that Rajin-Seonbong (라진선봉/罗津先鋒) was about as far as you could get from the DPRK's capital, Pyongyang, without falling into the Pacific Ocean.⁴ The image of the zone was not helped when its main investment seemed to be casinos.

Indeed, the distance of the Tumen River area from everywhere developed soon began to tell, as did the absence of Japanese money that had always been seen as a necessary driving power behind the concept. Infrastructure development was slow and the DPRK's increasing economic problems from the mid-1990s hindered the project further. Although a series of agreements were signed in 1995 between the main participants, there was little progress. The deterioration of relations between the two Koreas that followed the death of President Kim II-sung of the DPRK in 1994 did not help and neither did the continued economic decline of the DPRK. In 2005, the countries involved met at Changchun in the PRC. There they formally took over the project from UNDP, although that organization continued to play a supporting role. The project's name was changed from the Tumen River Development Project to the Greater Tumen Initiative. The meeting also adopted an action plan, which envisaged the infrastructure development for the region, as well as the build-up of tourism and general investment. Environmental protection was to be another overarching concern.

Despite the high hopes of 2005, subsequent years have seen little advance on the overall plan. A secretariat

² See also Paul White, "Letter from Yanji," Far Eastern Economic Review, November 29, 1984.

³ James Hoare, *Embassies in the East: The Story of the British and their Embassies in China, Japan and Korea from 1859 to the Present* (London: Curzon, 1999); James Hoare and Richard Rutt, *Korea: a Historical and Cultural Dictionary* (London: Routledge 1999); James Hoare, *Japan's Treaty Ports and Foreign Settlements: The Uninvited Guests 1858-1899* (London: Curzon, 1994).

⁴ For discussion of the nascent SEZs in the 1990s and early 2000s, see Andrei Lankov, *North of the DMZ: Essays on Daily Life in North Korea* (Jefferson, N.C. and London: McFarland & Co., 2007).

remains in existence but meetings are somewhat spasmodic.⁵ The DPRK has become less interested and often does not attend meetings, or attends only portions of meetings.⁶ Relations between the two Koreas have steadily deteriorated since 2008, which has reduced the likelihood of cooperation. Yet in many ways, the original concept is beginning to work. There have been major developments in Chinese and Russian territories, and these have increasingly involved the DPRK. Rajin-Seonbong, now renamed Rason (라선시/罗先市), has received much Chinese investment and is developing into something more than a center for casinos and empty hotels.⁷

The Tumen Triangle Documentation Project comes at an opportune moment, therefore. It brings together young scholars from a wide range of disciplines and with interests well beyond the economic development of the region. Borderlands are complex areas with both pull and push factors operating. The Greater Tumen area is a major center for North Korean refugees for example, and as a consequence is an area in which agencies and organizations many countries are involved. It is one of the traditional invasion routes between China and Korea. Its remoteness and relative emptiness have long made it a center of exile, a tradition reflected in the North Korean detention camps that are known to exist in the areas. These issues and many others are well worth examining and will feature in the new project.

J. E. Hoare

British Charge d'Affaires to the DPRK, 2001-2002

⁵ See http://www.tumenprogramme.org/ for further information.

^{6 &}quot;DPRK Energy and Minerals Experts Working Group Meeting Held in Beijing," Nautilus Institute, December 2010.

^{7 &}quot;China, Russia developing infrastructure in N. Korean port city," Asahi Shimbun, September 7, 2011.

Introduction

The Tumen Triangle as Region and as Project

by Adam Cathcart and Christopher Green

What is the purpose of examining "the Tumen Triangle," the multinational landmass centered upon the DPRK's Tumen River frontier with China?

Foremost among the reasons for such an endeavor is the need to escape, analytically speaking, from Pyongyang's gravitational pull. To be sure, the period since the death of Kim Jong-il has seen intense changes in the North Korean capital: steadier electricity, relatively rapid turnover in certain leadership positions in the Korean Workers' Party, the renovation and creation of parks on a large scale, permission for foreigners to carry in cell phones, and of course, the vigorous presence of Kim Jong-un at various intersections of the new cycles of history in this fairyland-fortress. But while he may be omnipresent in Pyongyang with what the North Korean state media calls his "matchless pluck," Kim has scarcely ventured into the grit outside of the city. An examination of his activities beyond the capital would yield virtually no information about the DPRK's northern periphery. Kim Jong-un, as a leader rather than a studious successor, does not travel to Hoeryeong (회령시/会宁市); his charismatic and jowly smile does not shine in person upon the citizens of Hyesan (혜산시/惠山市). Still less does Kim frequent or so much as set foot upon the zones of ostensible economic "reform and opening up" (개혁개방/ 改革开放), e.g. Rason and Hwanggeumpyeong (황금평/黃金坪). Despite the dominant orientation of analysis toward the North Korean capital, we have moved away to study the northeast of the DPRK, and its multivalent Chinese connecting points, offsetting abundant light shone upon Pyongyang, the body of the North Korean leadership itself, and counterbalancing the Pyongyang-centered narrative.

Fine, says the skeptic, Pyongyang is overexposed, but why not shine the analytical light on other alternate

Amid the tidal wave of foreign reportage covering Kim Jong-un's "on-site inspection" of offshore island units in spring 2013 was the fact that at least the war, or the appearance of one, had resulted in moving Kim Jong-un's substantial physical frame out of the capital. For well-documented discussion of the Pyongyangist tendencies of the leader, see Stephan Haggard and Luke Herman, "Information—and Disinformation—on the North Korean Political Scene," Witness to Transformation blog, Peterson Institute for International Economics, December 18th, 2012.



The Tumen Triangle | Source: Curtis Melvin and Gregory Pence

areas of North Korean life and policy implementation or neglect? After all, Hwanghae Province [황해도/黄海道] saw awful summer flooding in 2012 and the return of pockets of famine that surely require attention.² Moreover, along the frontier with China, the Sinuiju-Dandong interchange—not to mention life in Sinuiju [신위주시/新义 | itself—surely merits more study. Perhaps quixotically so, the Tumen Triangle is in many ways a forwardlooking geographical area, a place that needs to be watched now, when change is a mere twenty years old. The region lies not simply at the juncture of nations and systems, but it is at the forefront of many profound political and social "improvements" (개선/gaeseon, a unique and conflicted concept in Korean political economy) as part of political narratives that are being promoted, and resisted, in the region.

Although, as Dr. Hoare correctly notes, the Tumen Triangle is not something new that we happen to have just found. After all, the Rajin-Seonbong (Rason) Special Economic Zone is now almost twenty years old. That being the case, what is there left to say?

A great deal. First, and perhaps most importantly, the Chinese government appears now to have concluded that it has a long-term strategic interest in developing the Tumen Triangle region, and that is something which cannot

Chris Green, Interview with Martha Keamey, *The World at One*, BBC, April 12, 2013.

Adam Cathcart, Roger Cavazos and Nathan Beauchamp-Mustafaga, "Dr. Strangelove and the Special Economic Zone: Balance and Imbalance in China's Long-Term North Korea Strategy," KEI Peninsula [Korea Economic Institute website], January 7, 2013.

happen without North Korean acquiescence. Finally arising out of the reorganization of state-owned industry that so traumatized the region in the 1990s, the Three Northeastern Provinces (Zhongguo dongsansheng/中国东三省, or just Dongbei/东北) of China still lag behind the broader development of China's eastern seaboard. Largely landlocked by Russia and North Korea, it is no simple task for provincial and municipal governments in these areas to go beyond the mere provision of primary resources to larger and more technologically advanced regions south of Beijing. By forging practical, efficient and reliable access routes to the sea, provincial, and central authorities in China hope to implement broader, more expansionist development plans and lock in the loyalty of the Han majority and the other ethnic groups—including, but not limited to, the Korean minority—that live there.

For the relatively impoverished North Korean government, China's northeasterly drive ought to represent a golden opportunity. However, the response to date has been a complex mix of enthusiasm, investment and retrenchment, fear, and paranoia, abject confusion and even a certain strategic ambivalence. Perhaps it comes down to the idea explicated in North Korea: Beyond Charismatic Politics, a new and essential text co-authored by Cambridge scholar Professor Heonik Kwon and Hanyang University anthropologist Professor Chung Byung-ho: Pyongyang is relatively disinterested in economic matters when compared with security and propaganda ones, but does simultaneously recognize the fact that "at any point in the hierarchy, but most intensely and unevadably near the top, where the "far-beaming blaze of majesty" consumes so much more fuel, the necessity to demonstrate status wars with the necessity to assemble the support to make the demonstration possible."

In other words, running the North Korean theatre state is expensive. Needless to say, the Tumen Triangle is one of the most vital locations in which this fact is, at least in theory, being addressed. That is one reason why it is so important.

For scholars, the case study of a borderland in transition may also be of use.⁵ Chinese-North Korean relations along this frontier are fraught, and the interactions between the populations within and on both sides of the border are significant barometers for any number of important questions. Are markets and special economic zones near the Chinese border true levers for cultural change in the DPRK? To what extent is the border permeable when it comes to ideas, or financial flows, or environmental management? The Chinese-North Korean boundary—in our case, marked the by Tumen River from its Paektusan/Changbaishan origins until it loses itself into the void of the Sea of Japan—is one of continual exchange, activity, and controversy.

Not least among those controversies is how stories are told, and what stories are told, in the region. Our look at sources from the borderlands encompasses not simply the significant narratives standpoint of refugees fleeing North Korea or sources from within, but also the narratives the North Korean state itself choses to put forth about

⁴ Heon-ik Kwon and Byung-ho Chung, *North Korea: Beyond Charismatic Politics* (Lanham: Rowman & Littlefield Publishers, 2012). See also Clifford C. Geertz, *The Theatre State in 19th Century Bali* (Princeton: Princeton University Press, 1980).

⁵ Valérie Gelézeau, "The inter-Korean Border Region – 'Meta-border' of the Cold War and Metamorphic Frontier of the Peninsula," in Doris Wastl-Walter, ed., *The Ashgate Research Companion to Border Studies* (Ashgate, 2011), 325-350. See also Valérie Gelézeau, Koen de Ceuster, and Alain Delissen, *De-Bordering Korea: Tangible and Intangible Legacies of the Sunshine Policy* (London: Routledge, 2013); Lee Si-Woo, *Life on the Edge of the DMZ*, translated by Myung-Hee Kim (Kent, UK: Global Oriental, 2008).

the region. This activity of ours functions as an effort to bring together and evaluate what we know and how we know it.

Each issue of the Tumen Triangle Documentation Project will focus on current events in the region, but will also look back and reconstruct sources from the last few years so as to facilitate quantification of what really is "new" and what, as Dr. Hoare so adroitly notes in his preface to this edition, has been going on so long it barely warrants discussion. In addition, we will look more closely at a different region of the Tumen Triangle in every issue, hoping to catch a glimpse of something fresh, something different. First up is Hoeryeong, a city of such contradictions that it could not possibly have avoided our gaze.

The Tumen Triangle Documentation Project is not the kind of undertaking that the Sino-NK team could possibly do alone. Fortunately, then, there are a number of exceptionally talented people working on North Korea and the borderlands today, and some of them have agreed to lend a hand. We have been fortunate to receive a special essay from Jang Jin-sung. Mr. Jang is not simply a North Korean refugee from the upper echelons of the Kim regime: He has made the decision to step into the light, launching the vibrant Korean-language website New Focus (and its English-language offshoot, New Focus International) to better inform the world about what North Korea is, and what it means.

Elsewhere, we've also got a fine piece of reportage from Andray Abrahamian, one of the directors of Choson Exchange, a non-governmental organization (NGO) that is doing groundbreaking work on training North Korean bureaucrats inside North Korea. We've also got a great piece by the executive director of the Committee for Human Rights in North Korea (HRNK), Greg Scarlatoiu, who discusses the future of something we should all be talking about much, much more: North Korea's system of political prison camps. Finally, of course, we've got great essays from regular Sino-NK analysts Robert Winstanley-Chesters, Brian Gleason, Benjamin Young, and Mycal Ford.

Sino-NK Managing Editor Steven Denney and Assistant Editor Darcie Draudt, without whom this first edition would not have been possible, deserve thanks, as do Curtis Melvin of North Korea Economy Watch⁷ and Gregory Pence of Toon Out The World, who combined to establish the pictorial boundaries of the Tumen Triangle itself. Finally, throughout the writing, editing and conceptual process, Ambassador James Hoare has been highly supportive of the endeavor and generous with his critiques and analytical insights.

http://chosonexchange.org/

http://www.nkeconwatch.com/

http://www.toonouttheworld.com/

PART ONE ESSAYS AND COMMENTARIES

Featured Essay One

Bring the Mountain to Mohammed: Markets in Namyang

by Christopher Green¹

Recent news² that a "border market" in rural, mountainous Namyang (남양/南阳), North Hamgyeong Province [함경북도/咸镜北道] has been opened on a limited basis to Chinese businesspeople is one of the most intriguing stories to emerge from North Korea in recent times. At the very least, it offers first-rate circumstantial evidence to suggest that the Kim Jong-un regime has concluded that it will have to move away from the course charted during the final years of its predecessor.

According to sources in the region, since the beginning of June, between 50 and 70 Chinese businesspeople per day have been permitted to trade directly with North Koreans via the border market. The incoming Chinese are allowed to remain in North Korea for the eight hours from 9AM to 5PM, but not to reside in the country. They take up approximately 1/3 of the stall space, which has been expanded to accommodate them. While they are not permitted to leave the marketplace and its immediate surrounds, which is only around 200m from the customs house at Namyang, it does mean that for the first time in recent history, Chinese capitalists are being allowed to come into contact with the socialist North Korean masses, including some who have presumably not been vetted in advance to ensure their regime loyalty.

It appears that China is providing local oversight on the project via its consul-general in the industrial city of Cheongjin. If his June 14 visit to Changbai County (창바이군/长白县) were any guide, it would appear that the same gentleman is dealing with this project in Hyesan.³ This offers proof that the majority of the burgeoning weight of economic cooperation in the North Korean northeast comes with the full backing of China's Ministry of Foreign Affairs.

For the record, it is said that the North Korean authorities initially agreed to "open" Namyang before Kim

- Essay originally published by <u>www.SinoNK.com</u> on June 24th, 2012 <u>here</u>.
- Choi Song Min, "50-70 Traders Arriving in Namyang Daily," Daily NK, July 20, 2012.
- Kim Kwang Jin, "2,500 Jobs Heading for Hyesan," Daily NK, June 23, 2012.



Abandon all hope those who would enter here: North Hamgyeong | Source: BASPIA

Jong-il died. The deal is purported to be a quid pro quo for much-needed infrastructure developments the Chinese authorities are undertaking in the area, notably at Rason but also road and rail construction work between Tumen, Namyang and Cheongjin (청진시/清津).

In any case, the first and most obvious question to ask about the border market project is, "Why Namyang?"

GEOGRAPHICAL CONTROL: TUCKING TRADE AWAY IN THE MOUNTAINS | Predominantly, it seems to be a question of geography. Look at a political map of North Korea, and it will show that Namyang is the most northerly point in the country and an extremely long way from Pyongyang. But it will not show that the town is flanked to the south by mountains. This means that it is hard to access from the North Korean side; to travel by train from Cheongjin, for example, one has to pass through the Rason SEZ to the northeast before skirting the border with China and Russia for some considerable time.

Conversely, from the Chinese side, Namyang is comparatively easy to reach, or at least easier than the Rason



Hoeryeong Market and Customs House in 2005 | Source: Daily NK

SEZ. This is especially true from Yanji, the nearest significant city, which is more than two hours from Hunchun, the de facto gateway to Rason. In part this could be an attempt on the part of the Chinese authorities to level the domestic developmental playing field, since Tumen is not currently growing as fast as Hunchun, despite its geographical advantages.

For Pyongyang, the border market project looks like an experiment in "bringing the mountain to Mohammed." In other words, rather than allowing employees from various North Korean foreign currency-earning enterprises to go out into China and elsewhere to engage in foreign-currency earning activities, why not get the Chinese to come in and do their buying and selling in situ? After all, just because this is a market doesn't mean that the Chinese businesspeople entering are "just" traders, and there is no reason to believe that the only customers will be North Koreans hoping to buy cheap rice for the family.

As such, the market could theoretically become a locus for all kinds of commercial activities, large and small. In addition to which, import-export taxes can be levied on stock inventories and income as the Chinese come and go, earning hard currency for the North that it might not otherwise be in a position to collect.

BACK TO THE FUTURE: OLD IDEAS, NEW LOCATIONS | While the appearance of Chinese in the Namyang market may appear novel, in fact, it's not even a new idea. In 2005, when ideas of economic reform were at or around their peak in Pyongyang, North Korea prepared to launch an almost identical "border market" in Hoeryeong.⁴ The authorities even went to the lengths of upgrading an existing market (see picture) to accommodate the planned influx of Chinese businesspeople. However, the plan was eventually shelved, allegedly after Kim Jong-il ordered a drastic retrenchment from what he saw as burgeoning "anti-socialist phenomena" that he could envision

^{4 &}quot;<u>Hoeryeongsekwan ape choicho kukkyongshichang shinchukchung</u>" [Construction of the first "borderland market" customs house in Hoeryeong underway], *Daily NK*, September 14, 2012.

himself struggling to control.

Evidently, either Kim Jong-un is less concerned by this, or feels himself to be in greater need of foreign currency than his father was. Either way, the Namyang border market clearly represents a modest experiment in reform in the 2005 mold, as if Pyongyang had been doing a little housekeeping and in the process stumbled upon a few 2005-era economic planning documents behind the fridge.

Alas, the outside world has not been and will not be privy to the debate that this perspicacious discovery may have engendered. However, even from the outside it is clear that the Namyang experiment fits in with a wider set of pointers implying a modest (and, note, entirely reversible) economic reform agenda.

First, it is worth noting the ongoing *Rodong Sinmun* prominence since January of Prime Minister Choe Yeongrim (who, as head of the Cabinet, is technically responsible for North Korea's civilian economy). It is true that Choe was commonly used by the regime of Kim Jong-il to distance the supreme leader from blame for the moribund state of the North Korean economy, but the frequency of his appearances has increased markedly in this calendar year, and the importance of his branch of government, the Cabinet, seems to have grown with it.

Choe is more than just a figurehead. Notably, he visited China for five days in late September 2011, at which time he and Wen Jiabao made a number of business-friendly noises. In the words of Scott Snyder of CFR and Byun See-won, Choe "pledged to improve the investment environment for Chinese businesses in an apparent indication of Pyongyang's efforts to draw foreign investment." And in the words of the Chinese Ministry of Foreign Affairs, "Choe said that the DPRK is willing to work with China to actively implement the important consensus reached by leaders of both countries, further expand bilateral exchanges and cooperation in various fields and make positive efforts in promoting social and economic development in their respective countries and maintaining regional peace and stability." ⁶

This Sino-North Korean bilateral positivity was then followed up when, on October 23, 2011, First Vice Premier Li Keqiang headed to Pyongyang, where he again met Choe. With little preamble, the two sides subsequently signed a number of agreements covering, as one should expect, economic plans.

Second, it is impossible to ignore the ideological element. As Bob Carlin has pointed out, although Kim Jongun is being positioned in the propaganda narrative as the successor to the military-first political line, he is also being positioned as a leader who is going to bring a better life to the people (after all, they must "never have to tighten their belts again").⁷

Stephan Haggard is right on this point; even by the quixotic standards of the North Korean government, this would be an odd communications strategy to employ if one were not intending to at least try some experiments in the direction of economic improvement.⁸ This fact alone also implies (though does not by any means guarantee)

⁵ http://SinoNK.files.wordpress.com/2012/02/snyder-and-byun-china-korea-comparative-connections-2011-no-31.pdf

^{6 &}quot;Jia Qinglin Meets with DPRK Premier Choe Yong Rim," PRC Foreign Ministry, September 28, 2011.

⁷ James Church, "Keep Your Eye on the Duck," 38 North, June 19, 2012.

⁸ Marcus Noland and Stephan Haggard, "The Food Situation in North Korea: Contested facts and possibly incoherent behavior," Witness to Transformation blog, Peterson Institute for International Economics, June 22, 2012.

that there is an economically reformist element (an element which includes the ubiquitous Jang Sung-taek and light industry department head Kim Kyung-hee, no doubt) that is, if not exactly in the ascendency, then at least being included in the discussion down by the Daedong River.

In many senses, Pyongyang is in a "damned if you do, and damned if you don't" scenario. If it opens its economy, it risks the influx of information on life in South Korea which some experts (though not this one) assert will lead to the regime's demise as surely as the sun comes up in the morning, and if it doesn't open its economy at all then it is sure to reach a tipping point from which the state cannot continue to function even to the extent of placating the all-important 2-3 million residents of the Pyongyang metropolitan area and the Party's provincial fiefs. They know as well as we do that a compromise needs to be found, and one that does "as little damning as possible." One way or another, North Korea is going to have to open up a little, as it seems to have already done at Namyang.

Featured Essay Two

South of the Tumen and North of the Sea

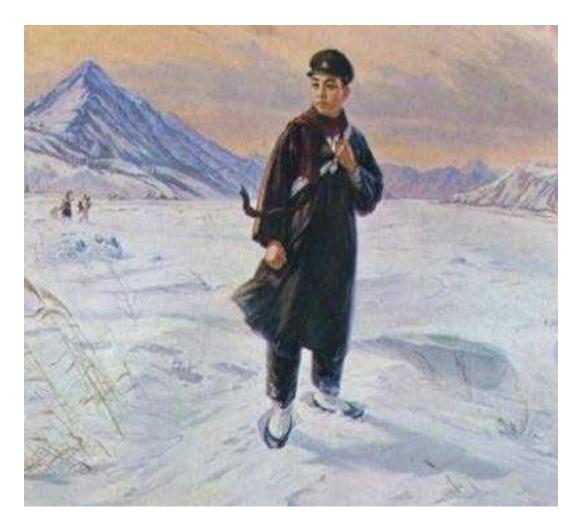
by Robert Winstanley-Chesters

"We quietly crossed the River Tuman [sic] by boat at night...As I looked at the mountains and fields veiled in darkness I could not repressing my beating heart at my deep emotions at returning to my homeland after five years...I told Oh Jung-hwa how good it would be if we were crossing the river after winning the independence of the country...Oh Jung-hwa said that he felt the same each time he crossed the River Tuman [sic]." (Kim Il-sung, 1992)

North Korea has rarely lacked in symbolic rivers and "foundational events" in which practical policy was connected to ideological theorization and bestowed with dynastic authority. "The Botong River Improvement Project" of 1946 directly focuses on the re-engineering or improvement of rivers, their stream flow and accordingly their tendency to flood in a destructive fashion. It is also one of the very first instances of a sectoral foundational event in the history of the DPRK, very close to the moment of national foundation and liberation itself. Might this tell us something about the importance of rivers and streams within a wider thematic approach to other narratives on a national scale?

Along with their current participation within and utilization by the DPRK's institutions and bureaucracies, presentational and dynastic narratives, and diplomatic initiatives, environmental features have long played a role within the historical narratology of the DPRK. This is especially true of watercourses and rivers including the Tumen River itself. In a previous piece for Sino-NK, I analyzed the role of forests and afforested spaces of the DPRK within its narratives of legitimacy and authority. Political actors who would later form the governmental and leadership clique of the DPRK operated in such a narrative hinterland. Their struggles for revolutionary legitimacy and authority (from the DPRK's perspective) undertook their actions within the forests and wildernesses of northern Manchuria. Within this narrative of revolutionary action and incarnation, these forests and wildernesses themselves, as well as being simple backdrop, have become incorporated within the narrative as actors and

Robert Winstanley-Chesters, "Forests as Spaces of Revolution and Resistance: Thoughts on Arboreal Comradeship on a Divided Peninsula," Sino-NK, June 28, 2012.



Kim II-sung in stylized form | Source: Preface to Kim II-sung: Legendary Hero for All Ages²

participants themselves, as well as becoming representative of the nation of Korea itself (even if many of these forests are not necessarily within the bounds of the Korean nation as conventionally understood).

The Korean Peninsula and both Korean nations (as they now stand), topographically and geographically are in reality something of an oddity, in that the Peninsula itself would be an island where it not for the protrusion of the Mt Baekdu (增导处/长台山) massif. Flowing to the east and to the west from the slopes of Baekdu, the rivers Yalu and Tumen form, from—from the cartographer's perspective—the perfect geographical national boundary. The forests in which revolutionary struggle and action was undertaken by the "founders" and articulators of the DPRK and its national mythos cannot but help abut this watery dividing line. Would it be at all surprising, therefore, if these rivers were subject to inclusion within these narratives? Just as the surely for any revolutionary movement forced into diasporic exile by colonial forces, the ultimate action of success and fruition would be a return to the geographic space of the homeland, in the DPRK's case an action necessitating a crossing of either of these rivers. For Kim II-sung, whose memory is represented by the "autobiographical" text of "With the Century,"



Bridge over the Tumen River | Source: © Albert Hulsen

from which the quotation that begins this piece is derived, crossing the Tumen was something of an existential moment. Crossing the watery boundary from the hostile liminal space of Manchuria or Primorksy Krai in the Soviet Far East onto the Korean side of nationalist potentiality is presented as one of a set of moments of almost prophetic fulfillment.

Both the Yalu and Tumen rivers following the collapse of Japanese colonial power in 1945 and the post-war solidification of power around the person of Kim Il-sung in the north, along with Baekdu itself serve as a geographic/topographic pyramid of narrative and legitimatory authority, with DPRK sources often making sure to mention all three in narratological tandem.³ However it is difficult to assert in narrative terms the superiority of Tumen over the Yalu. Just as owing to a topographical accident related to usefulness and accessibility, the DPRK has primarily looked to its western seas, coasts and boundaries, so the Yalu has always appeared the senior of the two border watercourses. The Yalu crossing at Dandong/Sinuiju after all has supported the great bulk of cross border trade and for foreign visitors entering by railway the "Friendship" bridge over the Yalu is a familiar landmark on a Pyongyang bound train. However the situation appears at long last to be a process of flux with regards

to matters of narratological and legitimatory import in relation to these two rivers.

Following the collapse of the Warsaw Pact and the "Arduous March," the DPRK has been forced to pitch about for willing and accessible partners, as well as begin the process of learning how to communicate with these partners and develop the institutional/bureaucratic linguistics through which to exist in a post-1992 world. In my doctoral dissertation and in my previous postings for Sino-NK, I have covered the almost gymnastic adaptations of institutional approach the DPRK has been encouraged to adopt in light of western/world adoption of models of conservation and environmental mitigation, so far as the natural world is concerned. I have recounted the adoption of new strategies surrounding the planting of trees, the incorporation of new celebratory and commemorative days related to swamps, flora and fauna and the general environment within the DPRK. I have also noted the development of a theme of legitimatory narrative material in which the authority and validity and veracity of the DPRK and its institutions is directly connected to their environmental credentials and potential eco-friendliness. In the years following the Arduous March these environmental narratives have been utilized to develop new levels of legitimative authority for the DPRK's institutions and government, and previous elements of historical narrative incorporated within a new thematic. The founding in 1995 of the Tumen River Area Development Programme (TRADP), under the auspices of the United Nations Development Programme and the DPRK's membership of that program suggested that the Tumen River would not be excluded from this narrative process.

Although TRADP appears primarily to have focused on economic and developmental matters ("regional development, economic cooperation and environmental management"), part of the rational for its creation was the need to mitigate extreme levels of pollution generated from effluent emitted by Chinese and DPRK pulp mills and iron mining.⁴ This body apparently met for some ten years, and its meetings and work are noted within the DPRK's narrative and media records of the time, however difficulties in developing a working relationship between the two Koreas (Participants in the Programme included China, Russia, South and North Korea and Mongolia), meant that in 2005 it was reorganized as the "Greater Tumen Initiative," excluding both the DPRK and the directly environmental element from its original approach, White noting that "...Its objectives were regional stability, economic cooperation, and sustainable growth...." TRADP however did result in the formation of the Rason SEZ, the economic potential of which is perhaps only now being fully explored, and which has been analyzed extensively within the pages of Sino-NK, 6 North Korea Economy Watch, 7 and through the work of Choson Exchange's Andray Abrahamian.8

The developments at Rason, the collapse of TRADP and its reconfiguration as the GTI, coupled with wider patterns of institutional development and approach within the DPRK suggests that change may be afoot on the banks and at the mouth of the Tumen. Perhaps we are witnessing a paradigm shift at the loci of environmental

Emma White, "Tumen River: The Greater Tumen Initiative (GTI)," April 15, 2010.

Sabine van Ameijden, "Revolution on the Margins? Surveying the Trade Environment in Rason," Sino-NK, May 24, 2012.

[&]quot;Rise in Popularity of Rajin Port," Institute for Far Eastern Studies, November 30, 2012.

Andray Abrahamian, "A Convergence of Interests: Prospects for Rason Special Economic Zone," KEI Working Paper Series, February 24, 2012.

approach and institutional action, the focus of DPRK policy and approach in relation to the Tumen River becoming no longer the classical narrative appropriation of the watercourse in which it is narratologically co-opted for a supportive role within the nation's narrative of legitimacy and revolutionary struggle. Nor is the Tumen seemingly co-opted into the role on non-sentient topographic silent partner within the DPRK's new narratives of environmental legitimacy and appropriateness. Perhaps instead institutional and narrative direction relating to the Tumen has moved away from the river itself, away from its position as simple watercourse and geographic and political boundary between the DPRK and foreign powers, towards ultimately the river's destination itself. What the Tumen is in the process of becoming in the institutional narratology and approach of the DPRK is a conduit towards the solution of geo-political issues that have beset it since the collapse of the Soviet Union, that is, in-spite of its border geography bequeathed it by the collapse of Chinese power at the hands of Tsarist Russia and Imperial Japan at the end of the nineteenth century, its necessary capture by the supportive yet encapsulating frameworks of Chinese interest and the economic and geographic usurpation by its western coast. Perhaps the Tumen will serve, in the new frameworks currently shifting and under construction and in league with the revived interests of the Russian Federation, just as the rain water falls on the western slopes of Mt Baekdu, to ease the passage of DPRK interests and direction to the sea and to wider world.

Featured Essay Three

Rason: Sights and Sounds

by Andray Abrahamian

Many of my more formal findings on Rason have been filed in blog posts and reports at Choson Exchange or elsewhere. Thus, I've decided to take Sino-NK's request for a report as a more open-ended task that allows me to reflect and share observations that such reports were less suited to capturing.

—Andray Abrahamian, Executive Director, Choson Exchange

I was traveling along the border in summer, 2010. Reports around that time suggested that the then-new local travel permit was easy to get. It was not. So I, like so many South Korean tourists before and since, settled for picnicking on a hill in Tumen, marveling across the river at ordinary people doing ordinary things.

"Look at that: that girl is playing with a ball."

"Wow."

"Look, that farmer is digging a hole."

"Fascinating."

There are few countries where such events would seem so amazing.

But when in the subsequent summers of 2011 and 2012 I was able to visit Rason proper, it was the little things that would be so unremarkable elsewhere that I found again drawing my attention. I have spent considerable time talking to people who have far greater experience in Rason than I, including local residents. Here, however, I will note some of the 'little things' I directly observed and see if they can be tied into greater things.

THE ROAD | In terms of large-scale and obvious things, the greatest change between 2011 and 2012 was the completion of a modern, two-lane road connecting the Chinese border to Rajin. Transport links are the backbone for any industrially minded Special Economic Zone (SEZ). Improving capacity here, one hopes, will someday translate into a significant improvement in the quality of life of locals as the other pillars of an economic SEZ are also addressed.

What this road makes more immediately clear, however, is that suddenly people are linked to the other villages



The road to Rason, 7 km away | Source: © Andray Abrahamian

and towns in the zone like never before. Biking has suddenly become much faster, as has walking. The arduous slog through mud during the rainy season and enduring the choking dust during the dry months of summer are now gone. A new joint-venture bus service also plies inter-city routes. One local told me that it was cheaper than other bus services.

Villages by the road are no longer bathed in constant dust and filth from passing traffic, so air-quality has improved. That said, the speed at which people now drive on the road is truly menacing and locals have yet to adapt. I daresay there have been some tragedies since last August.

THE CHINESE TOURISTS | Chris Green chided me online once for saying Kaesong was 'clogged' with bicycles, so I will refrain here from asserting that Rason was 'packed' with Chinese tourists. (I'm all for accurate verbs.) Therefore, let us say: it appeared, based on a few days' observation and conversations with locals, that the number of Chinese tourists had increased significantly.

Hotels were largely sold out and the one in which we had made reservations for four rooms told us that they

had only two for us and we'd have to share. This was considered unacceptable by our delegation and instigated a tour of the zone's hotels in search of a place with four rooms. Everywhere was full (or perhaps not available for westerners).1

We finally found one in the Rajin Hotel, but only on the 7th floor, the highest one. The elevator only functioned for a brief window of time each day due to electricity shortages or some other unspecified malfunction. The next day we made a fuss about moving ("again?" *sigh*) and ended up at a rather pricey guesthouse that appeared to be designed with high officials in mind. The karaoke bar had a bubble machine.

Chinese tourists seemed to be everywhere; separate and distinct from the trade fair participants, who were mostly tasked with sitting in the un-air conditioned exhibition hall all day. The self-drive visas that Rason had tinkered with in 2011 were in effect by 2012. There was a line of self-drivers at the border when we crossed. They could be found doing normal things such as: blaring techno from a car stereo and dancing at a beach picnic; pulling up to restaurants, deciding against the menu and then driving away; and perhaps inevitably, littering out the car window. This isn't meant to make them sound crude, although now that I've written it down it certainly reads that way. Rather, it was just so normal.

A simple Chinese/English language conversation with one beachgoer:

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"How's North Korea"?
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The Kenneth Bae saga may scare off some western tourists, but these are but a drop in the bucket.² No matter how that situation plays out over the next few months, the beaches, gambling and newfound convenience will probably keep attracting Chinese tourists.

What this heightened Chinese presence implies for Rason is a significant policy direction: the North Korean local officials have had to relinquish a lot of control over these Chinese guests. If indeed, as I was told, there are now 900 tourists a day in the summer months, there is simply not the capacity to 'mind' all these visitors. It has been judged, therefore, that they don't pose a sufficient threat to use limited resources monitoring them.

CONSUMERISM | The trade fair in 2011 was the DPRK's first ever outside Pyongyang, so locals didn't really know what to make of it. But the sequel in 2012 saw people ready for retail. It was clear that RMB had been saved up and was being spent on all manner of clothes, medicines and other consumer goods. One American clothing company representative carried with him more product than he'd brought the previous year, sold out of it in a few hours, and then spent the remaining days of the fair apologizing for not having anything left to peddle. Carpets

[&]quot;It's okay."

[&]quot;Yeah?"

[&]quot;The beach is good."

The contrast with Rason hotel accommodation in the period 2006-2008 can be felt by reading the book by former British Ambassador to the DPRK John Everard's 2012 book Only Beautiful Please. Everard, J. Only Beautiful Please: A British Diplomat in North Korea, Asia-Pacific Research Center, 2012, pp. 133-134.

For more on Kenneth Bae, see Adam Cathcart, "The Prisoner: Questioning the Kenneth Bae Narrative" Sino-NK, March 23, 2013.



Rason trade fair | Source: © Andray Abrahamian

were a big seller, with pairs of Koreans frequently carrying them off home.

The market in 2012 was similarly bustling, with at least equal but seemingly more goods on display as the previous year. In 2011, one official told me they were planning to double the size of the market. This had failed to happen, but the official covered market is still as large as two football fields. There is a large uncovered outdoor area around that and then devolution to less formal sellers in nearby alleys.

There was an elderly man begging who rather aggressively grabbed my wrist when I carelessly flashed a 100 RMB note around. His nails were long and brittle like flint. He could have bought 66 bags of soju in the market with that single note.

CONSTRUCTION | On what appeared to be North Korean construction projects, things were moving at one might call a traditional pace. A multi-use sports and leisure complex looked hardly improved upon from 2011-2012. I noted a single person working on it one afternoon.

The exterior of the Tumen Triangle Bank, which is ostensibly in charge of banking transactions in and out of Rason, was nearly done, though the interior was unfinished. Twelve months earlier the shell had looked completed.

One of the hotels we tried in our quest for western comforts was undergoing refurbishment. Here several people worked and materials lay about in a manner suggesting things were happening. Perhaps that is because the immediate rewards from catering to tourists were motivating a greater degree of focus.

The big construction project for the year was a mixed-use residential, retail and logistics complex being built by a Chinese company. This was a fully modern operation, with multiple new cranes and other equipment. At the trade fair, the miniature mock-ups of the complex were a big draw.

Work goes on outside the Northeast Asia Hotel in Rason | Source: © Andray Abrahamian



GOING FORWARD? | Rason's development still faces significant hurdles. But people I talked to were genuinely proud that they were from a special part of the DPRK. "Even Pyongyang doesn't have a hotel as good as The Emperor," one boasted. (It's true.)

People thought the road was a big deal: also true. Being in a "special" part of North Korea has also meant access to hard currency and food supplies to a degree that many other Koreans lack. People generally seemed eager and excited that things are moving in a positive direction for their region. One official positively beamed when I said I thought Rason was going to play an important role in the development of his country.

While the massive investments that Rason's Economic Cooperation Bureau are hoping for have yet to come, small and medium sized businesses from across the border continue to try to gain a foothold, anticipating continued growth and improvement in the economic and political environment. Employment in joint-ventures is likely to continue to slowly grow and with it more disposable hard currency earnings.

In the short term, the increasing number of Chinese tourists will probably have the biggest economic and social effect on Rason citizens.

"What do you really think of Chinese people?" I asked our security guy one evening.

"We're brothers!" he said with a shit-eating grin and clapped my shoulder.

I held his gaze for a beat, raising my eyebrows into a kind of hairy question mark. Then we both laughed at how little he meant what he said.

Featured Essay Four

Locked in a Battle with the Market

by Jang Jin-sung

Why is the study of North Korea's marketization relevant to the Tumen Triangle Project? On the understanding that we are searching for nodes of change in North Korea, Jang argues that the marketization of North Korea has been—and continues to be—the fundamental "region" within which all other nodes of change can exist.

Jang begins with an account of why, in the first place, market activities were allowed in a socialist planned economy. He describes how this event led to a loss of economic control on the part of the regime. In the second section, we are presented with a study of how the erosion of the economic umbilical cord between the people and state led to an erosion of the people's psychological dependency on the state. This tendency was strengthened by the fact that the marketplace facilitated not only economic exchanges, but information exchanges.

The next section of the study explains how the children of the North Korean elite began to exploit this new "currency of money" for individual profits. Their knowledge of, and hold on, the markets prevented the old guard of political elite from fully recovering control over the economic life of its subjects. This does not mean, Jang argues in the final section, that these children of the elite are antagonistic towards the regime. *In fact, they conduct their economic activities through Party and military institutions.*

The study of North Korea's marketization leaves us with the conclusion that change from below has impacted not only North Korean society in general, but even the highest levels of North Korean elite. We are reminded that as opposed to change instigated from above, change from below is a powerful and lasting change.

—Shirley Lee, Editor, New Focus International

LEFT WITH NO CHOICE: WHY MARKETS WERE ALLOWED AT ALL | Until the early 1990s, there were no markets in North Korea. There was only production and distribution within the planned economy. Markets were allowed only in the form of farmers' markets, which Kim Il-sung had allowed in order to narrow the gap between

the city and countryside. When the Public Distribution System collapsed in 1994 and famine spread throughout the country, the DPRK regime – sensing a potential threat to the systematic status quo – decided that basic food necessities such as rice, salt and vegetables could be sold through the farmers' markets. As the regime had lost the ability to provide, it was an inevitable decision. Nevertheless, there were more people selling household possessions on the markets – in order to buy rice – than people selling rice. Before the regime could enforce it, the farmers' markets went beyond circulating "basic food necessities" and became more broadly commercialized.

Until 1995 however, the majority of North Koreans remained employed in their state jobs and did not participate in such market activities. This is because they were waiting for the PDS to resume handouts again. The Kim Jong-il regime decided that to admit the collapse of the PDS would lead to instability, and made no mention of its collapse. As the handouts did not come and an increasing number of people began to starve to death, North Koreans finally left their state jobs and looked for ways to survive outside the system. The regime now faced two crises: famine and mass resignations. Reluctantly, it loosened control over the markets. This was the beginning of commercialization without state interference.³

DRIVING CHANGE: MARKETS LEAD TO NORTH KOREA'S TRANSFORMATION | In early 1996, the regime ordered for state departments to feed their employees through independent earnings. From then on, companies mushroomed in number, although many were nothing but in name. This was because the only foreign currency reserve in North Korea, Office 38 and 39 (responsible for Kim Jong-il's Workers' Party funds), kept their doors firmly shut. Even when government ministers requested funds to travel abroad in search of food aid, no allowances were made.⁴

What North Korea had to offer was its natural resources. In exchange for coal, minerals and timber, Chinese merchants would offer rice. If the regime had allowed even this kind of basic bartering to continue, the famine may not have been so devastating. Nevertheless, in 1997 Kim Jong-il said that such exchanges brought him no payments in "loyalty cash" and ordered that international trades must be conducted in exchange for currency. This led to stagnation in Sino-North Korean trade and the imports of rice slowed to a trickle. Moreover, some Chinese merchants who had trusted the North Korean framework and made investments went into debt.

After this event, many Chinese merchants stopped trusting the North Korean system, and requested for all imports to be paid for in cash. North Korean trade was therefore conducted not through companies or institutions, but primarily though individuals who had money. Anyone who had money – regardless of experience—came to be in demand by the DPRK authorities. This is the point at which the job assignment policies of the Workers' Party began cracking at the seams. It also began to shift the people's trust in the old framework and traditional

Andrew S. Nastios, The Great North Korean Famine: Famine, Politics and Foreign Policy (Washington, DC: U.S. Institute of Peace Press, 2001).

² Stephan Haggard and Marcus Noland, Famine in North Korea: Markets, Aid, and Reform (New York: Columbia University Press, 2007).

³ Andrei Lankov, "Famine in Paradise," Asia Policy, No. 5 (Jan. 2008), 193-196.

⁴ Ambassador James Hoare notes that DPRK ministers, diplomats, and other functionaries did have money to go abroad in this period, and certainly spent it.

worldviews.

The first major change brought on by the markets was that the currency of loyalty lessened in value as the currency of money increased in importance.

Secondly, the emphasis on communal solidarity gave way to an individualistic struggle to survive. Those who had lived for and were rewarded by the loyalty system came to trust in the value of individual efforts instead, as an increasing number of people left official state jobs and turned to the private markets to feed themselves. When the regime could not provide for the people, they lost control over the economic life of the people.

Thirdly, a new space for information exchange came into being. To understand the patterns of supply and demand required access to information ahead of others, and North Koreans realized that the key to staying ahead of others was quicker access to information.

Food is what determines prices in the North Korean economy. As the North Korean regime relies on food aid from the outside world, to get access to this information before others allowed one to predict the direction of the market. This information did not exist in isolation, but alongside other information regarding the outside world. Ultimately, markets provided a catalyst for actively seeking information that had its source outside North Korea.

IMPOSSIBLE TO KILL: THE ELITE WHO CONTROL THE MARKETS | North Korea began to transform at an alarming speed when the children of the elite, who had known only political capital, realized the value of financial capital. These new elite bought all kinds of cheap goods from Chinese merchants and then sold them in the North Korean markets at higher prices.⁶ This even led to distinctions between wholesale and retail prices.

Nevertheless, the North Korean economy is based on imports and consumption rather than on production and consumption. Only in terms of rhetoric is North Korea a "self-sufficient" state as economically, it is reliant on the outside world. Only a year after the growth of these markets, the country became saturated with imports that could not find buyers. An increasing number of elite incurred debts to Chinese merchants and this crisis even led to murder in some cases. The North Korean regime responded by abolishing all trading companies that were in a financial mess, then imposed restrictions so that only a limited number of goods could be imported.

Yet at this time, the North Korean elite were speaking openly that while Kim Il-sung's words were law, Kim Jong-il's words were nothing but words. Powerful institutions such as the Party, the military and the security apparatus took advantage of Kim's one-man-rule by getting documents signed that could serve as an ultimatum in any sphere. The companies run by the elite, now under Party or military rule, monopolized all import licenses for minerals, fishery and production bases between themselves as the government lost these rights. As the government lost power, the planned economy sunk into a deeper pit and the markets continued to grow stronger.

In order to revive companies that traded under government auspices, government minister Hong Seong-nam suggested to Kim Jong-il the implementation of the "representative system." According to this system, shops,

⁵ Edward P. Reed, "Famine's Aftermath: Retrenchment or Reform," in Hazel Smith, Hungry for Peace: International Security, Humanitarian Assistance, and Social Change in North Korea (USIP: Wash, 2005), 186-189.

⁶ Anna Fifield, "Selling to Survive," Financial Times, Nov. 19 2007.

and restaurants would be loaned to individuals or companies with earnings split 7:3. In this way, the markets—currently outside of government control—could be reined in. Under Kim Jong-il's orders, private markets were dissolved and then state markets were opened, selling goods at slightly lower prices. Many individuals supported this scheme, thinking that this was the only way forward.

The plan proved to be a miserable failure. The financial elite, who already had good access information, had prepared for the lowering of prices and quickly undercut the state markets. As a downward spiral of competitive undercutting broke out between the state markets and private markets, Kim Jong-il ordered for the "representative system" to be scrapped only a year into its implementation. Even this could not go according to his wishes. Especially in the case of state restaurants, they had already become "marketized" by being redecorated etc. with capital from private investment. As the "representative system" had fused private and state economic activities, the government would be committing suicide by killing it off.

Realizing too late that the root of his problems was the new financial elite, Kim Jong-il ordered Section 4 of the Party's Organizational Committee (the department in charge of exposing follies committed by the Party elite) to monitor this elite. In addition, forbid these young entrepreneurs to be employed in any company that dealt with foreign currency. However, this kind of restriction would greatly limit North Korean trade, as the flow of foreign currency was already rooted in the activities of this new elite. Moreover, according to their own words, wasn't it patriotic to earn money for a state that lacked money?

The new financial elite conduct their economic activities mainly through Office 38, the Party, the Guard Command, the KPA, the Department of National Security, and other power organs. These are North Korea's tycoons. Working in companies that trade under Party or military auspices, they control all of North Korea's imports and exports. Using their connections, they control the direction of the North Korean economy. Using their financial clout, they even control national policy relevant to their interests. This young financial elite have even come to purge the power elite.

PYONGYANG ATTACKS THE MARKET, AND LOSES: THE 2009 CURRENCY REFORM | In late November 2009, when the PDS was all but collapsed and the markets could not be kept under control, the DPRK attempted a revaluation of its currency. The motives for this move can be split under five main headings: 1) Undoing the influence of the markets; 2) Recovering funds tied to the markets; 3) Severing the relationship between markets and the currency exchange rate and nationalizing control over capital; 4) Limiting the autonomy of the markets; 5) Stopping people's increasing reliance on markets.⁷

In the past, currency reform would have been an attempt to strengthen the regime's absolute control over the economy. The 2009 revaluation, however, was more of a desperate push for regaining control that had been lost to the markets. Even after the 7.1 Policy, the regime instigated a currency reform to control the markets, while at

⁷ Stephan Haggard and Marcus Noland, "The Winter of their Discontent: Pyongyang Attacks the Market," *Policy Brief,* Peterson Institute for International Economics, Number PB 10-1, January 2010.

the same tolerating their existence. Before, all prices had been set, but as markets uncontrollably arose, all official prices collapsed. So the planned economy lost the 7.1 accepted market prices and repriced everything.

The regime's policy makers were not market savvy: they had already lost the ability to set prices, but tried to set prices again. The "reform" was meant to control markets; in other words: to stop the process of marketization—eggs, for example, changing market prices. But the 7.1 Policy set prices for goods and increased salaries to compensate. What wasn't taken into account was inflation. Because they made progress in a timid manner, the timing of the reform came too late and the market currency remained ahead of the national currency.

It was none other than the regime's officials that contributed to this mishap. Already in control of North Korea's market, they had anticipated the regime's attempt for currency reform in order to protect their personal wealth. As the US dollar increased in price and rumors of the looming currency reform spread, the price of goods plummeted. The 5000 won note—the highest ever limit set by the regime – missed its opportunity and lost its value. Anything under it was useless scrap paper and although the regime tried to execute the reform behind closed doors, it did not succeed.

The regime was looking through the eyes of a dictator and was seeing only the collective value of the markets, rather than how individual parts made the whole worth what it was. After the 7.1 policy, North Koreans started to put money before loyalty, as they grew accustomed to surviving through market activities. Yet the regime treated the people as if they still put loyalty first, and this was a fatal misunderstanding. The regime sought only to undermine the value of the "marketplace" and did not consider how individuals felt ownership over each stake they owned. As far as each North Korean as concerned, Kim Jong-il was taking away what wealth they personally owned. This is why the currency reform heightened the people's displeasure at Kim Jong-il. Another grave misjudgment on Kim's part was that he thought too little of how far the marketplace had established itself in the country. He had demanded a collectivism far too extreme from a people who had already moved towards individualism out of necessity.

Moreover, perhaps because he was ruling over an "isolated" state, he ignored the force of the US dollar at his own peril. His thinking still stuck in the dichotomy of foreign currency for regime sustenance, domestic currency for ordinary North Koreans, he ignored the underlying connection between the two and tried to reform domestic currency without regard to its connection to the US dollar.

This proved even more disastrous for North Korea as the country lacks production and relies on imports. The hypocrisy of the regime's "self-sufficient economy" and the pretense at a non-existent economic stability led to self-destruction. In today's North Korea, there are two main classes to all intents and purposes. One consists of people belonging to the Party or military apparatus and living off the system. The other consists of those who live outside the system; these are the market classes. The struggle between the two classes continues.

PART TWO FOCUS ON HOERYEONG AND RASON

FOCUS ON...

Corn, Crime, & Camp 22: Introducing Hoeryeong

by Mycal Ford

Hoeryeong City is located at coordinates 42.4333° N, 129.7500° E in North Hamgyeong Province of the Democratic People's Republic of Korea. It encompasses the city proper and thirty-four much smaller towns and villages.¹ Presiding over the city is the Chief Secretary of the North Hamgyeong Provincial Committee of the Worker's Party of Korea, O Su-yong.² Further down the food chain is the Chief Secretary of the Municipal Committee of the Party, Kim Cheol.³ Due to the relatively higher degree of corruption apparent in the upper echelons of the local leadership in this particular city, the central party tends to have to exert its legitimacy by wiping the city's face clear of blemished officials from time to time.⁵ Part of this may be due to the fact that Hoeryeong is among a handful of privileged groups and places that more regularly receives state distribution than elsewhere, although this is modest in proportion, not coming close to the degree available in Pyongyang.⁶

Lying on the eastern flank of *Dongbei*, Hoeryeong lies across the Tumen River, a body of water that serves as a buffer zone between North Korea and China. Its population is an aggregate of 130,000, upon which a set of wealthy families and officials sits at the upper tip. The birthplace of the anti-Japanese heroine Kim Jong-suk (the mother of Kim Jong-il), Hoeryeong houses a memorial specifically dedicated to her on Ohsandeok, a hill. Every year, a pseudo-spiritual trip to Hoeryeong is made in honor of Kim Jong-suk; as a result, the city's reputation is that of a "model city."

As a model city, Hoeryeong enjoys a modest influx of Chinese tourist currency.8 Tourists are granted access to the recently constructed Food Street, where burgeoning restaurants, as described by DPRK propaganda, adjoin

- 38 North DPRK Digital Atlas 1
- The DPRK Central Committee. Hong Sok-hyong preceded O Su-yong (2001-2010).
- Moon Sung-hwee, "Food Distribution for Hoeryeong Last Month," Daily NK, October 8, 2009.
- "North Korea Today No. 329," Good Friends, February 2010. 4
- Yang Jung-ah, "Customs Director of Hoeryeong Arrested for Assisting in Drug Trade," Daily NK, January 10, 2008.
- "North Korea Today No. 434," Good Friends, December 21, 2011. See also Yongbum Shin, "Potatoes Replace Rice Ration in Hoeryeong," Open Radio North Korea, August 2009.
- "North Korea Today No. 268," Good Friends, March 2009.
- Choi Song-min, "Model City or Tourist Trap: Hoeryeong Sparkles," Daily NK, October 15, 2012.

new housing projects (built for military purposes, it is said). The central regime is keen to obtain hard currency, as we know, and seems to see Hoeryeong as one good way to do so in safety.

While Hoeryeong abuts the Tumen River, it still faces challenges of drought due to the deterioration of water supply systems, a phenomenon felt in all areas of North Korea. This has resulted in the depletion of potable water, and has further exacerbated the austere living conditions in which the citizens already find themselves.

In the subsequent two years following Kim Jong-il's most recent visit, Hoeryeong has faced conflicts between destitute farmers and the No. 5 Battalion of the No. 335 Prison Guard Regiment and the Border Guard Regiment, based in the Gyerim area of the city. At nightfall, the soldiers, bereft of food, would steal corn from the defenseless farmers, leaving them to go hungry. In response to the theft, the farmers would protest, stoking more civil unrest in the community.¹⁰

Located just twelve miles (twenty kilometers) further north east of the city-center is (or, perhaps, was) one of the most feared, bleak, and grisly detention centers in North Korea, Camp 22.¹¹ Encircled by ten-foot electric wired fences supposedly carrying 3,300 volts, with land mines, traps punctuating the surface area, and an eight meter moat with spikes in its trenches, the thirty-one mile long and twenty-five mile wide Camp 22 prohibits (or, again, prohibited) the escape of 50,000 men, women and children. Also, directly inside the camp is a coalmine. In order to prevent uprisings from percolating, housing facilities are interspersed throughout the camp in small clusters. However, in spring 2012, news began to circulate that Camp 22 had been shut down.¹²

Crime in Hoeryeong is often characterized by acts, which the state associates with espionage. The DPRK regime often has to clench its iron-fist and confiscate all subversive technology (e.g., mobile devices, music, television sets). One of the largest dispatches of State Security Ministry (국가안전보위부) agents in North Korea, including fifty agents, was sent to Hoeryeong city to abate a rising espionage conflagration. Most notably was the Yusan case, referring to a nearby town just southwest of Hoeryeong. Essentially, Party officials in Yusan facilitated corruption, bribery, and various other kinds of collusion. The clandestine deals did not remain camouflaged too long before the Central Party launched a citywide investigation, which resulted in the replacement of six Party officials in Hoeryeong city and a pithy statement chiding the collective behavior of the city.

Although Hoeryeong remains "special" due to its connection to Kim Jong-suk, its special rations, and its relatively new but certainly exceptional access for foreign tourists, the city also represents certain universal qualities that we might associate with any given North Korean city of its size. The farming around the city is hardscrabble; the water supply is terrible, and security is high. Although it remains hard to reach from other parts of the country—in part because state security does not wish for it to act as a major conduit for would-be refugees to the PRC—Hoeryeong remains, perhaps, a symbol of life beyond Pyongyang, and its struggles.

- 9 UNICEF, "Water, Environment and Sanitation."
- 10 Lee Seok-young, "Autumnal Corn Wars Breaking Out," Daily NK, September 16, 2011.
- 11 Joshua Stanton, "Holocaust Now: Looking Down into Camp 22," One Free Korea, Latest update October 2012.
- 12 "DPRK Premier Inspects Various Places in Hoeryeong City," KCNA, September 17, 2012.
- 13 Shin Joo-hyun, "Top Priority Is Sources' Safety," Daily NK, December 1, 2009.
- 14 Lee Beom-ki, "50 NSA Agents Cross Sino-NK Border at Sanhe," Daily NK, December 22, 2012.
- 40 SinoNK.com

FOCUS ON...

The Closure of Camp 22

by Christopher Green¹

Perhaps few things better indicate the parlous state of human rights in the DPRK than the country's network of political prison camps. Hidden in some of the least accessible, mountainous parts of the country, this network of camps, amply documented by refugees and satellite imagery analysts alike, is used to arbitrarily detain an estimated 0.5% to 1% of the entire population.²

Given the gravity of the situation, it was natural that excitement would greet reports last summer that the DPRK government had closed one of six camps believed to remain in existence: Camp 22, which lay near the border city of Hoeryeong.

Accounts published at the time revealed details of the movement process, which took the three months from March 2012, when the harsh winter weather eased off, until June the same year.

Prisoners were moved over two nights in spring, sources reported; first, agents from the Ministry of State Security locked down the small border city, and then prisoners were locked in sealed trucks and taken to Hoeryeong's main train station. From there they were transferred to freight cars and transported south toward the port city of Cheongjin. Residents of two nearby counties, Saebyeol and Eundeok, were brought in to maintain the site, continuing with the farming and mining activities that have long sustained the area.

Many of the 1,500 plus refugees who escaped across the Tumen River during 2012 were from the region, and most said they had heard about the closure of Camp 22. The final decision to abandon the camp was apparently taken shortly after Kim Jong-un came to power at the end of 2011. Some, though by no means all, said that it was inspired by the defection of the camp warden, which would have been a catastrophic security breach if true.

Though the reason behind the closure has still not yet been compellingly established, subsequent analysis of

Originally published as "Hopes Spike on Camp Closure" by Asia Times [online] on January 26, 2013.

Stephan Haggard and Marcus Noland, "Repression and Punishment in North Korea: Survey Evidence of Prison Camp Experiences," East-West Center Working Papers, Politics, Governance, and Security Series, No. 20, October 2009.

satellite imagery by the US Committee for Human Rights in North Korea did uncover further evidence of the closure itself.³ In particular, it showed that a building said by former inmates to be the camp's infamous detention and interrogation facility had been razed to the ground. Given that the building will have been the scene of many of the most egregious human-rights abuses that went on in the camp, this represents first class evidence of an essential step in efforts to cover up what went on there.

Irrespective of the rationale, a number of experts are predisposed to view the closure as a positive step forward. Former Soviet diplomat Dr. Alexandre Mansourov went on record at the analysis website 38 North to say that the closure may be evidence of a more developmental North Korean approach, commenting in an op-ed piece that it "could have been initiated to erase the evidence of past injustices and atrocities, or may be [an early sign] of political decompression set in motion by the new regime."4

However, optimism is fraught with danger where North Korea's ethno-nationalist dictatorship is concerned, and alternative explanations abound. Sadly, the greater likelihood is that the Ministry of State Security, the state entity that operates the political prison camp system, concluded that it is no longer capable of guaranteeing the security of border areas of North Hamgyeong Province.

In this scenario, the question of whether or not the warden of Camp 22 defected matters little: that the camp lay just eight kilometers from the outskirts of Hoeryeong City and a stone's throw from the Chinese border will have been concern enough, and the battle was surely lost once the ruling Korean Workers' Party decided in 2010 that the downtown core of the city should be remodeled into a tourist destination, one in keeping with the municipality's impeccable revolutionary heritage as the hometown of none other than Kim Jong-il's mother, Kim Jong-suk.

Interestingly, there may now be another, even more disastrous situation for optimists to contend with, as evidence has emerged that another of the network of camps, the more readily defended Camp 14 at Gaecheon, has recently been enlarged.

Building on an already formidable reputation for squeezing information from satellite images that others simply cannot see, Curtis Melvin, the steward of North Korea Economy Watch, has seemingly discovered an additional detention facility to the west of the original, which opened in 1960 but has been rendered infamous in recent years by Escape from Camp 14 hero Shin Dong-hyuk.⁵

As Melvin himself has noted, it is too soon to be absolutely sure what this mysterious outgrowth of Camp 14 really is. It may, in fact, be nothing at all. However, if it turns out to be a new section of Camp 14, then it may yet take us one step closer to knowing what happened to the prisoners formerly interned in Camp 22. Alas, it will also take us one almighty step further away from finding cause for optimism about the future under Kim Jong-un.

Joseph S. Bermudez Jr., Amy Opperman, and Katelyn Amen. "North Korea's Camp No. 22 – update," DigitalGlobe Analysis Center and Committee for Human Rights in North Korea (HRNK) Report December 11, 2012.

Alexandre Mansourov, "Kim Jong Un's Domestic Policy Record in His Frist Year: Surprisingly Good," 38 North, January 15,

Curtis Melvin, "Speculation time: A new kwan-li-so?" North Korea Economy Watch, January 18, 2013.

FOCUS ON...

The North Korean Prison Camp System

by Greg Scarlatoiu

HUMAN RIGHTS UNDER KIM JONG-UN | Despite speculation that North Korea's new leader may be willing to consider steps towards implementing economic reforms, evidence of such steps has been sparse. While the situation in the North Korean countryside continues to remain dire, and hunger and poverty prevalent, Kim Jong-un's apparent propensity for modernity appears to be the result of a "low-level restiveness within the economic and political elite of Pyongyang to provide more space for them to consume and to have more access to information."1

Since Kim Jong-un took power after his father's death, there has been no indication that North Korea's abysmal human rights situation has improved.² Kim Jong-un's dilemma is that he will be unable to depart from his father's legacy until he has fully established himself as the new ruler of North Korea. The longer he spends strengthening his position based on the same system of brutal repression, the less of a chance he will have to break away from his birthright to inhumanity.

Although the overall human rights situation appears to be unchanged, a recently reported development elicits attention and further research: the reported closure of Political Prison Camp No. 22 (Hoerycong, North Hamgyeong Province) and No. 18 (Bukchang, South Pyongan Province) and the apparent expansion of Camp 14 (Gaecheon, South Pyongan Province) and Camp 25 (Cheongjin, North Hamgyeong Province).

CAMP 22: CLOSED, DISMANTLED OR OPERATIONAL | According to former North Korean state security officials who defected to South Korea, between 150,000 and 200,000 prisoners continue to be incarcerated at North Korea's six active political prison camps (관리소/kwanliso), often members of up to three generations of

Williams, Carol J, quoting Stephen Haggard. "It's Still 'My Way' or the Highway under North Korea's Kim." LA Times, July 13, 1

[&]quot;Situation of Human Rights in the Democratic People's Republic of Korea:" Report of the Special Rapporteur on the Situation of Human Rights in the Democratic People's Republic of Korea. September 13, 2012, 4.

the same family. Based on testimony by former prisoners, the death rate in detention appears to be extraordinarily high. It is not clear whether the rate of new imprisonment is as high as the rate of deaths.³

In late September 2012, based on information received from sources inside North Korea, Radio Free Asia and Daily NK reported that Camp 22 had been dismantled in early 2012⁴. Such reports indicated that the prisoners had been relocated, and farmers from adjacent villages had been brought to work in the fields formerly farmed by prisoners. To further investigate these reports, the Committee for Human Rights in North Korea (HRNK) and DigitalGlobe, a leading global provider of high-resolution earth imagery solutions, initiated an imagery analysis of Camp 22 on October 1, 2012. While HRNK and DigitalGlobe have so far only published two reports on Camp 22, the two organizations are in the process of examining the current situation at Camps 14, 18, and 25.⁵

Camp 22 (aka Korean People's Security Guard Unit 2209) is located within Hoeryeong City. Sources have indicated that the camp covers approximately 225 square kilometers, but most activities are concentrated within two smaller perimeters. The first area, about 8.5 square kilometers, associated with local coal mining operations, is located 20 kilometers north-northeast of Hoeryeong, among the villages of Chungbong-dong, Chungbong-ni, Sowonpo, and I-dong. The second area, about 1.5 square kilometers wide, reportedly housing camp headquarters, administration, and the main prisoner housing area, is situated 6.6 kilometers to the southeast and 19 kilometers to the northeast of Hoeryeong.

DigitalGlobe and HRNK compared a satellite photo of the camp taken on October 11, 2012 with DigitalGlobe images taken on November 5, 2010 and May 21, 2011⁶. The satellite imagery analysis indicated that typical fall activity, such as harvesting, drying of crops, and thrashing, has proceeded at normal levels in and around the Haengyong-ni and Chungbong-dong areas of interest, with grain present in the courtyard of the camp's thrashing houses. There has been a notable increase in the coal stockpile at the Chungbong-dong loading facility, suggesting a consistent or even increasing level of production.

The level of activity detected and the state of the agricultural, industrial and civil infrastructure, as revealed through satellite imagery, suggest that the camp remains operational. However, the North Korean military and internal security organizations are fully proficient in implementing camouflage, concealment and deception (CCD) procedures. The satellite photo taken on October 11, 2011 confirms reports by Radio Free Asia and Daily NK that several small buildings have been razed, including one which had been reported by defectors to be a detention and interrogation facility. It would thus be unreasonable to refute a scenario involving the gradual transfer of small sections of prisoners out of Camp 22 and replacing them with "regular" farmers and laborers from other locations.

As indicated in reports on North Korea's vast system of unlawful and arbitrary imprisonment, the prisoners

³ Hawk. David. *The Hidden Gulag Second Edition: The Lives and Voices of "Those Who Are Sent to the Mountains,"* Committee for Human Rights in North Korea, April 8, 2012.

⁴ Moon Sung-hwee. "Why Did North Korea Shut Down Camp No. 22?" Radio Free Asia Korean Service. September 27, 2012, accessed September 27, 2012.

⁵ On February 25, 2013, HRNK released <u>a report</u> suggesting that Camp 25 at Cheongjin, North Hamgyeong Province had been expanded.

⁶ See generally Joseph S. Bermudez Jr., Amy Opperman, and Katelyn Amen. "North Korea's Camp No. 22" DigitalGlobe Analysis Center and Committee for Human Rights in North Korea (HRNK) Report, October 22, 2012.

suffer from severe induced malnutrition, and are equipped with just rudimentary tools. Satellite imagery indicates an increase in the coal production, but it is hard to imagine how the productivity of the slave labor employed at the Camp 22 coal mining operation could have improved. This could have been achieved through: feeding the prisoners better (hard to imagine, given all we know about the *kwanliso* system); increasing the number of prisoners at the camp (however, nothing in the satellite imagery indicates such a development); equipping the prisoners with better tools (inconceivable under the current circumstances in North Korea); or replacing the forced labor force with a more or less "regular" workforce from nearby villages, better fed, better equipped, and thus more productive.

After the release of the HRNK/DigitalGlobe report, Daily NK reported that sources inside North Korea had confirmed that the people farming the land within the confines of Camp 22 were from "low class families from the local counties of Saebyeol and Eudeok." Radio Free Asia reported that miners from the Kungsim coal mine which has been allegedly closed—have been relocated to Camp 22 mining facilities, to replace the prisoner work force. 8 The same report indicated that sources inside North Korea had confirmed that the prisoner population had declined from 30,000 to 3,000, due to food shortages, and that the surviving prisoners had been relocated to Camp 16 in Cheongjin.9

The debate over the status of Camp 22 has resulted in maintaining the North Korean political prison camp in focus, through reporting in the English and Korean language press. Fully aware of the importance of decidedly confirming or refuting reports that the facility has been closed, HRNK and DigitalGlobe continued to focus on Camp 22, paying particular attention to relevant indicators.

On November 26, 2012, DigitalGlobe took additional satellite photos of Camp 22. A comparison with May 21, 2011 and October 7, 2012 and the subsequent analysis focused on the perimeter fence and guard towers. DigitalGlobe and HRNK concluded that a significant number of the smaller guard posts and towers have been either razed or abandoned, and that about half of the perimeter fence has disappeared. Moreover, the bridge leading to the entrance to the Chungbong-dong rail station has also been removed. Although reports indicate that Camp 22 has been completely shut down, one still needs to understand why some guard posts and towers appear to be currently operational. One possible explanation could be camp consolidation, but we will have definite confirmation only once we have confirmed with primary sources on the ground.

Reports stated the Kungsim mine was closed, and the "regular" workforce moved to the Chungbong-dong mine, to replace the prisoners who had been transferred elsewhere. Based on the satellite imagery, the Kungsim mine was closed, but only recently. Small-scale mining is still visible, and there appear to have been no recent large-scale changes to population patterns in the area.

While continuing to pursue new Camp 22 imagery and analysis as part of a broader collaboration with DigitalGlobe and also acquiring photos of Camps 14, 18, and 25, HRNK plans on working with South Korean human

Kim, Kwang Jin. "New Farmers of Camp No. 22 Revealed." Daily NK, October 25, 2012.

Moon Sung Hwee and Parameswaran Ponnudurai. "From Prison Camp to Coal Hub." Radio Free Asia, November 6, 2012.

Ibid.

rights groups that have been in contact with very recently arrived North Korean refugees from the Hoeryeong area who have provided information about the transformation of Camp 22. Ideally, defectors and former prisoners and guards will determine whether they can identify landmarks and other indices of changes within the present or former perimeter of Camp 22 should review the new satellite photos of Camp 22.

Confirming the current status of Camps 22 and 18—another *kwanliso* that has allegedly been dismantled—is essential to efforts to understand and improve the North Korean human rights situation. Reports by North Korean Economy Watch that Camps 14 and 25 have been expanded also elicit further attention and research. If, based on recent satellite imagery analysis and recent defector testimony, it is established that Camp 22 remains operational; a reassessment of the very few available sources inside North Korea may be needed. If the research confirms that the remaining prisoners have been transferred and replaced by a "regular" workforce, the next step would be to determine if this was the result of stepped up international reporting on North Korea's political prison camp system.

If a dismantling of some of North Korea's political prisoner camps is in progress, it is essential to ensure that the North Korean regime does not attempt to erase all evidence of atrocities committed at the camps, including the surviving prisoners. What is certain is that the North Korean regime's hiding and distorting the harsh reality of North Korea's unforgiving political prison camp system is no longer an option. With constant satellite imagery, we can maintain a watch over these camps even if no outside entry is allowed.

More than 120 states in the United Nations General Assembly have expressed "serious concern" about "the existence of a large number of prison camps and the extensive use of forced labor" in North Korea. If North Korea is trying to make a Potemkin village out of Camp 22, the world should know.

FOCUS ON...

Abandonment of Socialist Economy in the Periphery

by Benjamin Young

Long seen by Pyongyang as the home of the least loyal citizenry, North Hamgyeong-ians have suffered greatly from an unfortunate distinction.1 During the "Arduous March" in the mid-1990s, urban residents of North Hamgyeong province arguably suffered more than any other segment of the North Korean population. In his book Under the Loving Care of the Fatherly Leader, Bradley K. Martin explains that it was due to the "grim conditions" in April, 1992 in the North Hamgyeong province that "semi-retired" Kim Il-sung reacquainted himself with domestic issues and "the regime would move to new policies deemphasizing heavy industry in favor of activities that would more directly improve the people's livelihood."²

In that same period, a new monument was constructed in the Myohyang Mountains with the slogan, "Water is rice. Rice is Communism. The irrigation-based-socialist agriculture of our country will have a great harvest every year." Never mind focusing on directly improving the people's livelihoods; costly monuments needed to be a priority in the so-called "People's Korea." In this essay, I argue that the growing economic discrepancies between the peripheral regions (provinces) and the core (Pyongyang) have clearly emerged as an issue that the regime needs to address in the near future. North Korea still adheres to a socialist culture and a collective society, but the present economic arrangement of "one country, two systems" may spark a necessary change in the North Korean system to market socialism. The catalyst behind this reform may be the North Korean people themselves.

In recent years, North Hamgyeong's distance from Pyongyang and its rather permeable border with China has allowed North Hamgyeong-ians with contacts in China to fare better than even some Pyongyang residents. In December 2012, a new website run by North Korean exiles in South Korea, New Focus International, interviewed a recent defector from North Hamgyeong who remarked, "North Hamgyeong province seems a much better place

Sun Joo Kim, ed., The Northern Region of Korea: History, Identity, and Culture (Seattle: Center for Korea Studies, University of Washingon, 2010).

Bradley K. Martin, Under the Loving Care of the Fatherly Leaders: North Korea and the Kim Dynasty (New York: St. Martin's Press, 2004), 504.

for life than the city of Pyongyang." Another defector explained that it was a "shock... when he witnessed life in North Hamgyeong province." In regards to the food situation, the defector explained that "in his home province, the family had barely enough watered down congee for eating; yet, in North Hamgyeong province there was rice."

Pyongyang, historically regarded by many North Koreans as the revolutionary center of the world, has in recent years "provincialized." *New Focus International* spoke to a member of the Pyongyang elite and he explained the new anarchist character of the capital city. He says, "The leadership is no longer respected. Fewer Pyongyang residents are prepared to offer an unquestioning loyalty and obedience to the state." The provinces have relied on the black market since the centrally planned economy of North Korea crumbled during the famine in the mid-1990s. However, Pyongyang's symbolic status as the last bastion of true socialism slowed the arrival of the black market into the capital. As *New Focus* explains:

When Kim Jong-il realized he did not have enough food to feed the entire country, he made a decision to restrict the distribution of rations to those living within the boundaries of Pyongyang. He did everything in his power to sustain the symbolic authority of the PDS [Public Distribution System] in Pyongyang, so that the city could serve as a beacon of ideology and a model of absolute loyalty.⁵

New Focus identifies, "For the first time, Pyongyang residents are feeling trapped inside the city rather than trapped in the provinces, as the quality of life in the city continues to stagnate due to its distance from the vital black market trade that sustains the rest of North Korea."

The importance of rice to North Korean life cannot be understated. One could argue that wealth in North Korea is measured by the intake of rice rather than by deep pockets. As Chris Green, the editor of *DailyNK* explains, "Yes, rice is expensive. But, it has been "unnaturally" expensive for quite a long time. Indeed, it has been high for so long now that "natural" and "unnatural" price points have arguably lost a lot of their meaning. Inflation has been more or less a constant feature since 2009, save for a handful of temporary corrections borne of agricultural and/or political factors." Due to the high price of rice for many years and growing dissatisfaction with their government, North Koreans outside of Pyongyang have become reluctant to donate rice to the military. *New Focus* identifies that "when asked to donate rice to the military, the provinces argued that they weren't 'Pyongyang people' because they did not receive rations... the rice of loyalty turned against the Pyongyang regime and became the rice of resistance."

Despite the recent defector accounts citing positive developments in North Hamgyeong's food situation,

^{3 &}quot;North Hamgyong: Citizens Take Progress into Their Own Hands," New Focus International, December 14, 2012.

^{4 &}quot;The Provincialization of Pyongyang Is Underway," New Focus International, February 6, 2013.

⁵ Ibid.

⁶ Ibid.

⁷ Christopher Green, "Putting Food on the Table: Rice Back in the News," Sino-NK, March 15, 2013.

^{8 &}quot;The Provincialization of Pyongyang Is Underway," New Focus International, February 6, 2013.

sources from the *Good Friends-NK Today* website repeatedly explain that North Hamgyeongians are starving and barely obtaining any corn, let alone rice. A *Good Friends-NK Today* report from July 4, 2012 titled, "Even well-off families can only add a handful of rice to their corn meal porridge," identifies that, "Corn (maize) long ago replaced rice as North Korea's staple food. North Koreans call corn meal 'corn rice.' The well-to-do eat steamed rice; for others, corn is their staple food. Depending on a family's economic status, the rice-to-corn ratio varies. Well-off families don't use more than 50% corn; as the household budget becomes more strained, corn's share grows." 10

Good Friends-NK Today remains an underutilized resource detailing the daily life of North Koreans, especially those living in the border regions near China. The stated goal of this non-governmental organization (NGO) is as follows: "Good Friends has been providing information on food shortages in North Korea, raising funds for humanitarian assistance, dispatching activists to national border areas between China and DPRK and having them investigate local situations, and publishing reports on food shortages in North Korea." The UN reports that the food situation in North Korea as "being the best in many years," but recent Good Friends-NK Today headlines, such as "Cannibalism in North Korea: Starving Father Kills Children for Food," suggest otherwise.

On May 23, 2012, *Good Friends-NK Today* reported that, "Food shortages in the North Hamgyeong Province are leading residents to swarm to Rajin-Seonbong (also known as Rason), many without a pass attempted to enter the special district." The article also noted that, "It is a widespread feeling that Rason is just as prosperous as Pyongyang with investments from foreign businesses. However poor they may be, a Rason resident could still afford to eat crushed corn, which is deemed a luxury in many areas." This report runs contrary to reports which argue argue that Pyongyang, not the Sino-North Korea border areas, is descending into anarchy. 12

A myriad of similar reports explaining the dire food situation in North Hamgyeong fill the pages of the *Good Friends-NK Today* website. For example a *Good Friends-NK Today* report from May 2, 2012 identifies that salt has become a rare luxury in North Hamgyeong. A hospital worker in North Hamgyeong noted, "Various diseases are going around due to malnutrition caused by the food crisis and the high price of salt compared to corn. The unavailability of salt, bean paste, and soy sauce is not just an inconvenience; rather, it is a dangerous situation since serious health problems can occur. Salt has to be secured promptly without delay."

So what does the difference between the *New Focus International* and *Good Friends-NK Today* reports tell us about the general food situation in North Korea? The answer is that there is a substantial difference between the food situation in the provinces and the food situation in Pyongyang. The North Korean government's curtailment of citizen travel within its borders, permission of black market trade in the provinces, and heavy emphasis on displaying Pyongyang as a "modern" socialist city has figuratively split the nation into two. The "have-nots" in the provinces who have either thrived or failed in the black market (depends on which report you look at) and

⁹ http://goodfriendsusa.blogspot.co.uk

^{10 &}quot;North Korea Today No. 462," Good Friends, July 4, 2012.

^{11 &}quot;North Korea Today No. 456," Good Friends, May 23, 2012.

^{12 &}quot;The Provincialization of Pyongyang Is Underway," New Focus International, February 6, 2013.

"the haves" in Pyongyang who have lived a relatively comfortable life according to North Korean standards but are struggling to gain access to the black market in the periphery.

While there seems to be no historical evidence of a major rebellion against the North Korean government by its citizens, Victor Cha explains in the newly released volume *North Korea in Transition*, "domestic disturbances are not exactly unknown occurrences in the North." Cha details a myriad of protest-related events in North Korea since 1980. It is no surprise that many of the protests (even full-fledged riots) have occurred in North Hamgyeong. Cha notes a protest in 1995 when "senior officers of the VI corps stationed in Cheongjin" became disgruntled by "Pyongyang's decision not to ship food to the Hamgyeong provinces" and "sought to take control of a university, a communications center, Cheongjin port, and missile installations and reportedly planned to team up with the 7th Corps in Hamheung to oppose the government." In December 2007, the government banned market activity for women under the age of fifty and "protests sprang up in Cheongjin within months, with female participants reportedly calling out, 'If you do not let us trade, give us rations!' and 'If you have no rice to give us, let us trade."

North Hamgyeong, "the bad boy" of the peripheral regions, is an area that Pyongyang needs to keep a close eye on as the rebellious nature of the province may soon be a problem that authorities can no longer control. Due to an increase in cell phone usage, North Hamgyeong-ians may once again team up with other disgruntled peripheral peoples and stage protests. Reports coming out of the DPRK indicate that the peripheral peoples are either succeeding or starving. Either way, Pyongyang will be forced to pay closer attention to the problematic peripheries and address the current situation. If the peripheral peoples are succeeding, the wave of market socialism may soon arrive in Pyongyang and sweep away even the socialist culture that Pyongyang has long stood for. If the peripheral peoples are starving, Pyongyang will need to feed them or an even large protest may ensue.

By itself, internal insurrection would not spark North Korea's reform to market socialism but it is important to recognize that the North's emphasis on socialist culture but neglect of socialist economy is extremely noticeable to the average North Korean and indicates a weakness in the system. How soon until the socialist culture implodes?

PART THREE THINKING CRITICALLY ABOUT SOURCES

"Statue Destruction Society:" North Korean Claims of Terrorism from Inside Chinese Territory

by Adam Cathcart and Brian Gleason

This past July 19, a very strange case emerged at a North Korean press conference where repentant former defectors asserted a US/South Korean "terrorist plot" to hit statues in the DPRK.

The press conference did not get a great deal of coverage; if anything, it seemed that it was being viewed as one of those bizarre instances of North Korea trying to mobilize its own people to vigilance. Stephan Haggard saw it, however, as something more, perhaps as the North Koreans looking for a pretext to test a nuclear weapon and pin the US with a "terrorist state" label.¹

Certainly the details of the conference, and the way that domestic propaganda has continued, indicated Pyongyang was using the episode as a way heighten war-readiness in North Korea. North Korean television has played up the theme of an all-around American plot to encircle the DPRK. Jon Yong-chol, the centerpiece of the press conference, has thus been seen in North Korean poster art and television broadcasts, his face a reminder to the populace.

Secondary themes driven by the press conference were to render even more nefarious connotations to (illegal) cell phone calls on the northern frontier, and to send a warning shot to anyone who did not ardently support the state's drive to build and protect new statues.

However, as the following annotated document shows, the press conference and the campaign surrounding it primarily functions as a means of expressing anger at China, complaining about the laxness of Chinese border security, and new grievances about the PRC's new ties with South Korean intelligence agencies.

CONNECTING THE ALLEGATIONS TO SINO-DPRK RELATIONS | The July 19 press conference did not emerge out of a vacuum: North Korea had a very clear intended purpose for it. We believe that the assertions are connected strongly to the Kim Young-hwan case, and indicate that that case did not get worked out completely to the North Korean satisfaction. Strong evidence exists to indicate that North Korea feels betrayed by the PRC in

¹ Stephan Haggard, "Spies and Sabotage," North Korea: Witness to Transformation, July 27, 2012.

the public discussion of defector issues and that the defector issue is becoming increasingly politicized between the two socialist allies themselves.

A brief look at the timeline may be of some use:

March 2: From the Korea Times: "President Lee Myung-bak called for Beijing's cooperation over the issue of North Korean refugees in China during talks with the Chinese foreign minister, Yang Jiechi, in Seoul. The South, apparently breaking from its pattern of 'quiet diplomacy' over the repatriation policy, has become increasingly vocal on the matter. The National Assembly has also passed a resolution demanding an end to the policy."²

March 16: From *Xinhuanet*: "China voiced concern over the DPRK's plan to launch a satellite in April. Chinese Vice Foreign Minister Zhang Zhijun met with Ji Jae-ryong, DPRK ambassador to China, on Friday to express China's worry over the matter, according to a statement from the Chinese Foreign Ministry."3

March 27: From the AP: "Some of the North Korean fugitives who have taken refuge for many months in South Korean consulates in China will soon be allowed by Beijing to leave for Seoul, a report said Wednesday. 'The Chinese government has an internal policy guideline, under which North Koreans who have been living in South Korean consular offices for 30 months or more will be allowed to leave the country,' a diplomatic source told the daily."

"Other North Koreans arrested across Chinese territory will be repatriated to the North under this guideline," the source said. 4

March 29: The *Dong-a Ilbo* reports: "Kim Young-hwan is abducted/arrested in Dalian, in the northeastern Chinese province of Liaoning, with three South Korean colleagues. After his release, Kim told a news conference that 'China's National Security Ministry officials didn't even know much about who I was until three to four days after my arrest.' Moreover, 'There is the possibility that China didn't know how important Kim was until North Korea's State Security Department provided information on him belatedly,' a South Korean official said."5

Daily NK highlighted the strange circumstances surrounding the group's subsequent incarceration,

[&]quot;Seoul urges China to stop repatriating NK defectors," Korea Times, March 2, 2012.

[&]quot;China concerns over DPRK's planned satellite launch," Xinhuanet, March 17, 2012.

[&]quot;China to Let N. Koreans leave for S. Korea: report," Associated Press, March 27, 2012.

[&]quot;Did China torture activist for defectors with electric shocks," The Dong-a Ilbo, July 28, 2012.

including plausible North Korean involvement in the interrogation.⁶

April 4: A group of five North Korean defectors, including one family, arrived in the South after hiding for years at a South Korean consulate in China.

April 13: China joined the other members of the UN Security Council in a unanimous condemnation of the launch—a marked divergence from China's previous stance of 'urging calm and restraint' in the wake of North Korea's 2009 launch of the Unha-2 rocket.⁷

April 19: *The Daily Yomiuri* reports: "The Chinese government has suspended deporting North Korean defectors in accordance with a request from the South Korean government, according to sources working for Chinese and North Korean authorities."

July 12: The *Daily NK* reports: "PRC Minister of Public Security Meng Jianzhu arrived in South Korea at the beginning of a three-day visit, the first by a head of Chinese public security since South Korea and China established diplomatic relations in 1992.... South Korean officials have confirmed that the ongoing case of Kim's detention will be raised, although they are cautious to avoid linking Meng's visit with the release of the four men.... However, past visits by Chinese senior officials have led to the arrival of 'diplomatic gifts.'"

July 18: NTI reports: "Defense experts suspect North Korea is developing compact nuclear weapons that could be detonated high above the Earth in an attack designed to disable rival nations' electronic weapon systems, the *Washington Times* on Wednesday cited a new Chinese report as stating."

Continuing, "The June report in a Chinese Communist Party-controlled publication said the recent disruption of some South Korean airplanes' GPS capabilities had been linked to the North Korean military. Writing for the Hong Kong-based *Bauhinia* monthly journal, military analyst Li Daguang said North Korea's developing capacities could undermine the South Korean military's weapons and data and other resources." ¹⁰

July 20: North Korean human rights activist Kim Young-hwan was finally released on July 20 after

⁶ Yang Jung A, "North Korea Suspected in 4 Arrests," Daily NK, June 16, 2012.

^{7 &}quot;China joins U.N. condemnation of N. Korea rocket launch," CBS News, April 16, 2012.

⁸ For a report on the story, see Steven Denney, "Hopefully More than an Inch: Weekly Digest," Sino-NK, April 19, 2012.

⁹ Cho Jong Ik, "Can Meng Complete the Kim Jigsaw?," Daily NK, July 13, 2012.

^{10 &}quot;Chinese Experts Believe N. Korea Developing Nukes For EMP Attacks: Report," Nuclear Threat Initiate (NTI), July 19, 2012.

114 days in a Chinese prison.

July 20: According to the AFP: "North Korea said it had no choice but to 'completely review' the nuclear issue after accusing the US and South Korea over a plot to blow up a statue of its founding leader. It did not elaborate on what was meant by a review, but it will add to concerns Pyongyang may be planning to conduct a third nuclear test."

According to KCNA, cited in the AFP release, "Jon Yong-chol said he twice visited China's northeastern city of Yanji—in March and May this year—where South Korean agents taught him how to use an explosive device that could be set off by mobile phone."11

The above list contains a number of potential friction points for China and North Korea, but if only two points can be chosen for "cause-effect" treatment, we would point to the July 13 visit of PRC Minister of Public Security Meng Jianzhu went to the ROK. As Haggard explained on August 2:

[Kim Young-hwan's] release followed a visit by PRC Minister of Public Security Meng Jianzhu to Seoul, the first such visit by a Chinese head of public security since the normalization of relations. Press coverage suggests that Meng met with Foreign Minister Kim Sung Hwan, Minister of Justice Kwan Jae Jin and National Intelligence Service Director Won Se Hun; we would have loved to be a fly on the wall in those discussions.

The Kim Young-hwan case thus appears to have provided the pretext for the first meetings between Chinese Public Security leaders and South Korean intelligence counterparts.

The reason this would infuriate DPRK would be obvious.

The question is then: how does this press conference indicate the type of anger or issues North Korea is expressing concern over with regard to defectors more broadly and border security more specifically? Perhaps a re-reading of this document and its new annotations will provide some answers.

Beware the North Korean Rumor Mill

by Christopher Green

It is no secret that analysts and experts of all ideological hues tend to be suspicious of stories appearing in the media about North Korea. It is a tendency that is not without justification, since published stories from the genre have a long and somewhat undistinguished history of being incorrect. Of course, the very act of being wrong is also to some extent justified, given the North Korean media reality.

Sometimes, problems stem from the desire to attain a certain goal (laudable, in many cases), such as stories about starvation presumably aimed at inspiring the delivery of apolitical food aid to the indisputably hungry (though not starving) North Korean people.¹ On other occasions, they come from an inaccurate interpretation of a piece of information received from North Korea that ends with the description of a distorted reality.² On still further occasions, they emerge from the keen commercial desire of sections of the (South Korean, in particular) media to maintain the illusion of being.³

However, what is not noted with anything approaching sufficient frequency is the fact that the North Korean regime is also extremely adept at disinformation. And yet, disinformation from the horse's mouth is, this author believes, more problematic and potentially disruptive than any other kind.

The following is a story that appeared on the Radio Free Asia (RFA) website on July 3, 2012. RFA has some great content, but its translations are slow to arrive when they arrive at all, so I have prepared an English version [minus one redundant paragraph: translation *Sino-NK*]:

There is a rumor going around that Kim Jong-un is in favor of the reform and opening of the North Korean economy but is being stopped from so-doing by Jang Sung-taek and Kim Kyung-hee. This news is causing the North Korean people's dislike of the couple [Jang and Kim are a married couple] to go through the roof.

¹ See "North Korea Today No. 122: Famine special," Good Friends-NK Today: Research Institute For North Korean Society, April 2008

² Christopher Green, "5.4% Interest from the Central Bank?," Destination Pyongyang, March 4, 2011.

^{3 &}quot;N. Korean Army Chief 'Refused to Go Quietly," Chosun Ilbo, July 20, 2012.



Do disparate data points make a story? | Source: S.Paul Forrest

Reporter Moon Sung-hwee is here with the story.

Moon: Criticism of Kim Jong-un's aunt Kim Kyung-hee and her husband Jang is spreading in the markets and in universities, and popular dislike of the two is growing rapidly as a result. This is supposedly because they are implacably opposed to Kim Jong-un's plans to reform and open the North Korean economy.

A student from North Hamgyeong Province whom I recently spoke to explained, "Kim Jongun's reform and opening plan is not being allowed to reach fruition because of the implacable opposition of Kim Kyung-hee and Jang Sung-taek. This story is whizzing around universities in Pyongyang and the provinces, of course, and also in the markets, and some people are really angry."

According to the student, Kim planned to make the complete reform of farming and the military his first job following the death of Kim Jong-il, and had made implementation plans.

The report then goes on to discuss the ways in which Kim hoped (and may still hope) to carry out military and

agricultural reform. This includes military modernization (including troop number and military service length reductions). Notably, he also apparently strongly believes in the need to follow the Chinese road in agriculture so as to solve food insecurity issues.

However, when she heard about Kim's ideas, Kim Kyung-hee reportedly demanded of him, "Would you, in the fourth generation, discard the 'juche agricultural law' and 'military-first political line' made by my father Premier Kim Il-sung and adhered to by my brother NDC Chairman Kim Jong-il?"

"You will not abandon socialism for as long as I live," she apparently went on to declare, and husband Jang declared that rapid reform could lead to regime collapse.

As with all quotes in all articles in all Korean print and online media all the time, the precise accuracy of this quote has to be regarded with circumspection.

However, a Party cadre source in Yangkang Province, while agreeing that the story is indeed going around, added, "For one thing, we don't know if that is a true story, and even if it is a true story we cannot say for sure when it took place. And, even if it did happen, doubts still exist over the way it leaked out."

Nevertheless, "The unconfirmed rumor is circulating, and the people's feelings towards Kim Kyung-hee and Jang Sung-taek are worsening greatly," the cadre source continued. "People who know well how people's minds work may very well have leaked the rumor in order to try and restrain Jang Sung-taek."

It is clear from the outset that this article is no guide whatsoever to government policy, or that it is meant to be. It is premised on a (almost certainly) baseless rumor going around in the markets of Yangkang Province, from whence its author hails, and it only cites one source. The author, Moon Sung-hwee, makes little secret of these facts.

The problem is that readers outside North Korea are not always aware of from where or by what means such stories often emerge.

THE FRAGMENTED ARCHITECTURE OF NORTH KOREAN NEWS | It is important to note that what we (with "we" meaning any group trying to get news out of North Korea) are working with is, in truth, a pretty fragile piece of newsgathering architecture. In the classic format, the words of a source are received by phone or text message, and those words are then both tested for credibility by people with knowledge of how North Korea tends to operate and cross-checked with other sources from the same region or, in the case of big stories, areas nationwide.



Jang Sung-taek and Kim Jong-un | Source: Daily News America

While much of the information that emerges in this way comes from relatively well-connected sources such as Korean Workers' Party cadres of good standing who want the truth to be heard or from Chinese-Korean traders who are privy to more information than most people due to their relative ease of movement, much of the rest is derived from conversations held in local markets or received from sources with less pure motives (or both). A lot will also be hearsay received at three, four or ten times removed.

This state of affairs is extremely open to North Korean abuse. North Korea is known to actively operate on the premise that a well-timed declaration in the market in Hyesan, Sinuiju or Namyang can arrive on the pages of Chosun Ilbo or, as in this case, Radio Free Asia in a heartbeat. From there, of course, rumor gains its own currency, and eventually becomes fact. Before you know it, it is a feature article in the New York Times and informing government policy inside the Beltway.

The aim of such disinformation is not just to misinform the international community, either. In a country like North Korea, where lateral and downward flows of information are deliberately impeded as a matter of state policy, methods of affecting public opinion outside the limited strictures of the state media are in very short supply.

RUMORS AS FACTIONAL MANEUVERING | What this means is that when one party wishes to constrain the actions of another party, whomever each may be, one of the best ways to do so is by word-of-mouth. Ergo, as the cadre in the RFA article points out, "People who know well how people's minds work may very well have leaked that rumor in order to try and restrain Jang Sung-taek." This domestic imperative incentivizes disinformation

flows, and makes it even harder for people both within and without the country to work out what is true, and what is not.

You may be wondering what the spreading of this particular rumor could have been intended to achieve? Here are a few quick ideas:

- 1) It could have been put out by the government itself, acting with the full knowledge of Kim Jong-un, Jang Sung-taek and Kim Kyung-hee, to make sure that the development of Kim Jong-un's public image as a 'man of the people' is not damaged by the state's failure to meet the reformist expectations of the public (i.e. "Kim really wanted reform because he loves you people so much, but those assholes Jang and Kim stopped him doing it"); or
- 2) It could have been released by someone from within the Cabinet, which is meant to control the civilian economy but does not completely do so, in order to raise public expectations of reform and force the government and military in that direction, a move which can then be attributed to Kim Jong-un's determined leadership later on (i.e. "That couple Jang and Kim wanted to stop the leader reforming the nation out of his boundless love for the people, but he would not be stopped and now he has won!"); or
- 3) It could have been the government wanting to convince the international community that there is a dispute in the North Korean elite between reformers and conservatives in the hope that this will lead governments in Seoul, Washington, Tokyo, Moscow, and Beijing to lend a supporting hand to the government on the premise that giving aid and development assistance on a massive scale will help to buttress the influence of the reformist wing (i.e. "Let's conspire to convince our dumbass neighbors that there is a fight for influence in Pyongyang, and that only by their giving aid for the sake of those of us who want to open the country will they be able to help us face down the conservatives. Everybody in?")

GUNPLAY IN PYONGYANG? | To reiterate, this is not just something that happens with market rumors, either. One would be wise to take with a pinch of salt even those stories that emerge from government sources, too. Take a look at the recent tale of a gunfight during the sacking of V. Mar Lee Young-ho from his Party posts last July.

The "facts" as reported by *Chosun Ilbo* are that, following the ruling clique (taken to mean Kim Jong-un, Jang Sung-taek, Kim Kyung-hee and, to a lesser extent, Choi Ryong-hae)'s decision to remove Lee, V. Mar Choi Ryong-hae was sent to deliver the bad news. His attempts to follow through on this inspired a firefight with Lee loyalists during which as many as 20 people were killed.⁴

While I cannot discount the possibility that this story is true, there are a great many reasons to suspect that it is,

in fact, not. First, my own subsequent inquiries have not turned up a single western source in Pyongyang who so much as heard, first or second hand, about the firefight until told that it had made the front page of the *Chosun Ilbo*.

Second, the final sentence of the piece tells me that even the *Chosun Ilbo* itself was keen to hedge against the story turning out to be junk. Any time a piece on North Korea concludes with a paragraph like, "The firefight has still not been 100 percent confirmed,' said a government official here. 'It may take some time for us to gain a clearer picture of what happened." it is usually wise to be suspicious.

So, if this is not true either, where did it come from and why was it released? Well, assuming that it was based on genuine information obtained from a genuine source in Pyongyang to begin with, rather than 1) simply being made up by a *Chosun Ilbo* reporter to maintain that particular newspaper's reputation; or 2) based on information made up and disseminated by the South Korean intelligence services for the purpose of promoting the Lee Myung-bak administration's own inter-Korean agenda, the question is why the North Korean government would want the outside world to believe that a firefight had occurred.

In short, it was clearly intended to intimate the presence of a very serious schism in the regime. Therefore, the goal is the same as objective 3) for the RFA story.

One need not be in possession of exceptional strategic genius to have worked out that following his shock removal, V. Mar Lee would be described in South Korea and elsewhere as a hardliner and core proponent of the military-first policy, and thus that it would be assumed that his removal represented an attempt to force change against the wishes of the military elite (remember, everyone already knows that V. Mar Choi Ryong-hae is a "civilian" (misguidedly assumed to mean liberal) in a military uniform).

Equally, such information implies that Kim is working hard to take full control of the military, but also insinuates that this is not an easy task and that he needs regional circumstances to remain placid in order to allow him to play his Party-centered hand against the weight of a People's Army built up over the course of 17 long, militaryfirst years. Ergo, "Be nice to me, I'm trying to change. Oh, and perhaps you might consider a policy review?"

I do not claim to know in the case of either story what is right or wrong, or even to present a comprehensive list of possible North Korean aims. I'm not even prepared to rule out the possibility that both stories are true (although they do contradict each other in their judgment of the nature of Jang Sung-taek and Kim Kyung-hee, making this outcome highly unlikely). Nor am I here to point the finger of doubt at Moon Sung-hwee, who is a friend and someone I respect, or at the *Chosun Ilbo*, which I believe mostly does its best to provide "news" on a country to which it cannot ordinarily gain access.

No: my only point is to say once again that the "North Korea newsgathering structure" is, by necessity, designed in such a way that it is open to exploitation. This is done by outsiders, sure, but the North Korean government and its affiliates do it both more, and in more ways, than any other group. Do not begin to imagine they are not trying to use their information superiority to their advantage. Read and analyze with great care.