



Political change in North Korea

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Executive summary

- The prospect of political change in North Korea is a recurring question, buoyed by media speculation regarding the health of the current leader, Kim Jong-Il, the dearth of information about his succession and concern for the potential instability that could occur.
- Australian interest stems from the possibility that political change in North Korea could potentially affect the economic viability of the region, which contains Australia's three largest export markets of China, South Korea and Japan. Political change in North Korea could potentially require Australian assistance in humanitarian and/or military operations.
- There are four scenarios for political change in North Korea. These are: hereditary or other familial succession, a smooth transferral of power to another centre of power, such as the military, forced political change through coup or revolution, and the disintegration of the state and its ultimate absorption by South Korea. Each scenario has specific warning signs that are yet to appear.
- The key determinants of political change in North Korea are likely to be the military, external powers and the economy. Each of these determinants plays a central role in the political viability of the current North Korean leadership. There are several triggers of political change in North Korea, one of which is the deterioration in the health of current leader, Kim Jong-Il.
- Given the potential economic and security impact, the issue of political change in North Korea is something that Australia and the region should be prepared to address.

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Introduction

Political change in the Democratic People's Republic of Korea (DPRK), hereafter referred to as North Korea, represents a wild card in the strategic future of East Asia. To borrow the words of former United States Secretary of Defense, Donald Rumsfeld, political change in North Korea is a 'known unknown'. Inevitably, the leadership of Kim Jong-Il will one day come to an end—but how this will affect the North Korean state and society, its relations with neighbouring states and ultimately the security of the East Asian region, remains unknown.

There are no overt signs that North Korea is about to undergo political change. Indeed, over the last decade North Korea has defied predictions that this would occur. It has survived economic collapse and a devastating famine triggered by the disintegration of its Cold War patron, the Soviet Union; it has reduced the politico-military threat posed by its former Cold War nemesis, South Korea, through diplomacy and reconciliation; and it has arguably, outmanoeuvred the United States and China to emerge as the region's newest nuclear power.

Neither are there any overt signs that Kim Jong-Il is about to relinquish political control. Both genetics and political precedent suggest that at age 65, Kim Jong-Il could continue leading North Korea for a substantial period. Kim Il-Sung, North Korea's first leader and father of Kim Jong-Il, led the state until his death at the age of 82 in 1994.

However, political change is likely to occur in the medium-term and indications of how it will occur should appear in the short-term.¹ Kim Jong-Il was groomed for succession by his father from the age of 31 (when Kim Il-Sung was 61). This occurred through promotion to a series of prominent party and state positions, a concerted propaganda campaign and through the removal of potential rivals.

While analysts have repeatedly been proven wrong, there is no way of knowing how far off the mark predictions of political change have been. The scarcity of reliable information makes it impossible to determine. One study puts forward the question of North Korea's survival in a comparison familiar to Australians:

... is the North Korean state's recent survival a modern-day variant of the Gallipoli phenomenon—in other words, a case of imminent but averted collapse?²

This paper seeks to summarise and recount the debate on political change in North Korea. The paper commences with an introduction to North Korea and proceeds to demonstrate the

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1. This study utilises timeframes from the Australian Government Department of [Defence Strategy Planning Framework Handbook](#) (2006), which defines 'short-term' as zero to five years, 'medium-term' as five to 15 years and 'long-term' as 15 to 25 years.
 2. N. Eberstadt, *The North Korean economy*, Transaction Publishers, New Jersey, 2006, p. 280.

importance of stability on the Korean peninsula to Australian national interests. It then presents the generally accepted scenarios for political change in North Korea. Finally, the paper looks at the triggers and determinants of political change in North Korea.

North Korea background

North Korea invokes an array of contradictions. It is described as both the ‘most militarised country in the world’³, but also as a ‘relatively powerless nation’.⁴ It has been described as pursuing a policy of ‘international military extortion’⁵, but also seeking to ‘come in from the cold’.⁶ Arguably, it is above all a lack of knowledge that pervades English language discussion and debate on North Korea, summed up succinctly by the historian Bruce Cummings when he states that North Korea has ‘evolved into a singular and puzzling nation that resists easy description’.⁷

Economy and politics

At the closing stages of the Second World War the Soviet Union and the United States agreed that their respective forces would occupy the Korean peninsula divided by the 38th parallel just north of the capital, Seoul. With the rapid emergence of the Cold War, efforts to unify the peninsula under a single government failed. A pro-Soviet regime, the Democratic People's Republic of Korea (DPRK) was installed in the North under Kim Il-Sung, an anti-Japanese resistance fighter who had fled to Soviet territory during the Japanese occupation. In the South, a pro-American regime, the Republic of Korea (ROK), was established, led by an American exile, Syngman Rhee.

North Korea emerged rapidly from the devastation of the Korean War (1950-1953). It installed a centralised economic system allowing for rapid industrialisation and economic growth. Focus was on heavy industry with a lower priority given to light industry and agriculture. During the 1960s, to avoid becoming overly reliant upon the Soviet Union and China, North Korea implemented a development strategy based on the concept of *juche*, or self reliance.⁸

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3. J. S. Bermudez Jr., *Shield of the great leader: the armed forces of North Korea*, Allen and Unwin, Sydney, 2001, p. 1.
 4. C. Downs, *Over the line: North Korea's negotiating strategy*, AEI Press, Washington, 1999, p. 2.
 5. N. Eberstadt, *The North Korean economy*, Transaction Publishers, New Jersey, 2006, p. xxiv.
 6. B. Lintner, ‘Coming in from the Cold?’, *Far Eastern Economic Review*, 25 October 2001.
 7. B. Cummings, *Korea's place in the sun: a modern history*, Norton and Co, New York, 1997, p. 394.
 8. The North Korean concept of *Juche* can be traced back to 1955, but the term itself has a much longer history. *Juche* or ‘self-reliance’ can be considered as the opposite of *sadejuui*, or ‘serving

Juche entered all walks of life, most notably the military and the economy. Military expenditure in the 1960s rose from six per cent of GDP to approximately 30 per cent. Eventually stabilising at this level in the 1970s, it effectively neglected other sectors of the economy, creating the basis for future economic failures.

From the 1970s, North Korea began to retreat deeper into isolation. US-China detente and US-Soviet detente led to greater international acceptance of a divided Korean peninsula, leaving only North Korea to pursue its aim of unification by military means. The failure to repay international debt due to poor economic planning isolated North Korea from investment and trade. North Korea was further isolated by its continuing erratic militancy, losing the brief support it gained from the non-aligned movement. In 1983, the death of 17 ministers and officials in a failed assassination attempt on South Korean president Chun Doo-Hwan in Burma by North Korean agents and the 1987 bombing of a Korean Air Lines plane, resulting in 115 deaths, confirmed the international community's perception of North Korea as a 'pariah state'.

In 1994, national founder and President, Kim Il-Sung died. This led to speculation that political change could occur as the son of Kim Il-Sung and heir apparent, Kim Jong-Il, attempted to consolidate his succession. With the destitute state of the economy, its failing political institutions and an increasing inability to feed its population, the end of the regime seemed not only probable, but imminent. The collapse of the Soviet Union and the subsequent collapse of its autocratic satellites had cast a long shadow over the future of North Korea.

Despite expectations to the contrary, North Korea continued to survive and between 1995 and 1998 Kim Jong-Il consolidated his position. A new policy known as *songun*, or military first politics, was put in place, which raised the profile of the military in the leadership structure. Limited and reactive economic reform as well as substantial international aid enabled the regime to survive. Writing in 1997, economist and North Korea analyst, Marcus Noland, stated that North Korea could 'muddle through for years before turning toward reform or chaos'.⁹

A recent study by the South Korea based Korea Institute for National Unification (KINU), based upon interviews and surveys of North Korean defectors and refugees, found that the regime of Kim Jong-Il, while not in a stable position, survives through a precarious balance

the great'. During the late 19th century, as Japan, China and European states began encroaching on Korean sovereignty, the dialectic between *juche* and *sadaejui* became an influential theme in Korean philosophical and political movements.

9. M. Noland, 'Why North Korea will muddle through', *Foreign Affairs*, vol. 76, no. 4, July/August 1997, p. 111.

between ‘the power of dissatisfaction’ and ‘the power of regulation’.¹⁰ The power of regulation has to date dominated that of dissatisfaction, and the authors note that predictions of regime collapse in North Korea should not be made lightly.¹¹

Nuclear issues

In 1974, North Korea officially joined the International Atomic Energy Agency and in 1977 signed a ‘Type 66’ Safeguards Agreement. In 1985, it signed the nuclear Non-Proliferation Treaty (NPT). Seven years later, in 1992, North Korea submitted its initial report to the IAEA under the Safeguards Agreement. The IAEA found inconsistencies in the initial report, suggesting the existence of undeclared plutonium. A request for further information and IAEA access to two sites related to the storage of nuclear waste was denied which ultimately resulted in a North Korean announcement that it would withdraw from the NPT, the widening of non-compliant activities and a (later suspended) withdrawal from the IAEA.

The possibility that North Korea was, or could be in possession of a nuclear weapons program raised international concern. Military tensions on the Korean peninsula rose significantly as the potential for a United States pre-emptive strike to destroy any North Korean nuclear facilities increased. However, the nuclear issue was defused abruptly by a June 1994 summit meeting between former US President Jimmy Carter and North Korean leader Kim Il-Sung. At the summit meeting an agreement was reached that provided for the temporary freezing of the North Korean nuclear program while negotiations towards a final solution took place in Geneva. On 21 October 1994, the Agreed Framework (described below) was signed, providing a basis for the long term resolution of the nuclear issue on the Korean peninsula.

Under the Agreed Framework, North Korea was to stop and eventually dismantle its nuclear weapons related programs. It was also to account for and resolve past discrepancies in its safeguards program. These actions would be reciprocated by the provision of alternative fuel sources Initially heavy fuel oil for electricity production would be provided. Later, two proliferation resistant light water reactors (LWR) were to be constructed. Each step in the elimination of the North Korean nuclear weapons program was to be matched by both a verification process and a corresponding incentive.

In October 2002, during a visit to the North Korean capital, Pyongyang, by US Assistant Secretary of State, James Kelly, the United States alleged North Korea had admitted to a

10. Chin Hyun-Joon, Huh Moon-Young, Kim Philo and Bae Chin-Soo, ‘An assessment of the North Korean system’s durability’, *Studies Series 07-03*, Korea Institute for National Unification (KINU), June 2007, p. 7.

11. *ibid.*, p. 7.

nuclear-weapons program.¹² This claim set in motion a series of events that in a short timeframe, resulted in a substantial deterioration in the regional security environment.

In November 2002, heavy fuel oil shipments to North Korea as part of the Agreed Framework were suspended. On 13 December 2002, North Korea announced that it would lift the freeze on its nuclear facilities and on 22 December it began cutting seals and removing surveillance cameras installed by the IAEA. Five days later, IAEA inspectors were ordered to leave North Korea.

On 10 January 2003, North Korea announced its decision to withdraw from the NPT, effective immediately, stating the required three month notice period to be unnecessary due to its withdrawal being only 'suspended' in 1993. On 26 February 2003, North Korea restarted the mothballed nuclear reactor, arguing it was necessary because of its ongoing energy crisis.

In August 2003, the First Round of Six-Party Talks between North Korea, United States, Russia, Japan, South Korea and China, were held in Beijing. The Six Party Talks continued intermittently with limited progress until a breakthrough at the Fourth Round on 19 September 2005. At that time a [Joint Statement](#) was issued. The Statement called for the disablement of North Korea's nuclear programs, access for IAEA inspectors and a return to the NPT in exchange for a comprehensive aid program, this included:

- economic, energy and humanitarian assistance
- negotiations towards removal of North Korea from the state-sponsors-of-terrorism list
- diplomatic normalisation with the United States and Japan
- settlement of outstanding issues.

Diplomatic efforts faltered soon after the Joint Statement was issued. The United States expressed concerns regarding sequencing detailed in the Joint Statement with particular reference to North Korea's Light Water Reactors (LWR). North Korea subsequently issued a statement suggesting that it may not be able to meet its disarmament obligations.¹³ Progress was further complicated in late September 2005, when the United States Treasury Department designated North Korean financial assets in a Macau bank account as a 'money laundering concern', effectively placing a freeze on the assets.

12. R. Boucher, 'US seeks peaceful resolution of North Korean nuclear issue', *State Department Press Release*, 16 October 2002.

13. D. Kimball, 'North Korea: What next?', Prepared remarks at the ICAS 2006 Fall Symposium on Korean Peninsula Issues, Arms Control Association, 11 October 2006.

On 3 October 2006, North Korea announced its intention to conduct a nuclear test which it did six days later, on 9 October 2006. As a result, the UN Security Council imposed weapons and financial sanctions.

The Six Party Talks resumed in December 2006 and on 13 February 2007, an agreement was reached on the implementation of the September 2005 Joint Statement. The 13 February Agreement was hailed as a diplomatic success despite opposition within the United States that compared it to the 1994 Agreed Framework. However, there are subtle differences between the 1994 Agreed Framework and the February 2007 Agreement. Whereas the 1994 Agreed Framework required the freezing, sealing and monitoring of nuclear programs, the February 2007 Agreement requires ‘disablement’—steps that would make it considerably more difficult to restart such programs. As noted in a recent United States Institute of Peace report:

...the disablement of a facility has come to mean a deliberate, mutually agreed action or set of actions taken to make it relatively more difficult and time-consuming to restart a facility after it is shut down. Disablement actions go beyond simply shutting down, sealing, and monitoring a facility. Although disablement steps can be reversed and the facility restarted, it would take an extended period of time to do so.¹⁴

Implementation of the Agreement continues despite numerous setbacks. On 31 December, North Korea missed a deadline to provide a complete and accountable declaration of its nuclear activities. The United States understands that the Agreement, and subsequent discussions in the Six-Party working group on denuclearisation, require a complete and accountable declaration on North Korean fissile material, as well as accounting for the alleged Highly Enriched Uranium (HEU) program.¹⁵ As of 15 January 2008, North Korea has not provided a declaration of its nuclear activities. If undertaken, this would demonstrate a political and strategic decision by North Korea to continue cooperation towards the eventual dismantlement of its nuclear weapons program.

Inter-Korean relations

The Korean War (1950-53), was a particularly vicious fratricidal war, which resulted in the division of the Korean peninsula along the De-Militarised Zone (DMZ). Relations between these two states were based on irreconcilable ideological differences, marked by intermittent hostility and confrontation, until the advent of the Sunshine Policy of reconciliation in South Korea.

The Sunshine Policy, instigated by Kim Dae-Jung in 1998, sought to end hostility that existed between South and North Korea. The policy effectively sought peaceful co-existence, as

14. D. Albright and P. Brannan, ‘Disabling DPRK nuclear facilities’, *USIP Working Paper*, October 2007.

15. C. Hill, Press Conference at Japan National Press Club, Tokyo, 3 November 2007.

opposed to the absorption or defeat of North Korea that had previously driven South Korean policy.¹⁶

In June 2000, the leaders of North and South Korea held a meeting for the first time since the division of the peninsula. The meeting was greeted with elation in South Korea, giving hope for the first time that peaceful unification may be possible. This was followed by events such as the joint march around the stadium under the 'unification flag' by athletes at the opening ceremony of the Sydney 2000 Olympics and increased working contacts on issues such as displaced families reunions, trade and investment.

Despite the success of the Leaders Summit, subsequent progress was sporadic. Kim Jong-Il failed to make a return visit to Seoul and no progress was made on military confidence building measures. Controversy also erupted when it was learnt that Kim Dae-Jung made illegal financial payments to North Korea to arrange the historic Summit.

In 2003, when Roh Moo-Hyun became President of South Korea, the Sunshine Policy was continued under a new banner of 'Policy for Peace and Prosperity'. Substantial attempts to further cooperation, particularly in the economic sphere, have achieved limited success due to ongoing international pressure over North Korea's nuclear program.

In October 2007, Roh Moo-Hyun visited Pyongyang for a second inter-Korean leaders summit. The visit resulted in an ambitious eight point 'Declaration on the Advancement of South-North Korean Relations, Peace and Prosperity' that if fulfilled, could substantially improve inter-Korean cooperation. However, a significant degree of cynicism surrounded the visit, based upon the failure to implement agreements made at the June 2000 Leaders Summit and speculation that the October 2007 summit was coordinated to bolster support for the liberal camp in the lead up to Presidential elections in December 2007.

In part, policies supporting reconciliation with North Korea are an existential expression of the fear that South Korea has regarding the possible collapse of North Korea. Reconciliation and strengthening the North Korean economy, despite the country's human rights situation and unique challenges to international order, delay and hopefully soften the economic burden that unification could present.

The implications of political change in North Korea

Political change in North Korea could result in substantial refugee flows into the neighbouring countries of South Korea, China and Japan.¹⁷ It could also result in factional

16. Chae Kyung-Suk, 'The future of the Sunshine Policy', *East Asian Review*, vol. 14, no. 4, 2002, p. 233.

17. To date, refugee flows to Japan have been minimal. Indeed, refugees utilising a seaborne route of escape remain a tiny fraction of the refugee population. This reflects both the difficulty of obtaining access to marine transportation and fuel, and the security measures in place. However,

conflict within North Korea and possibly require the intervention of external powers to control Weapons of Mass Destruction (WMD) and to address the humanitarian situation. Needless to say, political change in North Korea could have a significant impact on the regional economy.

Academics have also questioned whether political change in North Korea will result in a positive outcome. Konstantin Asmolv, an analyst at the Korea Studies Centre of the Russian Academy of Sciences questions whether a successor would have 'enough legitimacy, leadership, and management talents to rule the country'.¹⁸ North Korea currently presents a difficult diplomatic relationship. There are ongoing concerns over potential nuclear proliferation and there is also the intermittent necessity of providing humanitarian aid to a regime that is accused of gross human rights abuses. However, the political and strategic direction of the current North Korean regime remains relatively predictable. Political change in North Korea could result in a greater degree of unpredictability.

Regimes which succeed dictatorships are often prone to further instability.¹⁹ The lack of established institutions, the dynamics of evolving power relationships and the exacerbation of instability by external powers seeking to exert influence can lead to an undermining of successor regimes. Accordingly, political change in North Korea could result in a prolonged period of instability in the Northeast Asian region, unless such potential threats are avoided.

Australian interest

Stability in the East Asian region is vital to Australia. In 2006, East Asia included Australia's top three merchandise export destinations of Japan, China and South Korea.²⁰ Further, Australia's fourth largest export destination and principal security partner, the United States, is deeply involved in the region. As noted by then Foreign Minister Alexander Downer on 30 January 2004:

any deterioration in the security situation on the Korean peninsula would have disastrous consequences for Australia's economy, and cause a tremendous loss of jobs and obviously add to instability in the region.²¹

in the event of a breakdown in regime authority larger numbers of refugees seeking refuge via a seaborne route to South Korea and Japan could be expected.

18. Interfax, 'Kim Jong Il is guarantor of stability in North Korea – Russian expert', *World News Connection*, 28 May 2007, p. 16.
19. R. Snyder, 'Explaining transitions from neopatrimonial dictatorships', *Comparative Politics*, vol. 24, no. 4, July 1992, p. 380.
20. Department of Foreign Affairs and Trade, *2006 Composition of Trade Australia*, May 2007.
21. A. Downer, 'Doorstep: Delegation to N.Korea', Media transcript, 30 January 2004.

South Korea, Australia's third largest export market and now the world's eleventh largest economy would be most affected by political change in North Korea. Given the example of German reunification, it could be expected that the South Korean economy would be affected for a substantial period of time after unification with the North. It is estimated that Korean unification, should it occur through South Korean absorption of the North would 'impose tremendous economic burdens on South Korea'.²² South Korea experienced substantial economic upheaval in the 1997 Asian Financial Crisis and is aware that political change in North Korea could result in greater economic pressures.

Political change in North Korea could negatively affect the Australian economy in the short-term as the South Korean import demand dampens. However, in the medium-term as North Korean infrastructure and industrialisation increases, demand for Australian raw materials could actually achieve much stronger levels. Resource projects in the North could also offer opportunities for Australian companies. South Korea is already Australia's second largest export destination for crude petroleum, aluminium and other ores, and Australia's third largest export destination for coal, iron ore and beef.²³ The medium term development of the North Korean economy under South Korean leadership could prove advantageous to Australia.

Potentially, political change in North Korea could also require more active Australian participation in humanitarian relief operations, assistance in the placement of refugees or even a direct military role, should political change in North Korea result in a threat to regional security. Military intervention could be justified, given the importance of stability in the region to Australian national security and Australia's role as an ally of the United States. Australia is a signatory to the Joint Declaration on the Korean Armistice (1953), which confirmed the resolve of signatories to the defence of South Korea. The Joint Declaration on the Korean Armistice does not commit Australia to the defence of South Korea, but could strengthen justification for Australian involvement.

Given the fact that North Korea does not present a direct threat to Australia, achieving stability by encouraging the current regime to reform could be considered a desirable option. Stronger economic cooperation between South and North Korea and reconciliation through policies emulating the Sunshine Policy could provide both stability in the region and ultimately increased demand for Australian natural resources as the North Korean economy is gradually transformed. However, support for policies that promote reconciliation must be weighed against wider Australian interests in nuclear non-proliferation and human rights.

22. Yang Un-Chul, '*Tong-il bi-yong-ui chu-jeong-gwa jae-won jo-dal bang-an*', *Sejong Policies Study*, vol. 2, no. 1, 2006, p. 44.

23. Department of Foreign Affairs and Trade, 2006, op. cit.

Regardless of whether it is seen as positive or negative, political change in North Korea and its implications for regional security are issues that Australia and other regional players will inevitably have to address.

Scenarios for political change

There are four possible broad and overlapping models of how political change in North Korea could occur: a continuation of the current Kim dynasty through hereditary or other familial succession, a smooth transfer of power to another political force, forced political change or disintegration of the state.

Kim dynastic succession

There are three known potential male heirs to Kim Jong-II. Although Kim Jong-II is known to have several daughters as well, the patriarchal nature of Korean society makes their inheritance of the leadership unlikely. It is important to note that while female *inheritance* of a leadership position may seem unlikely in North Korea due to the militarised nature of the society and its neo-Confucian heritage, there are no indigenous Korean cultural barriers to a woman assuming a leadership role. There are notable examples of women undertaking leadership roles in Korean history, despite the dominant neo-Confucian culture. In the context of North Korea, Kim Jong-Sook, the mother of Kim Jong-II was posthumously heralded as a revolutionary leadership figure (in order to lend support to Kim Jong-II's rise to power) and Kim Ok, the current partner of Kim Jong-II, is often cited as wielding significant influence.

Little is known about Kim Jong-II's three sons—Kim Jong-Nam (32), Kim Jong-Chul (26) and Kim Jong-Un (24). Most information is based on sensationalist media reports in South Korea and Japan regarding their potential to succeed Kim Jong-II.²⁴

The majority of these articles point to the youngest son being the likely successor. However, these articles are also notoriously speculative, sensationalist and based upon questionable sources. Kim Jong-Nam has been ruled out due to his arrest in Japan for travelling on a fake Dominican passport during a trip to Disneyland in May 2001. In a perfect example of the speculative and sensationalist reporting, second son, Kim Jong-Chul, has allegedly been ruled out due to the 'excessive secretion of a female sex hormone'.²⁵ Other reports claim that third son, Kim Jong-Un, has been ruled out because he suffers from epilepsy. The only conclusion one can draw from the numerous reports is that speculation about the Kim family makes for interesting reading in South Korea and Japan.

24. For a good example see T. Uemura, 'Kim Jong II's 'son' e-mails year-end note', *Asahi Shimbun*, 6 December 2004, p. 9.

25. *Dong-a Ilbo*, 'Kim Jong-II takes second, third sons to official events more frequently', 27 May 2007, p. 4.

There are other Kim family figures that could make a bid for the leadership if they were to gain support from political forces within the country or externally. These include Kim Yong-Pil (half brother of Kim Jong-II and currently Ambassador in Poland), Kim Ok (long-time secretary and current partner of Kim Jong-II) and Jang Song-Taek (Kim Jong-II's brother-in-law, long-time confidant and current First Deputy Chief of Public Labour).

However, the likelihood of a Kim dynasty succession is in no way certain. Furthermore, current available information suggests that it may not be as smooth as Kim Jong-II's own succession.

Firstly, there is a distinct lack of preparation. As noted, Kim Jong-II was groomed for succession by his father from the age of 31. This was 20 years before he came to power on the death of his father. Unless a long-term succession plan is in place, the legitimacy of a hereditary succession from Kim Jong-II to his children could be challenged.

Confucian values play a large role in North Korean society. Confucian political governance is an extension of the Confucian notion of the ideal family life: 'Just as there is the natural authority of the parent, so there is the natural authority of the president ... based on the twin virtues of filial piety and loyalty'.²⁶ There has to date been no attempt to strengthen the image of the family of Kim Jong-II as occurred with Kim Jong-II's mother Kim Jong-Sook. During the campaign to strengthen Kim Jong-II's legitimacy as the hereditary successor to Kim Il-Sung, his mother Kim Jong-Sook became known as one of the 'three generals' alongside Kim Il-Sung and Kim Jong-II. Importantly, the ability to stage such a campaign is also made more difficult by Kim Jong-II's 'blended' family—his eldest son, Kim Jong-Nam was born out of wedlock to Song Hye-Rim and Kim Jong-Chul and Kim Jong-Un were born to Kim Jong-II's second official wife, Ko Yong-Hui.

Secondly, the potential heirs have a distinct lack of military experience. Kim Jong-Nam is known to have served in the domestic security service, but was reportedly out of the country between 2001 and 2007. It is not known whether Kim Jong-Chul and Kim Jong-Un have any military experience. While this may not restrain their ability to obtain military backing, it could conceivably restrain their ability to exert influence over their backers.

Finally, a substantial generational difference exists between that of Kim Jong-II and his children. Kim Jong-II's formative experiences were highly influenced by the generation that preceded it. Kim Il-Sung, and those of his generation, were accorded status according to their exploits in the anti-colonial struggle against Japan, the Korean War (1950-53) and the struggle to help the young fledgling nation survive and prosper. Beyond this influence, many of Kim Jong-II's generation actively participated in the struggle against their perceived enemies through participation in the Vietnam War, covert or overt infiltration activities

26. Park Chong-Min and Shin Doh-Chull, 'Do Asian values deter popular support for democracy? The case of South Korea', National Taiwan University, *Working Paper Series No. 26*, Taipei, 2004, p. 12.

against South Korea or through participation in the state security apparatus. Accordingly, it could be expected that they maintain a sense of devotion to the ideological goals of espoused by the North Korean state..

In comparison, the generation of Kim Jong-II's children have not experienced, even indirectly, revolutionary struggle or hardship. Their exposure to activities directed against perceived enemies has been greatly reduced since the end of the Cold War, and rather than serving in the state security apparatus, many have lived and studied abroad. According to defector accounts as well as anecdotal evidence from press reports, the children of the ruling party's cadres have lived a closeted existence, shielded from the hardships of contemporary North Korean life. In comparison to Kim Jong-II's generation, which maintains a sense of devotion to the goals of the revolution, the generation of his children have been brought up in a period in which the ideological goals of the revolution have been superseded by the political goal of regime survival.

For a dynastic succession to proceed smoothly there are certain conditions that must be met—the candidate must gain the support of the military and/or the support of external backers, notably, China.

Indicators of a dynastic succession could include growth in the public profile of a potential candidate. From time to time media reports have speculated that such a campaign is beginning. These reports generally focus on a brief series of North Korean People's Army articles published in 2002 that extolled the virtues of Ko Young-Hee (the mother of Kim Jong-Chul and Kim Jong-Un) and the reported meeting between Kim Jong-Chul and Hu Jintao during the latter's state visit in 2002. Yet to date, nothing has come remotely close to the 'three generals' campaign that accompanied Kim Jong-II's rise to power.

Smooth transfer of power centre

Another scenario for political change in North Korea is the smooth transfer of power to another political force, of which the military would be the prime contender.

North Korea has always been a highly militarised society. Indeed, the national character was cast in guerrilla campaigns against the Japanese in Manchuria towards the end of World War II and forged in the fratricidal conflict of the Korean War (1950-53). Maintaining a militarised society has been central to regime stability, both as a bulwark against perceived external threats and as an instrument of internal security.²⁷

Since the late 1990s, North Korean political ideology has demonstrated an even greater emphasis on the role of the military in North Korea. The state ideology has effectively transformed from *juche* ('self-reliance') politics to one of *songun* ('military first') politics.

27. See A. Scobell, 'Kim Jong II and North Korea: the leader and the system', *Strategic Studies Institute Monograph*, Washington, October 2006.

The concept of *songun* is derived from the notion that the failure of communist states at the end of the Cold War was the result of their emphasis on relieving the economic hardship of the people rather than defending the state. Instead of an ‘economy first, military next’ policy, *songun* politics advocate the opposite, a ‘military first, economy next’ policy. Its central principle is epitomised by an editorial in the Kim Il-Sung University Campus Newspaper:

‘... to argue that the working class should become the mainstay of revolution at any time and at any place is logically incorrect and is a dogmatic viewpoint of defunct theories ... the People’s Army is the nucleus leading our Socialist development’.²⁸

Songun politics has inevitably led to a rise in the status of the military in North Korea. North Korea’s media has paid greater attention to the military, Kim Jong-II’s public appearances have increasingly been centred on military activities and the political leadership is increasingly filled with those from a military background.²⁹ Effectively, the military plays the central role in the political, economic and social fabric of the North Korean state.

Currently, North Korea’s military leaders are closely connected to the Kim family. During the late 1990s, as Kim Jong-II consolidated his position, a number of changes were made that reinforced this connection. Given the close connection between the ruling elite and the military in North Korea, political change to a power centre in the military may not necessarily indicate a ‘regime change’. It may instead be considered a form of succession.

The key indicators of a smooth transferral of power could include increased propaganda supporting the role of the military in the maintenance of the state, an increase in the position of the military within the ruling elite, the possible jockeying for position amongst leadership candidates and military commands, and ultimately, the emergence of a clearly defined military figure in a prominent leadership position.

Forced political change

Forced political change remains a possibility in North Korea. This could occur through a coup d’état, a popular uprising, external intervention or any combination of these.

Despite the maintenance of authoritarian rule for over 50 years, there have been several attempts to remove both Kim Il-Sung and Kim Jong-II from office. Given the socio-cultural characteristics of Korean society, it can be assumed that factions based upon regional affiliations, university education alumnae and military service graduating class exist within the North Korean political milieu.

28. As quoted in Jeung Young-Tai, ‘North Korea’s civil-military-party relations and regime stability’, *Studies Series*, Korea Institute for National Unification, May 2007, pp. 16–17.

29. K. Gause, ‘North Korean civil-military trends: military first politics to a point’, *Strategic Studies Institute Monograph*, Washington, p. 7.

Regional affiliations, university education and military service graduating class alumnae have served as dividing lines between political factions in South Korea. These have had a substantial impact on political events. The 1961 coup d'état, for example, which brought Park Chung-Hee to power was undertaken with the support of fellow graduates from the Eighth Class (1946) of the Korean Military Academy. Each member of the Eighth Class went on to powerful positions within the Park Chung-Hee government.³⁰ Similarly, after the assassination of Park Chung-Hee in 1979, and the subsequent period of confusion, authoritarian rule was restored by Chun Doo-Hwan and Roh Tae-Woo with support from members of what became known as the *Hanahoe* society. Literally meaning 'group of one', this society centred around alumnae from the Korean Military Academy originating from North Kyongsung Province.³¹

Regime weaknesses

For the last decade, analysts have been pointing out that conditions amenable to forced political change exist in North Korea. Arguably, these conditions could be exploited by political factions within North Korea. These conditions include the following.

Change in economic conditions

The collapse of the economy after the withdrawal of Soviet and later Russian aid in the mid 1990s and the ensuing famine created new centres of economic power in North Korea. Privileged access to state rations became less important as the public distribution system slowly ground to a halt. Instead, those with the access and capability to operate in black markets, and those with access to hard currency, (such as through border trade), gained economic power. Noted Korea analyst, Dr Andrei Lankov, has gone so far as to say that a 'second economy' has emerged, leading to a greater degree of individual autonomy.³²

The state has attempted to control this re-emergence of capitalist activity by taking the lead in market reforms. It has undertaken wage and price reforms, lifted certain investment restrictions, eased internal travel restrictions, allowed the emergence of limited private markets and retail networks and allowed farmers to establish local garden markets. But in doing so, it has ceded certain economic freedoms to individuals. As noted by Professor Gary Marks of the University of North Carolina, a key indicator of democratic transition is when a ruling regime begins to 'modify its own rules in the direction of providing more secure

30. R Kearney, *Warrior workers: the history and challenge of South Korea's economic miracle*, Tauris and Co, London, 1991, p. 74.

31. Ahn Byong-Man, *Elites and political power in South Korea*, Edward Elgar Publishing, Cheltenham, 2003, p. 98.

32. A. Lankov, 'The natural death of North Korean Stalinism', *Asia Policy*, no. 1, January 2006, p. 114.

guarantees for the rights of individuals and groups'.³³ Perhaps reflecting this, the North Korean Government has undertaken steps to control, and in certain cases, wind back economic reform.

Further improvements in economic conditions could in fact precipitate forced political change. Political change in Romania and Albania following the collapse of communism did not occur until after economic conditions improved. Essentially, a population that is more concerned with securing the next meal is in no condition to plot the overthrow of government. The experience of these two countries suggests that when economic conditions improve, sections of the population react to the increased autonomy and seek or support political change.

Increased information flows

The changes in economic conditions that have already occurred in North Korea have also resulted in an increase in individual mobility. This first became necessary in order to procure food during periods of food shortage.

More recently, it has become easier to obtain travel passes as corruption becomes more common in the cash economy. Information flows have also increased as a result of greater trade with China. Chinese traders and investors are more trusted in North Korea than South Korean or other interested nationals and consequently achieve greater access.³⁴ Due to payment risks associated with trade with North Korea, much of this trade has been limited to small companies and entrepreneurs, often undertaking barter exchange. The satiated Chinese domestic market, resulting in oversupply in the light manufacturing and household domestic appliance sectors, coupled with high demand in North Korea, has resulted in an inflow of potentially 'information rich' goods such as radios, mobile phones, VCRs and DVD players.³⁵

Weakening political control

Economic conditions could also affect state control. Some analysts have argued that changed economic circumstances directly threaten the ability of the ruling hierarchy to curry favour with centres of power that maintain the rigid state structure. Chung Min Lee argues that what holds together the North Korean elite is not 'their unconditional loyalty or even blind homage to Kim Jong-II, but the dividends and incredibly scarce incentives...if Kim Jong-II is unable to guarantee and generate these "loyalty payments", his succession plans could go awry, the

33. G. Marks, 'Rational sources of chaos in democratic transition', in Gary Marks and Larry Diamond, (Eds), *Re-examining democracy: Essays in honor of Seymour Martin Lipset*, Princeton University Press, Princeton, 1992, p. 48.

34. Oxford Analytica, 'China's growing stake worries Seoul', *Daily Brief*, 29 May 2007.

35. Oxford Analytica, *ibid*.

Korean People's Army could turn against him and his family, and alternative leadership schemes could be hatched'.³⁶

Regime strengths

Despite these 'pre-revolutionary conditions', analysts predicting the coming collapse of North Korea have repeatedly been proved wrong. Despite its apparent weaknesses, the regime is very resilient. Strengths of the regime that would seem to resist forced political change include:

- **Alternative centres of power.** There are no viable alternative centres of power in North Korea. At the height of the military dictatorship in South Korea there were still alternative centres of power, albeit suffering varying forms of persecution. These included student, labour and church groups as well as other democracy campaigners. These groups had clearly identified leaders, some on the run, others in prison and still others in exile—but they existed and inspired future democracy campaigners. In North Korea there is no known opposition.
- **External support.** Despite the rhetoric, there is little external support for groups opposed to the North Korean regime. There are several notable NGO and church-based advocacy groups in South Korea and Japan that persist in drawing public attention to human rights issues in North Korea. However, these are more than balanced by a general public ambivalence—and the recently more vocal campaigning of groups in support of reconciliation.

In particular, there appears to be little tolerance of such activity in South Korea and China. Both governments are firmly opposed to upsetting the apparent delicate political balance in North Korea. This even extends to the forced return of refugees by China and a less than concerted effort by South Korea to ensure refugee safety.³⁷

- **Military autonomy.** There are limitations on the ability of the military to play an autonomous role in North Korea. These include an overlapping command structure, surveillance of key military personnel by the state security services and strong informal

36. Lee Chung-Min, 'Nuclear Sisyphus: The myth of denuclearising North Korea', *Australian Journal of International Affairs*, vol. 61, no. 1, March 2007, p. 19.

37. Much has been written on the humanitarian plight of North Korean refugees in China. For further information see Chapter IX of the Congressional Executive Commission on China (CECC), [2006 Annual Report](#), US Govt Printing Office, September 2006 or visit web resources such as [Liberty in North Korea](#) and the [US Committee on Human Rights in North Korea](#), accessed 10 January 2008.

ties between those holding key military positions and Kim Jong-II.³⁸ It can be assumed that these strategies ensure the military is kept under constant check by Kim Jong-II.

For analysts of North Korea, forced political change is a difficult scenario to predict, given the limitations on reliable political, economic and military sources. Firstly,, indicators that forced political change is about to occur have short time frames. Secondly, these indicators are easily confused with the constant tinkering that the ruling regime must undertake as it adjusts to the fluid political and economic environment that has marked North Korea since the withdrawal of Soviet aid in the 1990s.

Disintegration

The final scenario for political change is the disintegration of the state. This is a remote, but harrowing possibility. It is remote due to the strong desire of regional states for this not to occur. However, there are limitations on the ability of regional states to influence events within North Korea. The considerable humanitarian, political and economic impact that disintegration could have on the region substantially increases the political and strategic risk that this scenario represents. Disintegration of the state could include some or all of the elements listed below:

- **Refugee flows into North-Eastern China, the Russian Far East and Japan.** There are already more than 10 000 refugees in China, many more in the Russian Far East and a steady trickle of refugees seeking asylum in foreign consulates in both regions. There are others making the long journey through China to third countries such as Burma and Thailand and still others travelling by boat to Japan. Disintegration of the North Korean state could result in this trickle becoming a flood, with an associated humanitarian impact comparable only to the Korean War.
- **Factional conflict within the North Korean military.** Attempts by the North Korean military to secure the state could result in internal conflict if factions within the military and security services are opposed. This could result in internal conflict, which in turn would exacerbate the humanitarian situation, resulting in both increased refugee flows and increased calls for external intervention.
- **Intervention by external powers.** Disintegration of the state would more than likely draw in external powers to secure nuclear and other WMD facilities and to minimise the humanitarian impact that disintegration could wreak. Depending on the timing and method of intervention, it could be opposed by the North Korean population and/or elements within the military and security forces.

38. A. Scobell, 'Kim Jong Il and North Korea: the leader and the system', *Strategic Studies Institute Monograph*, Washington, October 2006, pp. 22–28.

Further, while it could be expected that China, Russia, South Korea, Japan and the United States each have contingency plans to deal with the disintegration of the North Korean state, it could also be assumed that the strategic aims of these states are not identical. Accordingly, intervention runs the risk of external powers disagreeing and supporting alternative factions within North Korea. This could exacerbate and prolong any potential conflict.

The resultant effects could range from the optimistic view of an operation completed within months to a pessimistic view of widespread humanitarian crisis accompanied by long-term economic challenge.

Disintegration of the North Korean state could also ultimately result in the unification of the Korean peninsula. In 1999, the best estimates of the cost of funding unification varied from US\$260 billion to US\$3.2 trillion.³⁹ A recent South Korean National Assembly Special Committee on Budget and Accounts has estimated that unification could cost around US\$1 trillion. The report notes the difference in cost with respect to timing. If unification occurred in 2015, it could cost around US\$858 billion over ten years to absorb the North. If unification occurred in 2030, it could cost US\$1.32 trillion.⁴⁰

Despite the considerable advances in inter-Korean economic cooperation, the fundamental differences between North and South Korea have not disappeared. As demonstrated by German reunification, absorption of North Korea would present a substantial financial burden on the South Korean economy for at least twenty years. Further, the example of German reunification would suggest that the social costs of unification could be significantly more burdensome. Needless to say, this would have a substantial impact on South Korea, its trading partners and the region.

Unification of the peninsula could also result in a period of geo-strategic uncertainty as the region adjusts to a united, more powerful Korea of some 74 million Koreans.⁴¹ Would a unified Korean state lean towards China or would there be a US influenced state sharing a land border with China which has easy access to its industrial and political heart? How would a unified Korea handle territorial disputes with both China and Japan, particularly in regards to the resurgent nationalism that is typical of politically divided states after unification? Therefore, we should not be surprised if states in the region demonstrate a strong interest in ensuring that the North Korean state does not disintegrate.

39. Department of Foreign Affairs and Trade (1999), 'Financing Korean unification', *Korea rebuilds: from crisis to opportunity*, Commonwealth of Australia, 1999, http://www.dfat.gov.au/publications/korea_rebuilds/economicpolicies.html.

40. Jung Sing-Ki, 'Unification of Koreas to cost \$1.3 tril', *Korea Times*, 28 October 2007, p. 1.

41. United Nations, *World Population Prospects: 2006 revision*, Population Division, Department of Economic and Social Affairs, United Nations, New York, 2007.

Given the likely desire of external powers to avoid all the uncertainties that disintegration would bring, it could be expected that substantial effort would be made to avoid it in the first place. External states have already gone to great lengths to avert collapse of the North Korean state. Indeed, as noted by a Korean analyst at the American Enterprise Institute, Nicholas Eberstadt, even the United States under the ‘purportedly hostile aegis of the George W. Bush administration’ transferred nearly US\$350 million in aid between 2001 and 2002.⁴² During the years 1996-2002, the United States provided North Korea with over US\$1 billion in food aid, energy aid and medical supplies.⁴³ While aid payments could be considered an inducement for North Korea to behave responsibly, particularly with regards to nuclear proliferation, there is no question that it has also assisted in the maintenance of the current North Korean regime.

South Korean assistance to the North is considerably larger and did not stop with the current nuclear issue. In addition to budgeted direct aid there is also trade and investment on non-commercial terms. There are no exact figures for the assistance South Korea has provided to the North. Further, illegal direct payments to North Korea have also been made, which inevitably raise suspicions that further information on payments may only surface with the passage of time. In June 2000, the inter-Korea Leaders Summit was arranged through an illegal direct payment of US\$500 million to North Korea, which included US\$100 million from public finances that is yet to appear on official economic cooperation statistics. Eberstadt states that South Korea is ‘far less open in sharing the details of its inter-Korean trade with the outside world than one might expect’.⁴⁴

It is clear from this that regional states will go to great lengths to to avoid the disintegration of the North Korean state. China, South Korea, Russia and the United States all have a vested interest in the maintenance of stability on the peninsula—albeit on more amenable terms.

One of the key indicators of disintegration could include increases in the number, social status and organisation of defectors. During the Cold War, the majority of defectors were of high social status. In the post-Cold War period of hardship, a greater number of economic refugees have defected. An increased number of defectors from a higher social status would indicate that despite their relatively better social position, security concerns regarding the viability of the state have forced them to seek an alternative.

42. N. Eberstadt, *The North Korean economy*, Transaction Publishers, Washington, 2007, p. 287.

43. N. Eberstadt, *ibid.*, p. 287.

44. N. Eberstadt, *ibid.*, p. 165.

Determinants and triggers of political change

There are three inter-related determinants in each scenario—the role of the military, the role of external powers and the role of the economy. Each of these forces could play a key role in determining when and how political change will occur.

Military

The military already plays a central role in North Korean society and its members hold a particularly privileged position in the allocation of scarce state resources. Although publicly perceived as a destabilising and potentially disruptive force, the North Korean military has a vested interest in a smooth transfer of political power.

Indeed, its position has improved under the leadership of Kim Jong-II because the balance of power between the Korean Workers Party (KWP) and the Korean People's Army (KPA) has gradually shifted to the latter.

Changes made to the North Korean constitution in 1998 have effectively positioned the military as a potential successor to Kim Jong-II. Amendments to the North Korean Constitution placed power in the hands of the Chairman of the National Defence Commission (NDC), rather than the Presidency. The current NDC consists of Kim Jong-II as Chairman, Jo Myong-Rok as First Vice Chairman, two vice chairmen (Ri Yong-Mu and Kim Yong-Chun) and two other members (Jon Pyong-Ho and Kim Il-Chol). Importantly, with the exception of Kim Jong-II, all members are appointed for five year terms and are all currently over the age of 72.

The military has played a large role in the economy as a result of its influence over labor supply, resource distribution and communications. Given the poor state of infrastructure and the lack of economic incentive, the military has recently played an important role in securing increased trade with China. Certain analysts believe that the younger generation of military leaders, with a more remote connection to the revolutionary era and a greater knowledge of successful reforms in China, could be attracted to capitalism.⁴⁵

In any economic transformation, the military could reap substantial benefit. As occurred in China's economic modernisation during the 1980s, military-run enterprises start with a significant head-start in market transformation. However, economic reform is a double-edged sword for the current regime. Economic reform would increase the autonomy of the military, which research has shown to be a key factor in the transition from dictatorial rule, but a more powerful military may in turn instigate conflict between factions seeking greater power.⁴⁶

45. K. Gause, North Korea civil-military trends: Military first politics to a point, Strategic Studies Institute, Carlisle, September 2006, p. 17.

46. R. Snyder, 'Explaining transitions from neopatrimonial dictatorships', *Comparative Politics*, vol. 24, no. 4, July 1992, p. 395.

While the military is currently viewed as cohesive under the rule of Kim Jong-II, his sudden removal from power could disrupt this unity.

External powers

External powers can potentially seek to influence political change through directly or indirectly strengthening the capacity of alternative political forces within North Korea. External influence can vary from the direct financial and material support of alternative political forces to the more mundane diplomatic ‘expression of displeasure’ at the regime’s ability to govern.

The most influential external power is China, which has strong economic and traditional military links with North Korea. China shares an approximately 1000 kilometre long border with North Korea, across which a considerable amount of border trade occurs. According to South Korean figures, China accounts for more than half of North Korea’s total trade.⁴⁷ More recently, Chinese investment has also increased, as economic growth spurs high demand for North Korean mineral resources.

Relatively speaking, there is also a historical and traditional ‘trust’ of Chinese intentions that continues to the present day. In comparison to Russia, Japan and the United States, China is considered in North Korea to be a benign major power. China maintains the relationship through careful support in multilateral forums, mediation with the United States and economic support. China is regarded by many as one of the isolated country’s few remaining allies.⁴⁸

However, this historical trust has its limits. North Korea throughout its history has been very careful to avoid over reliance on any one external supporter. In situations where a dictatorship is overly reliant on an external supporter, it is at risk of a ‘managed’ transition of power—where an external power exerts influence on a dictatorship to step down to promote its interests in a smooth transfer of power.⁴⁹

Reports, particularly from the Japanese media, indicate that Kim Jong-II’s eldest son, Kim Jong-Nam spent much of the period 2001 to July 2007 in Beijing and Macao, aided by the Chinese Government. According to Korea’s prevalent Confucian cultural traditions, the eldest son, has significant legitimacy in terms of political succession. If these reports are true, China, with its strong economic and military links, may hold a particularly strong influence over one of the key candidates to succeed Kim Jong-II.

47. Oxford Analytica, ‘North Korea/China: China’s growing stake worries Seoul’, *Daily Brief*, 29 May 2007.

48. E. Pan, ‘The China-North Korea relationship’, Background, Council on Foreign Relations, 11 July 2006, p. 5.

49. R. Snyder, op. cit. p. 385.

China's primary national interest concerning the Korean peninsula is the maintenance of stability. Stability is vital to wider Chinese strategic interests of strengthening the national economy, thereby facilitating a 'peaceful rise'. This could mean intervention in North Korea would be acceptable if conditions in the state threatened to affect the regional economy.

Russia was historically as influential, if not more so, than China in steering North Korea's fortunes. North Korea received substantial economic, scientific and military aid from the former Soviet Union and also inherited Soviet-style political, administrative and economic structures. However, today, Russian influence and, most importantly, interest in North Korea is limited.

The United States, South Korea and Japan have only limited known influence in North Korea. Their influence is constrained by an inability to engage the North as a result of historical distrust and domestic political hurdles. The South Korean Sunshine Policy of engagement, in its various guises, has sought to remove these constraints and allow for greater influence, as economic and diplomatic engagement continues.

Economy

Since the 1990s there have been several studies on the North Korean economy. However, sources of information are both unreliable and more often there is a dearth of information. As noted by Eberstadt, North Korea's release of statistics is 'entirely episodic and absolutely minimal, and has been for over four decades'.⁵⁰ Inevitably, studies on the North Korean economy contain a large degree of speculation.

The majority of studies contend that North Korea has been on the brink of collapse since the early 1990s. While the economy had been in long-term decline since the early 1970s, the collapse of the Soviet Union set in motion a chain of events that resulted in a severe downturn. Soviet and Eastern European trade assistance and concessions disappeared. China, no longer competing with the Soviet Union for influence in North Korea, also curtailed assistance. The ultimate result was a collapse of the state-run economy and purportedly in combination with severe weather conditions, a famine that resulted in an horrendous death toll. Estimates of famine-related deaths range from 220 000 by the North Korean Government to 2.5 million by the United States Agency for International Development (USAID).⁵¹

The effect of economic decline on the current regime has been twofold. Firstly, it has reduced the capacity of the regime to maintain the loyalty of the ruling elite. Several commentators have noted the almost feudal like system of payments and gifts that are distributed amongst key socio-political groups in order to maintain their loyalty to Kim Jong-Il and the ruling

50. N. Eberstadt, *op. cit.*, p. 17.

51. Reuters AlertNet Foundation, 'North Korea famine at a glance', <http://www.alertnet.org/>, accessed on 18 July 2006.

circle.⁵² As the economy has declined, maintaining these payments has become more difficult.

Secondly, economic decline has reduced the reliance of the wider population on the state. In 1997-98 when the ration distribution system collapsed, the population was forced to fend for itself. This resulted in black markets and sanctioned market activity flourishing and a breakdown of the state's ability to enforce regulations as corruption became a primary source of alternative income for officials.

Both these changes have effectively reduced the dependence of the common people and the ruling elite on the current regime. Economic decline has forced a greater level of independence on all sectors of society. Even if the state is able to regain control over the economy, the population would be unlikely to give up the level of independence it currently enjoys.

Triggers

In historical cases of transition from dictatorial rule the three determinants discussed above have played a central role. Another important factor is the existence of a 'trigger' that sparks political change. Possible triggers in the contemporary context of North Korea include attempts by the leadership to undertake substantial economic reform, attempts by the leadership to reduce the role of the military in the state, increased border clashes or military provocations or even a natural disaster resulting in further economic dislocation.

However, the most obvious trigger would be a sudden deterioration in the health of Kim Jong-II.

Kim Jong-II is reported to suffer from diabetes and high blood pressure, which can lead to kidney and heart complications. Unlike his father, Kim Jong-II has not been hardened by years spent surviving as a freedom fighter against an occupying force, but instead has led a closeted and protected existence. In May 2007, it was reported in the South Korean press that the South Korean National Intelligence Service was looking into rumours, traced to Kim Jong-II's close aides, that the North Korean leader's health was declining.⁵³ It was later reported that Kim Jong-II underwent heart by-pass surgery in May 2007.⁵⁴

Throughout late July and early August 2007, Kim Jong-II made several notable consecutive visits to military installations and factories. South Korean media speculated that the aims of

52. Chung Min Lee, 'Nuclear Sisyphus: The myth of denuclearising North Korea', *Australian Journal of International Affairs*, vol. 61, no. 1, March 2007, pp. 15–22.

53. *Chosun Ilbo*, 'NIS checking into rumours of DPRK leader's health', 29 May 2007, p. 2.

54. *Korea Herald*, 'Kim-Jong-II had artery surgery in May', 14 June 2007, p. 1.

these visits were to quash rumours of his failing health that had circulated during June 2007.⁵⁵

During the October 2007 South-North Korean Summit, the South Korean media observed that Kim Jong-II was 'senile and weak', 'old and haggard' and 'tilted toward the right'.⁵⁶ Media sources also drew unfavourable contrasts between Kim Jong-II's and South Korean President Roh Moo-Hyun's appearance, as well as between Kim Jong-II's lethargic behaviour and his more enthusiastic and energetic behaviour when meeting Kim Dae Jung at the first South-North Summit in June 2000.

Perhaps reflecting the incessant speculation on his health, Kim Jong-II also made comments addressing the issue. During the first meeting session between Kim Jong-II and Roh Moo-Hyun, Kim was heard stating 'As I am not a patient, I don't have to stay at home', after Roh expressed his thanks for an unscheduled welcome by Kim on the previous day. Later that same day, Kim stated:

There are reports suggesting I have diabetes and even heart trouble, but nothing can be further from the truth ... they are making a big fuss over each and every move I make, and it's as if they were not reporters but novelists.⁵⁷

Information on Kim Jong-II's health is both scant and unreliable, but is nevertheless a recurring feature of media reports on North Korea. Reports on Kim Jong II's health can be readily compared to other examples of Cold War speculation when analysts studied the distance of figures from Soviet leaders during the annual May Day military parades to determine their position in the Soviet hierarchy. A similar lack of information has led to analyses of Kim Jong-II's health based upon his media appearances. Rumours of ill health will likely continue to persist during the rule of Kim Jong-II and reflect the international community's uncertainty regarding both North Korea's current status and its future without Kim Jong-II.

Conclusion

There are currently no signs to indicate that North Korea is any closer to undergoing political change than at any time in the last ten years. Indeed, it has been able to survive conditions more adverse than its current position. However, this should not engender complacency in policy makers.

55. Yonhap News, 'North Korea This Week' no. 461, 9 August 2007, p. 1.

56. Yonhap News, 'N.Korean leader greets S.Korean president without enthusiasm', 2 October 2007, p. 1.

57. Office of the President (Republic of Korea), 'Chairman Kim again denies health problems', Government Press Releases, 4 October 2007.

The substantial impact that political change in North Korea could potentially have on the East Asian region requires the attention of policy makers. Political change in North Korea requires careful consideration of both the potential short-term humanitarian situation and the longer-term strategic impact on interests in the region.

Until greater openness allows a better understanding of the domestic political and economic situation in North Korea, the potential for political change in North Korea remains the greatest 'known unknown' of East Asian security—and Australian national interest.

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