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PAUL FRENCH

# NORTH KOREA

STATE OF PARANOIA

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North Korea

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North Korea

*State of paranoia*

PAUL FRENCH



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## FOREWORD

# The myth and the reality of the state of paranoia

There's no country on Earth quite like the Democratic People's Republic of Korea, or North Korea. In America and Europe, the reaction to the country, when there's any reaction at all, is divided fairly equally between nervousness and mockery. Most people would have difficulty naming any city in the country other than Pyongyang. Few of us have ever met a real live North Korean. The place exists; it's in our consciousness, occasionally in our nightmares and, now and again, in the news – but what is this thing called North Korea?

In the space of just over a year the news from North Korea became seemingly more and more bizarre. It was reported that the country's leader Kim Jong-un (the son of former leader Kim Jong-il and grandson of the nation's founder Kim Il-sung) had executed his uncle, a senior member of the ruling elite, by feeding him to hungry wolves. North Korea made headlines again shortly afterwards by being suspected of launching a crippling and embarrassing cyberattack against a major Hollywood studio about to release a comedy movie, *The Interview*, that lampooned Kim Jong-un. Around the same time it was announced that the United Nations was to create a Commission of Inquiry. This concluded in 2014 that North Korea continues to commit crimes against humanity in its gulag of prison camps. And then, in May 2015, it was announced that Kim had

ordered the execution of the North's minister of defence. Just to make sure this internal purge made the international news, it was announced that the chief of the DPRK's 2-million-strong army was killed with an anti-aircraft gun.

Sixty-five years after the formal declaration of the establishment of the DPRK, the country and its leaders continue to confound, confuse and concern the rest of the world. The last Stalinist state, a communist monarchy, the North hobbles along through economic collapse, hunger, repression and, largely self-imposed, isolation. It is a nation-state that seems to exist in a constant state of paranoia – about South Korea, about its perceived enemies and about its chances for regime survival. Yet it also exists as a nuclear power able to threaten and cajole the world. How has it come to this position? How does it survive? This book is a history of the DPRK that seeks to explain the twists and turns of the North's ideology, the reasons behind its disastrous downward economic and agricultural spiral, and its seeming intransigence and belligerence on the world stage.

There are at least two histories of the DPRK. One we can try to piece together from the scant documentation available: the paucity of semi-ridiculous statistics and economic figures; the comments of the country's leaders and diplomats we can attempt to parse; the testimonies of its refugees and defectors; and the partial, highly circumscribed and contained observations of visitors to the North. Then there is the official history of the DPRK itself – written and constructed by Pyongyang for both domestic and international consumption. This history is a mix of hyperbole, legend, myth and official scriptwriting.

However, we need both histories if we are to attempt even a peek into the 'Hermit Kingdom'. We need to try to ascertain the true state of the economy and society of the DPRK, to

attempt to divine the machinations, motivations and desires that drive the North, have held it together and will propel its future.

But we also need the official history if we are to understand the seemingly bizarre, but also crucial (and often heartfelt) myriad oddities of North Korea that create a strange attraction to this perplexing nation that piques our curiosity but also frightens and alarms us. The very public, and mass, outpourings of grief over the death of Kim Il-sung in 1994, and then of his son and heir Kim Jong-il in 2011, the strident rhetoric of independence and isolation, the power of the North's home-grown governing philosophy of Juche and the theatrical victimhood of the North's own historical narrative all seem remote and alien to the outside world, yet are comprehensible when the nation's history is understood.

The historical scriptwriters are constantly at work in Pyongyang. Kim Jong-un's image is being as carefully crafted today as were the cults of personality and official legacies of his father and grandfather. The message of continuity, of continuing struggle, of the necessity of regime survival continue to be all-pervasive – 'build a rich and powerful country, a country we can be proud of to the world'.

Yet North Korea remains mired in poverty and economic collapse. It is undoubtedly a failed state – unable to feed its own people without a constant drip feed of international aid. The North Koreans refer to their own history as an 'arduous march', and it has indeed been arduous for the 24 million-plus population since the country was founded out of the ruins of the Korean War. How the North got to this point may offer us some clues as to where the country will go and how the history of the DPRK will unfold in the future. Explaining that history and looking for those clues to the future are the aim of this book.

# Acknowledgements

This book is the culmination of watching the Democratic People's Republic of Korea (DPRK) for many years and writing about the country from a business perspective for my former company Access Asia and a variety of other publications. It has to be stated at the start that many people who fed ideas and experiences into this book cannot be mentioned by name. Such is the nature of the DPRK that securing entry visas and building relationships are hard enough without being associated with a book that will probably not be warmly greeted in Pyongyang. Those people know who they are and will I hope recognise their contributions. Naturally, any mistakes made with the information they provided or differences in interpretation are entirely the author's responsibility.

A number of people can be mentioned, though. Primary thanks must go to my two former colleagues at Access Asia: Matthew Crabbe (who provided the title) and Chris Torrens, both of whom share my interest in the DPRK and contributed to the debates around the changing nature of the country. Both were also gracious enough to indulge me patiently in pursuing this book. Thanks should also go to Barry Colman in Shanghai for his comments on the original proposal and encouragement.

Thanks must go to Joe Studwell and Arthur Kroeber of the *China Economic Quarterly*; Stephen Green, head of Greater China research at Standard Chartered; Professor David Wall

of Cambridge University's School of International Relations; Andy Rothman, Chief China Strategist with CLSA; Hugh Peyman of Research-Works; and Tom Toback of Pyongyang-square.com. Thanks also to Mark O'Neill for comments on Sinuiju, and to Richard McGregor of the *Financial Times* for his thoughts on the DPRK.

Other thanks go to various Pyongyang and East Asia observers including Josh Green, Keith Bennett, John Swenson-Wright of Cambridge University and Aidan Foster-Carter.

Information on the DPRK is hard enough to dig up, though made easier by the helpful staff of the Shanghai Public Library, the British Library, the London Library, Hong Kong University Library, the RIIA's library, London School of Economics Library, the Russian State Library, Shanghai's Fudan University Library, the Marx Memorial Library in London and the New York Public Library. I also acknowledge the work the Nautilus Institute does in supplying regular updates and thoughtful essays on the situation in the DPRK ([www.nautilus.org](http://www.nautilus.org)), CanKor for its DPRK clippings service ([www.cankor.ca](http://www.cankor.ca)) and Pyongyangsquare.com for its database of DPRK-related information ([www.pyongyangsquare.com](http://www.pyongyangsquare.com)).

At Zed Books in London thanks must go to senior editor Robert Molteno, who first enthusiastically took up this project, Kim Walker for continuing it, Robin Gable and Lucy Morton for editing the book in various incarnations, and Jonathan Maunder for publicity and marketing.

# Abbreviations, spellings and figures

AC	Administrative Council (DPRK)
ACF	Action Contre la Faim
ADB	Asian Development Bank
ADRA	Adventist Development and Relief Agency International
AFTA	Asian Free Trade Association
AMC	asset management company
APEC	Asia Pacific Economic Cooperation
AREP	Agricultural Recovery and Environment Plan
ASEAN	Association of South East Asian Nations
CAP	Consolidated Appeals Process (UN)
CBMs	confidence-building measures
CBW	chemical and biological weapons
CCTV	China Central Television (Chinese state broadcaster)
CDMA	code division multiple access
CFSAM	Crop and Food Supply Assessment (FAO/WFP)
CIA	Central Intelligence Agency (US)
CNKR	Commission to Help North Korean Refugees (ROK)
CNN	Cable News Network
Comecon	Council for Mutual Economic Cooperation
CPC	Communist Party of China
CPSU	Communist Party of the Soviet Union
CSRC	China Securities Regulatory Commission (stock market regulator)
DCRK	Democratic Confederal Republic of Koryo
DMZ	demilitarized zone
DPRK	Democratic People's Republic of Korea (North Korea)
EBRD	European Bank for Reconstruction and Development
EU	European Union
FALU	Food Aid Liaison Unit
FAM	Food Administration Ministry (DPRK)

FAO	Food and Agriculture Organisation (UN)
FDI	foreign direct investment
FDR	Federal Republic of Germany (West Germany)
FDRC	Flood Damage Rehabilitation Committee (DPRK)
FIFA	International Federation of Football Associations
GDP	gross domestic product
GDR	German Democratic Republic (East Germany)
GNP	gross national product
GNP	Grand National Party (ROK)
GSM	Global System for Mobile Communications
HEU	highly enriched uranium
HKSE	Hong Kong Stock Exchange
HKSFC	Hong Kong Securities and Futures Commission
HPRS	Household Production Responsibility System (PRC)
IAEA	International Atomic Energy Agency
ICBM	intercontinental ballistic missile
IMF	International Monetary Fund
IRBM	intermediate range ballistic missile
ISI	Inter-Services Intelligence (Pakistan)
JSA	Joint Security Area
KAL	Korean Airlines (ROK)
KCIA	Korean Central Intelligence Agency (ROK)
KCNA	Korean Central News Agency (DPRK)
KEDO	Korean Energy Development Organisation
KGB	Committee for State Safety (former USSR)
KITA	Korea International Trade Association (ROK)
KPA	Korean People's Army (DPRK)
KPAF	Korean People's Air Force (DPRK)
KPN	Korean People's Navy (DPRK)
KSM	Korean Sharing Committee (ROK)
KWP	Korean Workers' Party (DPRK)
LDP	Liberal Democratic Party (ruling Japanese party)
LWR	light-water reactor
MDP	Millennium Democratic Party (ROK)
MOU	Ministry of Unification (ROK)
MPS	Ministry of People's Security (DPRK)
MSDF	Maritime Self Defence Force (Japan)
MTCR	Missile Technology Control Regime (US)
NDC	National Defence Commission (DPRK)
NEACD	Northeast Asia Cooperation Dialogue



NEM	New Economic Mechanism (Laos)
NEP	New Economic Policy (USSR)
NGO	non-governmental organisation
NHK	Japanese television news channel
NIE	National Intelligence Estimate (US)
NKRAF	North Korean Refugees Assistance Fund
NKW	North Korean won (DPRK currency)
NLL	Northern Limit Line
NNSC	Neutral Nations Supervisory Commission
NPL	non-performing loan
NPT	Nuclear Non-Proliferation Treaty
OCHA	UN Office for the Coordination of Humanitarian Affairs
OECD	Organisation for Economic Cooperation and Development
OPEC	Organisation of the Petroleum Exporting Countries
PBoC	People's Bank of China (China's central bank)
PDS	Public Distribution System (DPRK)
PRC	People's Republic of China
PVOC	Private Voluntary Organization Consortium (US)
RDA	Rural Development Agency (ROK)
RMB	renminbi (Chinese unit of currency)
ROK	Republic of Korea (South Korea)
RPR	Revolutionary Party for Reunification (ROK)
S&P	Standard & Poor's
SAR	special administrative region
SARS	severe acute respiratory syndrome
SDF	Self-Defence Forces (Japan)
SEZ	special economic zone
SMEs	small and medium-sized enterprises
SMS	short messaging service
SNCC	South-North Coordinating Committee
SOE	state-owned enterprise
SPA	Supreme People's Assembly (DPRK)
SSD	State Security Department (DPRK)
SSE	Shanghai Stock Exchange
TMD	Theater Missile Defense (US)
TPM	total particulate matter
TRT	Three-Revolution Team Movement (DPRK)
UN	United Nations
UNDHA	United Nations Department of Humanitarian Affairs

UNDP	United Nations Development Programme
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
UNSCOM	United Nations Special Commission
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USFK	United States Forces, Korea
USSR	Union of Soviet Socialist Republics (Soviet Union)
WFP	World Food Programme (UN)
WMD	weapons of mass destruction
WTO	World Trade Organisation
YMCA	Young Men's Christian Association

### A note on spellings and names

In 1996 the political representatives of Korean-speaking countries signed a common declaration, to take effect in 1998, on the reform of Korean spelling rules. There was a transitional period until 2005, in which the old and new spellings coexisted; since then, only the new spellings have been valid. Many place names have undergone transformations. Gone are capitals to denote different syllables; gone too are special marks to represent sounds.

In Korean the family name comes first, followed by the given name or names. The practice is followed in this book with the given name hyphenated, hence Kim Il-sung and Kim Jong-il. An exception to this rule is Syngman Rhee. There is also extensive repetition of certain family names, notably Kim, Park and Lee. It should also be noted that traditionally Korean women keep their maiden names after marriage; hence former ROK President Park Chung-hee was married to Yook Young-soo.

Spelling of Chinese names follows the pinyin style of Romanisation as two separate words – for example, Mao Zedong.

## A note on figures

Statistics and figures from the DPRK are highly unreliable and patchy at best. The author Joseph Bermudez, who wrote a study of North Korea's armed forces, summed up writing about North Korea best when he stated, 'The catch words probably, estimated, or believed to and apparently must appear frequently in any work of this type', while Marcus Noland, a Senior Fellow at the Institute for International Economics who has written extensively on North Korea's economy, sensibly warns 'not to trust any datum on North Korea that comes with a decimal point attached'. This is not a new problem. In the 1970s the former CIA Director Robert Gates described North Korea as a 'black hole' and the 'toughest intelligence target in the world'. Indeed many economic, military and health statistics remain classified as state secrets, while all available official data are questionable at best. An additional problem is that the DPRK's political system releases comparatively few policy documents and has a tradition of relying on oral rather than written agreements in dealings with organisations such as NGOs, meaning that much of the data becomes unverifiable, as Pyongyang often makes a decision on statistics based on what is politically acceptable to release.

There are a number of reasons why North Korean statistics are problematic. These include the fact that statistical methodology in the DPRK is rarely explained and thought to be relatively basic; that centrally planned economies notoriously have dubious statistics; that the DPRK has its own internal security reasons for not making all figures known internationally; and that there may be some official underreporting in order to attract aid. Additionally, politics remains paramount in North Korea, including in terms of the gathering of statistics.

Where possible the problems with verifying statistical data are explained and the possible differences in calculation commented upon in the text.

While some of the figures from this report are from official North Korean sources such as the Korean Central News Agency and the Census Department, they are treated with extreme caution and compared to estimates from other sources where possible. There are a number of other sources that have provided figures on the DPRK and all urge the user to exercise extreme caution. These sources include the European Union (EU), the various embassies and consulates in Pyongyang, the international aid agencies and NGOs operating in North Korea including the World Food Programme and the UN Food and Agriculture Organisation, as well as the US Department of Agriculture. There are also a number of Chinese academics watching the DPRK, as well as China's Customs Bureau and National Bureau of Statistics, which provide some insight. Various international bodies including the United Nations, the World Health Organisation, the International Monetary Fund, the World Bank, the Asian Development Bank and ASEAN, as well as various other universities and academic institutions, also collate data to varying degrees.

Problems abound particularly when considering the state and depth of the food shortages in the DPRK. NGOs and state aid agencies still do not have open and unfettered access to the entire country and are, despite some progress, still largely unable to conduct unannounced site visits or effectively monitor aid shipments from arrival in the country to final disbursement; while other projects are prevented from collecting follow-up data to assess their effectiveness.

There are also a number of South Korean organisations releasing data on the DPRK, some of which may have their

own agendas for inflating or deflating figures. The most reliable among these is generally considered to be the Bank of Korea and its North Korea Economic Studies Division, the Ministry of Unification, the Korea Trade-Investment Promotion Agency, the Korea Development Institute, Seoul National University and the Korea Rural Economic Institute, as well as the National Statistical Office. In Japan the External Trade Organisation's Institute of Developing Economies is also useful.

Essentially no reliable statistics have been published by the DPRK since 1965. Those that are available are problematic, for instance using Soviet-era statistical and accounting methods or, as with figures on food consumption, not accounting for spoilage (which is considerable) or supplying only aggregate production levels that cloud discrepancies across various sectors of the economy. The decline in statistical release accelerated in the 1970s as economic stagnation set in, while in the 1980s the country went so far as to withhold totally the growth/decline rate for industrial production and key agricultural statistics.

All sums of money are expressed in US dollars or local currencies at the exchange rates prevailing at the time.

## INTRODUCTION

# The paranoid peninsula

PARANOID *adjective*. 1. Characterized by or resembling paranoia; a tendency on the part of an individual or group toward excessive or irrational suspiciousness and distrustfulness of others. 2. Characterized by suspiciousness, persecutory trends, or megalomania.

This is a book about a country – the Democratic People’s Republic of Korea, or the DPRK. North Korea occupies 55 per cent of the total land area of the Korean peninsula, approximately the size of New York State, and contains almost 25 million people.

The reclusive DPRK has often been described as the ‘Hermit Kingdom’, and there is undoubtedly a truth to this. President Clinton described the Korean peninsula as ‘the Cold War’s last divide’ in 1997, while President Bush infamously included the DPRK in his 2002 ‘Axis of Evil’ speech. When he learned that DPRK agents had admitted abducting Japanese citizens from the 1960s until the early 1980s Japan’s then prime minister Junichiro Koizumi called North Korea a ‘disgraceful’ country.

North Korea effectively closed itself to the outside world after Kim Il-sung took control, with Stalin’s blessing, after World War II. The state became seen as largely a Soviet satellite, though this was an overstatement; while in the Cold War era Pyongyang and Moscow appeared close, a longer lasting and in many ways more influential relationship has existed and continued to develop between Pyongyang and Beijing.

North Korea emerged into the current century as a relic of the last. It is effectively the only unreformed Stalinist-style command economy left in existence, while most others have crumbled or begun reform programmes. While the other remaining socialist states have tended to downplay their military capacity in recent years, North Korea still publicly and vocally adheres to a Military First ideology of ‘putting the army before the working class’.

It is certainly true that the history of the DPRK has been, and continues to be, one of retreat from international politics. The country remains outside most international or regional forums, as well as remaining outside the World Bank and the International Monetary Fund. Pyongyang follows its own path in many respects: it has developed its own political theory that encompasses North Korean life in Juche theory; it operates its own calendar; until recently it retained few official diplomatic ties with foreign nations. Few of the North’s citizens, even those in privileged positions, ever travel outside the country, and the nation restricts access by the outside media.

While the DPRK has largely shunned the outside world and pursued its own path, the outside world in return has, until the early years of the twenty-first century, largely ignored North Korea except at intelligence agency levels and, since the mid-1990s, through aid donations to deal with the famine ravaging the country and the severe food shortages that persist. Tourism to the DPRK remains small-scale and business delegations rarely visit.

The division drawn across the Korean peninsula at the 38th parallel in 1953 remains in force with the world’s most heavily militarised border between the two Koreas. Given the history of the peninsula and the respective states that have grown up since 1953 a little paranoia is perhaps forgivable. However, it

has been the fate of the North to be the least understood of the two halves. Misconceptions regarding the DPRK abound – hopefully this book doesn't add to them.

## Observers of planet Pyongyang

Former US vice president and ambassador to Japan Walter Mondale once observed that anyone claiming to be an expert on North Korea was either a liar or a fool. For the whole of the DPRK's history the role of Pyongyang watchers has been akin to that of astrologers: gazing in largely from outside, acquiring snippets of knowledge and occasionally gaining highly restricted access to the country itself. Pyongyang watchers are a strange breed, invariably repelled and fascinated by the country in turn. They marvelled at the access their counterparts were gaining in the Kremlin-watching and Sinology communities, relying on small fragments of speeches and rhetoric-filled policy statements along with other snatches of information that could be pieced together to comprehend Pyongyang's reasoning and strategy.

Any information was valued, as the country itself has been effectively closed to Western observers. Though it is not so common these days, the country often used to describe itself as a 'paradise' in the heady days of the 1960s and early 1970s when development was rapid and before economic stagnation, starvation and isolation set in for a prolonged period.

This has led to an excess of qualifying terms to describe the North. The country is invariably autarkic, sclerotic, schizophrenic, Orwellian, anachronistic, a pariah or suicide state. In part all of these epithets are accurate yet not overly helpful in understanding the country, its history, people, politics and economy. North Korea's insistence on positing every issue in



a historical context makes the nation appear a fixed entity, yet its unpredictability makes it a movable feast for those studying East Asian politics. It is also true that the regime's constant referrals to the past – to the Korean War, to the Japanese occupation of the peninsula, to the withdrawal of Soviet aid and American imperialism – do make the DPRK appear to be a country with a past but no future. It does also appear to be committing suicide with no meaningful economic answers to its industrial and agricultural stagnation, piecemeal attempts at economic reform, a diplomatic policy of belligerence and a rigid political system that is maintained despite famine and economic collapse. North Korea is in this sense a prisoner of its own history and apparently has no way to exit itself from this cycle of decline and collapse.

Many, not least the US government, have believed that if left to its own devices North Korea will simply implode. This may be true, but the same was said in the late 1980s when the USSR and Eastern bloc collapsed, severing Pyongyang's economic lifeline, and again in the mid-1990s when Kim Il-sung died and once again when his son and heir Kim Jong-il passed away. It didn't happen. Additionally, leaving the DPRK to implode of its own accord is not a strategy that most of the major regional and international powers can pursue. Aside from the obvious human rights issue of allowing a country to starve to death without aid, regional powers are faced with numerous other problems – the South Koreans with an unstable neighbour, the Chinese with a potentially massive refugee problem, and Japan neighbouring a 'nuclear unstable state'.

Somehow North Korea must be dealt with through either engagement or containment – a debate that still rages in the US. At the same time the world's last Cold War divide remains along the Demilitarized Zone (DMZ), where 1 million North

Korean troops face down 700,000 South Korean and 28,500 US troops. As the GI saying goes, 'there ain't no "D" in the DMZ'.

The most recent nuclear crises have been precipitated by Pyongyang's decision to restart its nuclear programme. However, that decision was rooted in the long US refusal to abide by the only international agreement ever signed between the two countries – the 1994 Agreed Framework. The agreement was never really taken seriously by Washington and, it would seem, Pyongyang has reached the conclusion that the cancellation of scheduled oil shipments in December 2002, and the late arrival of two promised civilian-use reactors from the Korean Energy Development Organisation (KEDO), constituted an effective withdrawal from that treaty, leaving the DPRK with no choice but to respond. It has to be noted that none of the countries expressing concern over the present problem, including China and Russia, has seen fit to raise the issue of US responsibility or, as one commentator noted, 'sees anything roguish in the US refusal to honour its commitments'.<sup>1</sup>

### Tentative reform

In the spring of 2002 North Korea began a tentative economic reform process that raised awareness of the country to many outsiders. Certainly 2002 had promised to be a different year and remains the most seemingly serious attempt at reform in North Korea to date. Traditionally the Pyongyang government issues its broad policy objectives annually at New Year through the state news agency, KCNA. There is invariably talk of economic growth and improving international relations, but 2002 saw a significantly more strident tone emanating from the hermit kingdom. The editorial expressed an interest in opening to the outside world and modernising

the economy, announcing a new era of 'advance, great turn and broad opening'.

Pyongyang indicated several ways in which the country might do this, including

Restructuring the economy through enhancement of the existing infrastructure and the development of up-to-date technology, in particular in the power, coal, metal industry and railway transport sectors; implementing the June 2000 North–South Joint Declaration; improving relations with the outside world and making a positive contribution to global independence and peace.

To realise these objectives, the government had previously announced a budget for 2001 that at US\$9.9 billion was nearly 3 per cent up on 2000. Perhaps paranoia was about to give way to an outburst of reform. Ultimately little changed and, subsequently, many of the reforms announced were rolled back. However, 2002 remains the clearest indication of the possibilities of change in the DPRK we have yet seen.

### The problem of the command economy

The central thesis of this book is that the DPRK is a failed state and therefore liable to become unstable unless engaged enthusiastically and strategically. The DPRK has failed not primarily because it is run by a leadership obsessed with the cult of personality or because it is a one-party state entirely devoid of democracy, though neither of these truisms about North Korea has helped its development, but because it subscribes to the failed concept of the Soviet-inspired socialist command economy that insists on a centrally planned system. As Dennis O'Hearn has noted,

Soviet style centralised planning is neither *socialist* planning nor even effective planning. Since it is not socialist or democratic planning, the preferences of society (much less of individuals) are

not met.... As a result, the plan is not effective – it is violated at all stages of the economy.<sup>2</sup>

The issues that revolve around North Korea – the persistent food shortages, excessive military spending, the nation's crumbling infrastructure and industrial base, the propagation of the country's guiding Juche philosophy, the Military First doctrine – are all subordinate to the existence of a centrally planned state and an economy that has failed under the weight of its own contradictions. Industrial collapse, a failed agricultural policy, famine and exorbitant levels of military spending all take place within a political context heightened in North Korea through the all-embracing nature of economic planning.

Whatever attempts are made at economic reform to introduce elements of marketisation and mercantilism are doomed to failure while the command economy remains in place and dominant. Under this system a DPRK with or without a Kim (1, 2 or 3) or nuclear weapons cannot survive except by relying on the drip-feed of international aid. The inherent contradictions of the command economy, enshrined in the philosophical mixture of Marxism–Leninism, Maoism, Confucianism and traditional Korean heritage that is Juche, cannot successfully undertake any rust-to-riches transformation without jettisoning its core economic theory. It cannot reject this economic theory without admitting the failure of Juche and the regime created by Kim Il-sung (Kim1) and Kim Jong-il (Kim2) and now inherited by Kim Jong-un (Kim3). As the personality cult around the Kims is built on their infallibility, any truly radical restructuring of the economy to deal with the current spiral of decline would destroy the ruling elite's legitimacy and strip them of the Mandate of Heaven.

Ultimately the demise of the USSR was not about Gorbachev, the legacy of Stalin's purges or Khrushchev's de-Stalinisation,

but about the failure of the command economy to deliver economic growth and prosperity. In Eastern Europe the leaders bolstered by personality cults fell away, from Romania to Albania. Similarly so elsewhere – Saddam Hussein's Iraq, Colonel Gaddafi's Libya. Again, it was ultimately the failure of the command economy to deliver growth rates and living standards equivalent to Western Europe that brought down the Eastern European regimes. In the Eastern European bloc and the Soviet Union the one justification that the ruling regimes used to secure their position – the elevation of the position of the working class – was not achieved, as the economic system was unable to drive growth. China has realised this, as to varying degrees have other command economy states, such as Vietnam and Cuba, where rigid political regimes have begun to shift away from the politically administered economic plan to balance the preservation of the legitimacy of the ruling Communist Parties with new, more liberalised, mixed economies. Where this shift is real, such as in China's coastal cities, the ruling regimes have managed to remain dominant while delivering growth. In those regions, such as the inland provinces and western regions of China, where the reforms appear more illusory and the command economy often still dominates, the Party's legitimacy is more fragile.

In the last decade the world has seen three separate though interlinked strategies employed by North Korea to try to maintain the legitimacy of the ruling regime, force concessions from other nations, guarantee the vital inflows of aid and attempt to resuscitate the economy. These strategies have emerged as an attempted process of diplomatic engagement with regional powers to achieve a normalisation of relations, followed by a highly limited economic reform programme, which ultimately failed and led finally to a reassertion of the Military First theory

and its tangential nuclear weapons programme as Pyongyang's primary tool of leverage in international negotiations and the giving of priority to military issues to ensure regime survival.

### North Korea: paranoid peninsula

This book is structured in such a way as to provide the reader with an overview of the society, philosophy, economics and possible future of the DPRK. Juche (self-sufficiency), the guiding theory of North Korean life, combines politics, economics and social control in one philosophy. Therefore to understand the basic failing of the nation one has to consider all elements of the society and cannot separate politics from economics from social development. In Juche-led North Korea all are planned, all are interlinked and all are collapsing, while politics remains paramount.

The first part of this book looks at the society that sixty-five years of the DPRK has created. Daily life, its structure, routine and purpose, are little understood outside the country, still less the highly politicised nature of the society that reaches down into the minutiae of daily life. This is followed by an examination of Juche itself, its theoretical roots, 'borrowings' from other philosophies and more all-embracing traditions, such as Confucianism and traditional Korean thinking. As Juche seeks to underpin theoretically the position of Kim Il-sung, Kim Jong-il and now Kim Jong-un at the head of the society and perpetuates their personality cults, the theory itself is examined in some detail.

The second part of the book concerns the DPRK's economic system. Though North Korea remains a Stalinist-style command economy, it has adapted certain tenets of the planned economy to its own needs and requirements. Therefore the

DPRK's economy is examined in contrast to the Soviet and Chinese models, in terms of their similarities and differences, adaptive influences and differing roads to development. Central to the failure of the DPRK's planned economy has been the country's inability, for two decades now, to feed itself. This failure in the agricultural sector highlights the unsuitability of the command economy's form of collectivised farming, as well as revealing a continued lack of success in meeting Juche's goal of self-sufficiency. Consequently both the famine and the inability to reform fundamentally the agrarian sector reflect starkly the failure of the system in North Korea and the human cost of that failure. There is therefore a discussion of North Korea's agricultural system and an examination of the root causes of the famine and its effects on the nation, as well as of the ongoing efforts of NGOs and Pyongyang to solve the food crisis. Two primary questions are raised here. First, how did North Korea's economic and agricultural system reach a point of collapse whereby mass famine ensued? Second, why did the government fail so completely to deal with the famine that a country guided by Juche was forced to lose face and request international aid?

As indicated, an economic reform programme of sorts was started in 2002. The basic tenets of this reform process and its lack of success are examined. This programme included both reform of the command economy's control of the distribution process, which for most of the country's history has entailed rationing as the major form of food and goods distribution, and financial reforms designed to kick-start economic activity. The results, given that these were relatively minor measures occurring within a rigid political system, were far from impressive; the process was mostly mishandled and led to further impoverishment and underlying decline in the economy, as

well as potentially causing a major rift in the ruling regime of the time between Kim Jong-il and the military – a rift that continues under the leadership of Kim Jong-un.

There have also been attempts by the government to follow the Chinese path more overtly and open up to outside investment, primarily through the 2002 creation of an economic zone in the north of the country, Sinuiju. This experiment was an unmitigated disaster and revealed the almost total lack of understanding in Pyongyang of economics, fiscal policy, the law of supply and demand, or international business practice. This episode is covered in detail as it is instructive of the deep problems any reforms undertaken within the existing framework of the command economy necessarily entail.

The unravelling of the nuclear crisis is discussed in some detail, as it involves the DPRK's relations with its closest allies, China and Russia, as well as South Korea and Japan. DPRK-US relations are considered in the context of the historic and ongoing failure of the US either to successfully contain or to engage the DPRK. Washington eventually developed a policy that fell between two stools, to be followed by each succeeding American presidential administration up to and including the Obama administration. Historically there has been a US policy failure in dealings with both Pyongyang and Seoul. American policy towards the peninsula has always been, and continues to be, one of reaction and not anticipation, of last-minute compromise in place of deeper consideration.

The subsequent reassertion of the Military First line is discussed in some detail as a major policy shift following the failure of the regime's plans, first for engagement and then for reform. This necessitates a discussion of the role, size and capabilities of the Korean People's Army (KPA) given their restated paramount position in society.



The final part of the book looks at the possible outcomes for the DPRK by positing several potential scenarios for change, as well as considering the prospects for Korean reunification. The division of the Korean peninsula for over sixty years has been one of the most tense international stand-offs of the modern era. The division has affected the form and shape of the development of both the Koreas, their Cold War allegiances, their post-Cold War alliances, and consequently their economic systems, international relations, social development and national psychologies.

## PART I

The Juche nation:  
beloved leaders, brilliant thoughts,  
power cuts and empty shelves



# I

## A normal day in Pyongyang

North Korea's capital remains one of the least known places on earth. For more than half a century the government of the DPRK has carefully managed the availability of images and reporting from Pyongyang, meaning that for people outside North Korea the city remains largely unknown. Those images of Pyongyang that do emerge are carefully stage-managed and usually reflect only highly organised processions or parades during ceremonial events. Rarely if ever is the life of the ordinary residents shown. Similarly, within the country Pyongyang is shown by state media as the capital of the revolution; hence many North Koreans have little idea either of the reality of daily existence in the capital.

This lack of familiarity with Pyongyang has gone a long way towards hiding the nature of daily life in the capital. Life in Pyongyang is highly politicised and regimented; yet increasingly, as the economy has collapsed and food shortages have continued, attention has been fixed on daily survival, coping with shortages and maintaining something approximating a normal life.

### Pyongyang: capital of our revolution

The day starts early in Pyongyang, the city described by the government as the 'capital of revolution'. North Koreans emerge from bed at around 6.00 a.m., dress and head off to

work, where many arrive by 7.30. Most Pyongyang residents (the city's name means 'level ground') live in high-rise buildings, hastily erected over the sixty years since the end of the Korean War. The blocks are lined up along the city's wide boulevards and house most of Pyongyang's 2.5 million-plus population. The apartment blocks, which were erected fast to house a massive homeless population devastated by war, and the noticeably few office blocks are now showing signs of their age. They were mostly built in the 1960s when Pyongyang was rebuilding after being almost completely flattened by American bombing during the war. There are still a few narrow single-lane and some two-lane roads, though most streets are boulevards of uniformly utilitarian high-rise blocks – what the nation's founder Kim Il-sung liked to think were the hallmark of a city of the future. The war-induced necessity of rapidly rebuilding Pyongyang, and the political policy of resettling many rural people in cities and towns, have given North Korea a relatively high population density of approximately 185,000 people per square kilometre – similar to Italy or Switzerland.

Those who live on higher floors may have to set out for work or school a little earlier than those lower down. Due to the chronic power shortages affecting the entire DPRK, many apartment-building elevators have long stopped operating, or work only intermittently. As many buildings are between twenty and forty storeys tall, this is an inconvenience. In general the major problem is for the older residents, who find the stairs difficult. Many senior citizens are effectively trapped in their apartments; there are stories of old people who, having moved in, have never been able to leave. Even in the better blocks elevators can be sporadic and so people just don't take the chance. Families make great efforts to relocate their older relatives on lower floors or in houses, but this is difficult

and a bribe is sometimes required.<sup>1</sup> With food shortages now constant, many older people share their meagre rations with their grandchildren, weakening themselves further and making the prospect of climbing stairs even more daunting.

Keeping warm is also problematic. Apartment buildings are largely heated by hot water, houses by charcoal briquettes. However, if the electricity supply is suspended – a not uncommon event given the ongoing fuel crisis – then no heat is available. Most residents stay in their winter clothes all day, even sleeping in them. People who manage to obtain chicken or duck feathers use them to make warm quilts to see them through the icy winters.

Every day people liaise with their neighbours on the current electricity situation. At times a large proportion of Pyongyang operates an ‘alternative suspension of electricity supply’ system, meaning that when buildings on one side of the street are blacked out the other side of the street gets power. Neighbours monitor the situation, often sending children or older relatives to watch television in a friend’s apartment across the road. When the power supply alternation time arrives there is a mad rush of children as they head for their friends’ apartments across the road. Even ‘prioritised’<sup>2</sup> buildings can suffer these interruptions of supply; this was not uncommon in the late 1990s, and occasionally happens today.

Apartments cut off use candles or carbide and kerosene lights, though many families are too poor to afford these alternative power sources, which are anyway in short supply and relatively expensive. Those with access to foreign currency and connections might have a tank battery to supply electricity, and thereby avoid the worst of the power cuts, but they will have to spend tens of thousands of DPRK won (NKW) to get one. Some apartments and houses have no problem

with regular power cuts, such as those of the more senior party cadres (defined as above primary party secretary level), leadership guards and senior army personnel. On the other hand, the power never gets cut to, for example, the Mansudae Statue, to the Juche Tower on the banks of the Taedong river, which flows through central Pyongyang, or to the numerous neon propaganda signs on top of buildings. If nothing else, Pyongyang residents can console themselves with the fact that the situation outside the capital is invariably much worse.

### A roof over your head

Worrying about the electricity supply means you have a house or apartment, though privacy is not always guaranteed. It is common for two households to have to share in Pyongyang. For a small family in a house with three rooms, it is not unusual for another householder of the same age to be moved in. While people don't like surrendering valuable living space, it is often dictated by the work unit. House and apartment shortages are serious throughout North Korea and in Pyongyang in particular. According to the Korea Institute for National Reunification's White Paper on Human Rights in North Korea,<sup>3</sup> the supply of housing in the DPRK is around 56–63 per cent of demand. All housing is apportioned by the state, and quality and location are dependent on social rank – the DPRK's social ranking system of fifty-one political classifications assigns everyone a place in the national hierarchy. With a growing population, the overcrowding is not about to improve.

In Pyongyang, it can take two or three years for a newlywed couple to be allocated a one-room apartment attached to a communal kitchen. Many newly married couples continue

to live with one set of parents for as long as a decade. The quickest way to escape this situation is to have a contact in the housing allocation section, under the jurisdiction of the People's Committee Urban Management Bureau, which handles housing allocations. For Korean Workers' Party (KWP) cadres, the party headquarters assigns housing. The very senior benefit from the few luxury compounds.

So long as a person is employed by the same work unit their allocated dwelling is usually theirs until they die. They invariably live close to co-workers, thereby increasing the self-monitoring of society. If reassigned to a different work unit, they may have to move. However, people do not expect anything much bigger or better, as virtually all Pyongyang apartment buildings are the same size and quality. Outside the city you might get a so-called 'harmonica' house, Korean-style row houses invariably consisting of three or four single-storey buildings of one room and one kitchen each. These are mostly suited for newlyweds or families with just one child. They have the additional luxury of a small garden, which means the couple can grow vegetables to supplement their diet. Senior cadres, military officials, favoured academics and enterprise managers can get more – typically two rooms, a veranda, shower, flush toilet and hot running water. Rural workers on collective farms can typically expect two rooms and a shared kitchen in a smaller apartment building or possibly a more traditional two- or three-room Korean-style farmhouse.

In both the capital and the provinces, complaints about noise from the neighbours are common as apartment walls are thin. Buildings are invariably freezing cold in the winter and very hot in the summer, as central heating and air conditioning are rare. People have been known to weep on the day they move into a new apartment and immediately start decorating with



wallpaper and oiled paper for the floors. (A house-warming party is obligatory and guests all take small gifts.)

As the housing shortage worsened, so many people started to bypass the official route. Clandestine house transactions have been reported in Pyongyang since the mid-1980s. One famous story concerns Pyongyang's Kwangbok (Liberation) Street, which was built for ordinary workers with 25,000 family units, though deemed to be of superior quality compared to Pyongyang's regular housing stock. Apparently a group of wealthier North Koreans who used to live in Japan and some senior KWP cadres bribed the urban management officials with foreign currency and electronic appliances and obtained the apartments for themselves. This story got around Pyongyang and caused some disquiet, leading to a government crackdown on illegal transactions. However, others have found ways around the system. People who have left the DPRK report that a one-room apartment in Pyongyang can be 'bought' for US\$400 and a three-room one for US\$1,500, though prices are now reportedly skyrocketing. Plans to build 100,000 new homes in Pyongyang as part of the celebration of the 100th anniversary of Kim Il-sung's birth in 2012 reportedly came to naught and were cancelled by Kim Jong-un due to a lack of raw materials, inadequate electricity supply and the poor quality of the initial construction. Housing shortages persist.

As an unofficial housing market emerged in Pyongyang, in the countryside in the late 1990s many families sold their homes to raise money either to start some sort of bartering business, buy black-market goods or escape to China. At this time houses were reportedly trading for as little as US\$15. For those who need currency to buy housing, an informal foreign currency loan will require the payment of 20 to 30 per cent in annual interest – perhaps even as high as 50 per cent per

month. With the food shortages worsening, cases have been reported of families becoming homeless in the provinces after swapping their accommodation rights for food.

### Badges, bicycles and fashions

In Pyongyang a growing number of women work in white-collar office jobs; they make up an estimated 90 per cent of workers in light industry and 80 per cent of the rural workforce. Many women are now the major wage-earner in the family – though still housewife, mother and cook as well as a worker, or perhaps a soldier. Make-up is now increasingly common in Pyongyang, though is rarely worn until after college graduation. Skin lotion is popular but still sometimes frowned upon by the local Socialist Youth League. Local brands have appeared from the Pyongyang and the Sinuiju cosmetics factories. Products include ginseng liquid cream, though rumour has it that it contains no actual ginseng (ginseng toothpaste is also ginseng-free). Chinese-made skin lotions, foundation, eyeliner and lipstick are available and permissible in the office. Many women now suffer from blotchy skin as the national diet has deteriorated, and in consequence are wearing more make-up. Long hair is common but untied hair is frowned upon.

Men's hairstyles could not be described as radical. In the 1980s, when Kim Jong-il first came to public prominence, his trademark crewcut, known as a 'speed battle cut', became popular, while the more bouffant style favoured by Kim Il-sung, and then Kim Jong-il, in their later years, is also popular, though Kim Jong-un's trademark short-back-and-sides does not appear to have inspired much imitation so far. Hairdressers and barbers are run by the local 'Convenience Services Management

Committee'; at many, customers can wash their hair themselves. In 2012 many districts of Pyongyang were without running water for two months due to electricity shortages. Economic pressures have seen many hairdressers close down, as more people cut their hair at home to save money. Women often buy Chinese-made permanent wave and hair-dye kits at farmers' markets and perm each other's hair.

Pyongyang is the fashion capital of North Korea, offering greater access to foreign, often Japanese-inspired, styles. This was how bell-bottoms became fashionable; and how wearing Japanese sunglasses became a sign of being connected and in style. A Japanese watch denotes someone in an influential position, a foreign luxury watch indicates a very senior position. The increasing appearance of Adidas, Disney and other brands, usually fake, indicates that access to smuggled goods from China is growing. Most branded clothing is smuggled in and sold for cash. Jeans have at times been fashionable though risky – occasionally they have been banned as 'decadent', along with long hair on men, which at times has led to arrest and a forced haircut. Fashion as such is not really an applicable term in North Korea, as the Apparel Research Centre under the Clothing Industry Department of the National Light Industry Committee designs most clothing. However, things have loosened up somewhat, with bright colours now permitted as being in accordance with a 'socialist lifestyle'.

Clothing – including socks and underwear – remains in short supply, while winter clothing is now increasingly provided by the aid agencies. Socks have been a perennial problem, with foot wrappings often substituted to save socks for best occasions. One unique contribution to fashion is the still commonly seen Vinalon – a synthetic textile manufactured from limestone exclusively in North Korea – which, though hard to dye and

with a tendency to shrinkage after washing, is made into the North Korean version of the utilitarian Mao-style grey suit worn by many men (though the new uniform of white shirt and black tie is becoming increasingly popular). Despite the efforts of the Textile Industry Management Bureau, Vinalon has never been an export success; neither has the North's other textile development, Tetron. In highly stratified North Korea, clothes represent status. Possession of an overcoat or leather shoes, for example, indicates rank.

One daily ritual of all North Koreans is making sure they have their Kim Il-sung badge attached to their lapel – one of the few social delineators in the DPRK. The ubiquitous badges both denote social status and are a fashion item. Schoolchildren and teenagers use the badges to perk up their school uniforms. Increasingly Kim Il-sung badges were partly replaced by Kim Jong-il badges and now Kim Jong-un badges have appeared, though are still rare. Kim Il-sung badges have been in circulation since the late 1960s when the Mansudae Art Studio started producing them for party cadres. They slowly became a status symbol indicating rank, as well as testifying to the growing personality cult around Kim I. Now the badges are worn universally, and desirable ones can change hands on the black market for several hundred NKW. In a city where people rarely carry a significant amount of cash and don't wear jewellery, and where credit cards are unheard of, Kim badges are one of the most prized targets of Pyongyang's pickpockets.

What badge you wear depends on who you are. Fashions and campaigns change but, for instance, students at Kim Il-sung University wear Kim Il-sung badges; non-party, non-student young people traditionally wear youth vanguard badges; while the general public usually sport general badges. Kim Jong-il

and combination badges portraying both the Dear Leader and the Great Leader are also increasingly seen. As they are new and in short supply, Kim Jong-un badges are thought to be reserved for only the most senior cadres at present. Badges are supplied free of charge, but losing one can be a problem as people have to explain what happened to it and prove they had no politically malicious intent before being given another.

Breakfast usually involves corn or maize porridge, possibly a boiled egg and sour yoghurt, with perhaps powdered milk for children. After breakfast it is time for work. North Korea has a large working population: approximately 59 per cent of the total in 2010. Many workers travel by bicycle, though these are prized possessions; most walk. Despite being a cheap form of transport, bicycles are not an overwhelming presence on the streets as they are in Chinese cities. In the 1990s only about 50 per cent of households had bicycles and demand was high. Now, thanks to relatively cheaper Chinese imports and persistent fuel shortages, around 70 per cent of households own a bicycle. For cycle-less Pyongyang residents the alternative is the cheap, though overcrowded, public transport system. However, trolley buses and subway train services suffer from power shortages. For those outside the capital the major alternative is walking.

Those who have a bicycle usually own a 'Sea Gull' unless they are privileged and own an imported second-hand Japanese bicycle. Even a Sea Gull costs several months' wages and requires saving. Cheaper brands are available, such as the Songchonggang. Very recently more Japanese-made bicycles have been spotted. Pyongyang residents do have standards, and anyone arriving on a gleaming Sea Gull to pick up their girlfriend on a date will be considered a relatively good prospect. The other way round doesn't work: women riding bicycles are

still often looked down upon. In 1999 DPRK TV denounced 'bicycle-riding women in trousers' as a practice running counter to good morals and manners. However, it appears that in recent years the regime has relaxed rules for women cyclists and they are now more common.

Pyongyang's street scene remains constant, though the remaining fruit trees blossom in the short-lived spring to add some colour. While street hoardings and advertising are non-existent, propaganda posters are common, as are loudspeaker systems along major streets and within housing complexes, as well as roving trucks with loudspeakers broadcasting political news, slogans and music. Fads in slogans come and go – 'Long Live the Revolutionary Sovereignty of Labourers and Farmers Led by Kim Jong-il' and 'Everybody Must Take Part in Consolidating Revolutionary Sovereignty' are two traditional slogans that have endured. 'Long Live General Kim Jong-un, the Shining Sun of North Korea' is more recent obviously and indicates the regime's intention to continue the personality cult into the era of Kim3. In the current political climate slogans praising the military and denouncing the US remain in vogue. On an election day there is more activity, with youth-guard singing teams and brass bands, as well as performances of a 'socialist dance' which resembles a polka. On election day voting is compulsory; hence the near 100 per cent voting and approval rates. Kim Jong-il's re-election with 100 per cent support in September 2003 reportedly saw scenes of dancing housewives and loyal soldiers 'wildly clapping their hands and shouting hurras' while 'women in colorful dress and children wearing red scarves sang songs and danced on streets decorated with flags and flowers'.<sup>4</sup> In fact there were some absences, but the authorities put this down to people being overseas, sick or out fishing.

## Looking for the rush hour

Pyongyang has traffic and some people do drive to work, but congestion is hardly a major problem. Despite the relative lack of cars, police enforce traffic regulations strictly and issue tickets. Fines can be equivalent to two weeks' salary. Most cars belong to state organisations, though are often used as if they were privately owned. All vehicles entering Pyongyang must be clean; owners of dirty cars may be fined. Trucks are banned from the city centre during the day; night passes are required between the hours of 22.00 and 05.00. Those travelling out of Pyongyang require a travel certificate. There are few driving regulations; however, on hills ascending vehicles have the right of way, and trucks cannot pass passenger cars under any circumstances. Drunk driving is punished with hard labour. A striking peculiarity for some years was that North Korea was unique in having four-colour traffic lights (the fourth for turning right). However, most traffic control is now performed by female traffic directors (reportedly originally hand-picked by Kim Jong-il for their beauty), as the lights are switched off to save electricity. The odd oxcart can still be seen trundling around Pyongyang's suburbs.

Cars in the North are estimated to number only around 300,000 (compared to over 19 million cars in the South). Most are under the control of the party, executive committees, the State Security Agency, the Ministry of Public Security or the Ministry of People's Armed Forces. Traffic fines rarely apply to cars – invariably older model Mercedes, Volvos or Soviet-era Volgas and ZILs<sup>5</sup> – owned by these organisations. Smoking while driving is banned on the grounds that a smoking driver cannot smell a problem with the car – a sign that reliability is questionable in North Korean vehicles. (Many drivers keep a

bottle of alcohol and some cigarettes for emergency bribes.) Petrol and diesel rationing is in force and many petrol stations remain closed due to the fuel shortages. Fuel is bought with coupons to ration supply; much of what is available is of low octane.

People going outside of Pyongyang usually travel by train, and require a travel certificate and ID card and must purchase a ticket in advance. Express trains, known as first-class trains, serve the provinces and major cities. Away from the main lines, poorly maintained track has increased journey times considerably, with the 120-mile trip between Pyongyang and Kaesong taking up to six hours. Shortages of serviceable rolling stock and lack of fuel have meant that trains are generally dilapidated and invariably crowded, with the exception of key express services. Recent defectors have reported that it has become possible to move about with fewer restrictions if drivers are bribed, though checkpoints remain on roads out of Pyongyang.

## Shopping

Shopping is an as-and-when activity in Pyongyang. If a shop has stock, then returning later is not an option as it will be sold out. The recent opening up of more farmers' markets has provided a source of food and other goods. A new market in Pyongyang's Tong-il Street that opened in 2003 quickly became a popular destination. Various markets open and close across the city as supplies and political whim dictate.

Newspapers occasionally advertise various goods such as woollen jumpers, oilstove wicks or baskets, and occasionally consignments of various products appear including mirrors, tools, rubber bands or Taekwondo uniforms, as well as other everyday items, referred to as '8-3 products' in North Korea.



Higher-ranked citizens can enter the few department stores meant for foreigners, tourists and senior cadres. Since the mid-1980s a wider sector of society has been able to shop at these establishments, though often foreign currency is required. These stores usually have supplies of rationed goods such as clothing, sports goods, cigarettes, beer, cutlery and plates, though people generally consider them expensive.

According to defectors, North Koreans want the 'five chests and seven appliances'. 'Five chests' are a quilt chest, wardrobe, bookshelf, cupboard and shoe closet, while the 'seven appliances' comprise a television, refrigerator, washing machine, electric fan, sewing machine, tape recorder and camera. Most ordinary people only have a couple of appliances, usually a television and a sewing machine, though cadres usually manage to accumulate a larger range of electrical appliances. KTV machines have become popular in recent years. School notebooks and textbooks are always in short supply. Possession of a range of appliances and a number of warm blankets is often an indication that a relative has worked abroad in Russia's far east in logging camps or construction projects, or in other locations, such as China, where workers can earn up to US\$300 a month, or that the family has access to the black market or receives remittance money from relatives in Japan.

Food shopping is equally problematic. Staples such as soy sauce, soybean paste, salt and oil, as well as toothpaste, soap, underwear and shoes, sell out fast. The range of food items available is highly restricted. White cabbage, cucumber and tomato are the most common; meat is rare, and eggs increasingly so – these are often distributed by NGOs. When available from butchers, meat is invariably sold by weight and is reportedly usually tough and sinewy. It is impossible to request individual cuts – it is widely believed that the best go straight