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The Logic of the North Korean Dictatorship

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Abstract: *In this paper I use my way of thinking about dictatorship, developed in my 1998 book, The Political Economy of Dictatorship, and elsewhere, to "model" the North Korean regime. Initially, under the Great Leader Kim Il Sung it was a simple totalitarian regime but the shocks of the 1990's –the fall of Communism in Russia and Eastern Europe, the capitalist turn of China, the economic takeoff of South Korea and the succession crisis caused by Kim Il Sung's death threatened the stability of that regime. Kim Jong Il shored up the regime by marrying it to the military. The instabilities and paradox associated with military rule were resolved through Kim Jong Il's "military first politics" that is, to exaggerate only a little, by militarizing the entire society. This is the distinctive feature of the regime. I analyze the stability of that regime, and ask whether engagement or isolation is the best way for the rest of the world to deal with North Korea. I come down on the side of engagement, but am gloomy about the likely success of either policy in getting the regime to liberalize politically or economically.*

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1. Introduction

In this paper I use my way of thinking about dictatorship, developed in my 1998 book, *The Political Economy of Dictatorship,* and elsewhere, to "model" the North Korean regime. Initially, under the Great Leader Kim Il Sung it was a simple totalitarian regime but the shocks of the 1990's –the fall of Communism in Russia and Eastern Europe, the capitalist turn of China, the economic takeoff of South Korea and the succession crisis caused by Kim Il Sung's death threatened the stability of that regime. Kim Jong Il shored up the regime by marrying it to the military. The instabilities and paradox associated with military rule were resolved through Kim Jong Il's "military first politics" that is, to exaggerate only a little, by militarizing the entire society. This is the distinctive feature of the regime. I analyze the stability of that regime, and ask whether engagement or isolation is the best way for the rest of the world to deal with North Korea. I come down on the side of engagement, but am gloomy about the likely success of either policy in getting the regime to liberalize politically or economically.

2. A dictatorship, but what kind?

The starting point in analyzing dictatorship is that dictators have to use two instruments to stay in power, repression, and loyalty. Of course, the North Korean regime makes use of repression to stay in power, as all dictatorships do. Indeed, it appears to be a particularly repressive regime, as evidenced by the ban on any organized political opposition, the closed media, curbs on freedom of speech of any kind (eg sitting on a newspaper with a picture of Kim Il Sung on it, and the sprawling penal system.

But like any dictatorship which survives, and this one has survived for over 60 years, it cannot function on the basis of political repression alone. Originally, it was totalitarian, with Soviet style central planning, and an emphasis on heavy industry. Loyalty was fostered by the Korean Workers Party, with its Communist –style institutions to encourage loyalty: the Party controlled and permeated the productive system, it controlled promotions and access to perquisites, and so on. Membership in the Party is exclusive, there is a pervasive ideology, and centralized control and internal discipline.[1]

In the 1950's citizens in North Korea were classified in the 1950's into three kinds, based on their loyalty: tomato (red to the core), apple (red only on the surface, or "wavering") and grape ("hostile"), (Haggard and Noland (2007). Later this was expanded to 51 groups, including 29 distinct hostile groups, eg families of peasants, individuals with clear religious identities, returning Chinese and Japanese Koreans, etc. (Haggard and Noland (2007), p.55). Haggard and Nolan present some evidence that these characteristics were used as criteria in the distribution of food during the famine.

A regime like this is *stable.* Why is that? Like other totalitarian regimes, the North Korean regime behaved as if it maximized power, using Communist institutions to monopolize political power and incentivize the population to be loyal to it. Communist dictatorships typically accumulate a substantial reserve of power over the minimum necessary to stay in office, and can typically withstand external or internal shocks to their popularity.

[1] Wintrobe 1998, chapter 3 and 10 discusses these issues in more detail in the general context of Communist regimes.

Until the 1980's or so, at least according to official figures, North Korea's economic performance was comparable to South Korea's. But the triple shock of the early 1990's: (the collapse of communism in the USSR and Eastern Europe, China's turn towards capitalism, and South Korea's economic takeoff) produced a collapse in the economy and presumably a fall in loyalty towards the old regime. On top of all these developments, there was a succession crisis when Kim Il Sung died in 1994 and was eventually succeeded by Kim Jong Il.

Under normal conditions, the rational response for a totalitarian regime to shocks like these would be to *reduce* repression to try to regain loyalty, as the USSR did in the 1980's. But in North Korea in the 1990's, the shocks were very large. It takes time for loyalty to return once it has been lost, and if the regime veers close to the minimum level of power necessary to survive in office, it can be dangerous for the leaders to reduce repression. The Shah of Iran, for example, found this out in 1979, when he reduced repression in response to a perceived fall in loyalty as a result of weakening economic growth in the 1970's (Arjomand (1988)), and the result was the collapse of the regime. Indeed, it would seem that the only way to stay secure in office is to raise repression. But for a totalitarian regime to raise repression and not decrease power it is necessary to make some change in its institutional structure. One way to do this is to bring the military into the governance of the regime, and this is what Kim Jong Il did.

What usually happens when a military regime replaces a civilian dictatorship? A military regime has a comparative advantage at repression, and it can raise it at lower cost than a civilian one. Figure 1 depicts the situation. The level of repression is shown on the vertical axis, and the level of loyalty on the horizontal one. Power is a function of the

levels of loyalty and repression. The curve labelled "power" shows one of a family of iso –power lines, along each of which the level of the regime's power is constant. Higher levels of power (not shown) would be parallel to the one shown, but further away from the origin. Two budget lines are also depicted in the figure, both depicting the same budget but one for the military and one for a civilian regime. The budget lines are curved rather than straight because the dictator has some monopsony power in the "market" for loyalty: he is an important buyer in that market, and so when he demands more loyalty typically he has to increase the amount he pays in return. Of course loyalty is only sometime literally sold for cash in dictatorships, at other times this transaction is implicit: someone or some group agrees to support the dictator, and in exchange the dictator provides policies which benefit that person or group.[2]

But the military is a closed hierarchy, with its own codes of behaviour, networks, and ways of doing things. This has two consequences: 1) It means that career opportunities for military personnel outside the army, navy, etc. tend to be limited. For this reason, military bureaus , unlike others, tend to be budget maximizing, and indeed military dictatorships have famously expanded the budget of the military whenever they have taken power[3]. 2) Military regimes do not demand or even easily tolerate the participation of the masses in politics the way totalitarian regimes do, and few military regimes have built mass parties.

[2] More detail on the process of "buying" loyalty can be found in Wintrobe (1998) chapter 2.
[3] See Remmer (1989) for example, on the Latin American military dictatorships of the1970's.

It follows that the budget line for the military depicted in Figure 1 is steeper than the one for a civilian regime because the price of repression tends to be lower, and the price of civilian loyalty higher for the military, for the reasons just elaborated. It follows that when a military regime takes over from a civilian regime, the equilibrium moves from point C in Figure 1 to point M, i.e., level of repression rises and the level of loyalty falls. Military dictatorships govern using more repression and less loyalty than civilian regimes.

So the military come into power governing heavily on the basis of repression rather than loyalty. They are experts in the use of force, and they are not particularly good at building loyalty with the non military population. Put simply, the military have a comparative advantage at repression. But, as budget maximizers, after they obtain power their objective is to raise the military budget, and the salaries of military personnel. But this increase in the wages of the military means the price of repression rises, since a large part of this price is made up of military salaries. Moreover, raising some military salaries and not others engenders jealousy and competition within the military and therefore further pressure for wage increases from those who have not been favoured. It follows that, as depicted in Figure 2, once the military have been in power and raised military salaries and the military budget, the price of repression rises, they lose their comparative advantage over a civilian regime, and the curve showing the levels of repression and loyalty available from a given military budget drops downwards from the y- axis and flattens out.

Thus military rule has a peculiar feature: in the process of governing, they act to destroy their own comparative advantage at governing! Put another way, they tend to

sew the seeds of their own destruction! Initially, repression is relatively cheap under their rule, but in the process of rewarding their supporters by raising the wages of the military they systematically reduce their advantage.

This implies a paradox: military regimes tend to be *unstable.* The history of military coups in Latin America, and even in South Korea is testament to this proposition: Countercoups are twice as likely in military regimes as others. And the typical response of a military regime to these difficulties is for the military, to exit after a few years in power, and turn power over to civilians, having obtained guarantees against prosecution and protection for their military budget. This is what many military dictators in Latin America did in the 1970s', the heyday of military rule in recent times. Thus military regimes on average tend to be short, 11 years on average as estimated in one study (Hadenius and Torrell (2007)).

The North Korean solution to this problem is unique. It solves these incompatibilities is by militarizing the entire society! Although the military had always played a prominent role in resource allocation, in North Korea, Kim Jong Il went much further than this when he assumed office in 1995 with the introduction of *Songun,* or "military first politics" in which various civilian institutions, including the Central People's Committee, were sidelined in order to assert the primacy of the Korean People's Army. The traditional main force of the revolution in Communist societies is the proletariat, but in Korea, it was now declared that "only the army meets the criteria of loyalty, revolutionary spirit, and esprit de corps." (Koh (2005) elaborates as follows:

> In an editorial commemorating the 65th anniversary of the KPA's founding in April 1997, the party organ noted: "Never before have the status and role of the People's Army been so extraordinarily elevated as today when it is being led energetically by the Respected and Beloved Comrade Supreme Commander." The editorial added that in North Korea the People's Army was synonymous with the people, the state, and the party…..The ascendancy of the military in the post-Kim Il Sung North was accentuated by a relative decline, and in a few cases, abolition, of other institutions. Elections for delegates to the Supreme People's Assembly (SPA), whose term expired in April 1995, were not held until July 1998. The SPA, in fact, failed to convene for four years following Kim Il Sung's death. Nor was there any sign that the WPK Central Committee held any plenary meetings. Abolished altogether were two key institutions--the Central People's Committee (CPC), which had functioned as a kind of "super-cabinet" since 1972, and the state presidency. All but invisible for three years was the DPRK Administration Council.

So the loyalty of the army serves to guarantee the loyalty of the people. And North Korea today has the largest per capita army in the world: 1/5 of its working age population, and the largest proportion of GNP devoted to military purposes in the world (Noland (2007).

And then, to ensure a single source of authority for the military and society the doctrine of *Juche* –originally a doctrine of self reliance under Kim Il Sung--was expanded further and transformed under Kim Jong Il into an ideology of military leadership. In Han S. Park's words

> "*Juche* finally incorporated a premise that the military is the heart, the brain, and the body of the political system. This ultimate accentuation of the military as an institution has occurred since the 1998 constitution…..it has blown into a comprehensive ideological and philosophical system in the ten years following its mention, and the most recent new Constitution that was adopted in April 2009 clearly documents it." (Park (2010). P. 98.

According to Park the "anatomy" of Songun is based on a number of principles, including the ideas that "The military is the core of the political system" and "The military is the provider and problem solver", the "engine for social engineering", the "creator and advancer of a new culture", the "synthesizer of the Body-Mind-Spirit", the "Exemplar", etc. (Park (2010), pp. 99ff)

Most importantly for our purposes is that "with a ten year compulsory military service and a large contingent of the military population (in excess of one million), *virtually every family has at least one soldier in uniform.* (Park (2009) p. 101, italics added).

One can argue that there are external, defence- related reasons for militarization but the point here is that the basic logic of the militarization is *internal*—ie, to solve the conflict between military and civilian values and to ensure the loyalty of the people to the army, that is, to stabilize the regime against potential internal threats, not external ones.

3. *Does* Songun *help solve the economic problem in the long run?*

So far I have argued that the introduction and development of *Songun* shored up the stability of the regime. I now turn to its effects on economic and political development. With respect to the economy, implementation of *Songun* could be expected to worsen performance. Central planning, to the extent that it functions, needs to be supplemented with informal supply sources –*blat* or *tolkach (*supply pusher) in Russian, *guanxi* in Chinese– so that enterprises can solve their problems, especially shortages of inputs without constantly referring problems up the hierarchy. These informal adaptations help to make up for the rigidities of the plan. But these informal adaptations are particularly incompatible with military values, because they involve going around, beyond, or against the regulations of the plan. This inevitably will break down the discipline which is key to a military hierarchy.

Militarization also makes it difficult for the regime to do the *totalitarian twist* (see Wintrobe (1998)) as China and Vietnam did, ie to give up power and allow private enterprise and marketization to increase productivity and raise national income and the government budget.

Export-led growth (the economist's favourite) *is* compatible with military rule. This compatibility is obvious because it was practised successfully by military regimes, most notably by the South Korean military when they were in power. And it follows logically from the idea that the main role for government, in one way of thinking about what makes this type of growth successful, is for the government to simply keep its hands off the economy and open it up to foreign trade and investment. But not everyone agrees that this was an accurate characterization of the South Korean regime. Robert Wade, for

example, has famously argued (e.g. Wade 1990) that the governments in South Asian economies were much more interventionist than the common portrayal in this picture.

Whatever the true nature of export led economic policy under other military dictatorships, the North Korean one would face a particular difficulty in adapting to it because opening up the regime to foreign trade and investment would be so contrary to the ideology of self –reliance as embodied in the doctrines of *Juche* and *Songun.*

But there is once again a military solution to a non military problem: threats to other countries backed up by a powerful military, and especially the promotion of the nuclear weapons program, allows the regime to blackmail foreign powers -- "nuclear blackmail" --to use Eberstadt's (2007) term) to get foreign assistance.

4. Does it solve the political problem?

Politically, we would expect "military first politics" to *amplify* the natural paranoia of dictators. Because the regime can only live on the basis of external threats, it has to exaggerate the seriousness of these to justify the vast militarization of the society, and constant focus on these dangers means the leaders might themselves come to believe in them themselves.

Of course if the regime can successfully provoke others to react to its warlike behaviour by threatening it in return, as US President Bush most famously did with his "axis of evil" speech, and subsequent barely disguised plans to deal with North Korea after it had finished with Iraq, then the external dangers can become all too real, and the paranoia of the leaders successfully produces its own justification.

The extensive list of "provocations" launched by North Korea over the last 50 years or so are worth looking at in this light. Some do have a security motive (for example the nuclear program) but others seem most obviously interpreted a bit differently: as a means to keep the world outside, especially the United States, Japan and South Korea on edge and constantly afraid that North Korea is about to launch some predictable and seemingly irrational attack. Among many, many instances of this type[4] it is worth mentioning at least one: In 1998, North Korea launched a missile in an arc over Japan. The launch caused angry reactions from Japan and the United States. Several days later, however, North Korea claimed that it only used a multistage rocket to successfully launch a satellite into orbit for peaceful exploration of space, not a ballistic missile as alleged by U.S. and other sources. If that was the real purpose of the launch, why did the missile have to travel across Japan first?

5. Is it stable?

I have identified three sources of instability: conflicts within the leadership, eg the possibility of military –civilian conflict, the problem of the ever expanding military appetite, and problem of economic growth under a military regime. Here we deal with each in turn.

a) *Military- civilian conflict.*

In North Korea spiritual and civilian leadership are fused in the person of the Great Leader. This would seem to solve the problem of spiritual – secular or military –civilian

[4] For a list of the provocations from 1950-2003, see *North Korea: Chronology of Provocations* from the US Congressional Research Service at www.fas.org/man/crs/RL30004.pdf

conflict as seen in Iran today or in Japan under the Meiji constitution. However, now there is a separate parallel military economy, completely integrated, and outside the plan. This potential dual authority could become a source of conflict. If the regime is not completely under the control of the military, and there is some sort of dual authority, as in Meiji Japan, or contemporary Iran, there is an issue of who is in command between the civilian and the military authorities. If that turns out to be the case, the military could side with either party, and this gives the military the power to play one side off against the other, enhancing its power. In a recent paper Wintrobe (2011)) I argue that these regimes, which I label *quasi – theocracies,* are particularly dangerous. I apply this argument to Meiji Japan prior to World War 2, and suggest that this dual authority or possible control of the bottom by the top explains much of Japanese behaviour, in particular the attack on Pearl Harbor.

However, KimJong Il appears to have a tight grip on the military, according to Koh (2005):

> Efforts to enhance his de facto control had been under way since the early 1980s, when he began visiting military bases, giving presents to division commanders, and receiving reports on key developments in the military on a regular basis. Since assuming official positions in the military in the early 1990s, Kim Jong Il invariably presided over promotion ceremonies for general officers, personally pinning stars on their shoulders. By the end of the decade, several hundred KPA general officers "owed" their promotions to their supreme commander.

b) The ever expanding military

Under a military regime, the military constantly demand more wages and more power and the share of the budget going to the military inevitably keeps going up. This source of instability is ever present, and can only be assuaged through constant feeding of the military appetite at the expense of promoting the civilian economy. At the same time, there is little economic growth to satisfy the loyalty of the people, unlike in China.

c) the problem of economic growth

Neither the military nor central planning are good at managing the economy, and the marriage of the two in North Korea would seem to be worse than the sum of its parts. Yet, all around the country, especially in South Korea, people are getting rich while they are not. South Korean style export-led growth (the economist's favourite) *is* compatible with military rule. But the ideology of *Juche* and *Songun* as well as paranoia boxes the North Koreans in, and North Korea is the world's most autarkic economy

Does this mean that a revolution comparable to the Arab spring may be just around the corner, as Oh has recently argued? One difficulty with this idea is that immiserization does not produce revolution. Still, one can imagine a snowball of discontent like that in the Arab spring occurring once it gets started, but there has to be some prospect of dissent for that to happen.

6. Conclusion: Engagement or isolation?

It is not obvious how the rest of the world can engage a regime like this which in one way can be thought of as a marriage of three elements: totalitarianism, militarism and

theocracy. *A priori*, each of these elements would seem to be relatively hard to engage compared to its counterpart regime: thus a totalitarian regime is less open to outside influence than s tinpot, a military regime is a closed hierarchy and is less likely to respond to engagement than a civilian regime, and a theocratic regime responds to God and not to foreign offers of trade or pressure.

On the other hand, sanctions are unlikely to be effective without the cooperation of China and South Korea, which does not appear to be forthcoming. Further sanctions would make the people even poorer, and it is not obvious that this would stimulate revolution**.** Sanctions would also isolate the regime even further. And the isolation of a "cult " which the regime also resembles, just reinforces its capacity to attract loyalty (see Wintrobe 2006). I come down on the side of engagement, but am gloomy about the likely success of either policy in getting the regime to liberalize politically or economically.

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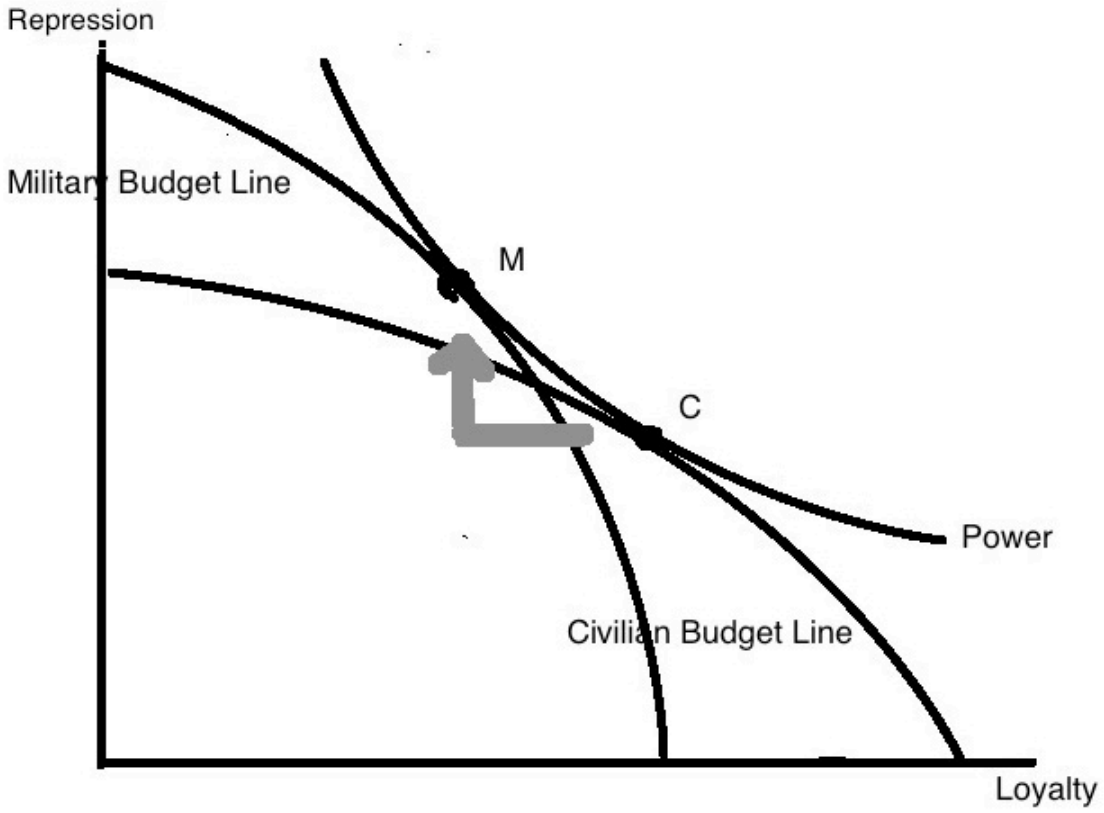

Figure 1. Military vs Civilian regimes. If a military regime replaces a civilian one, repression rises and loyalty falls.

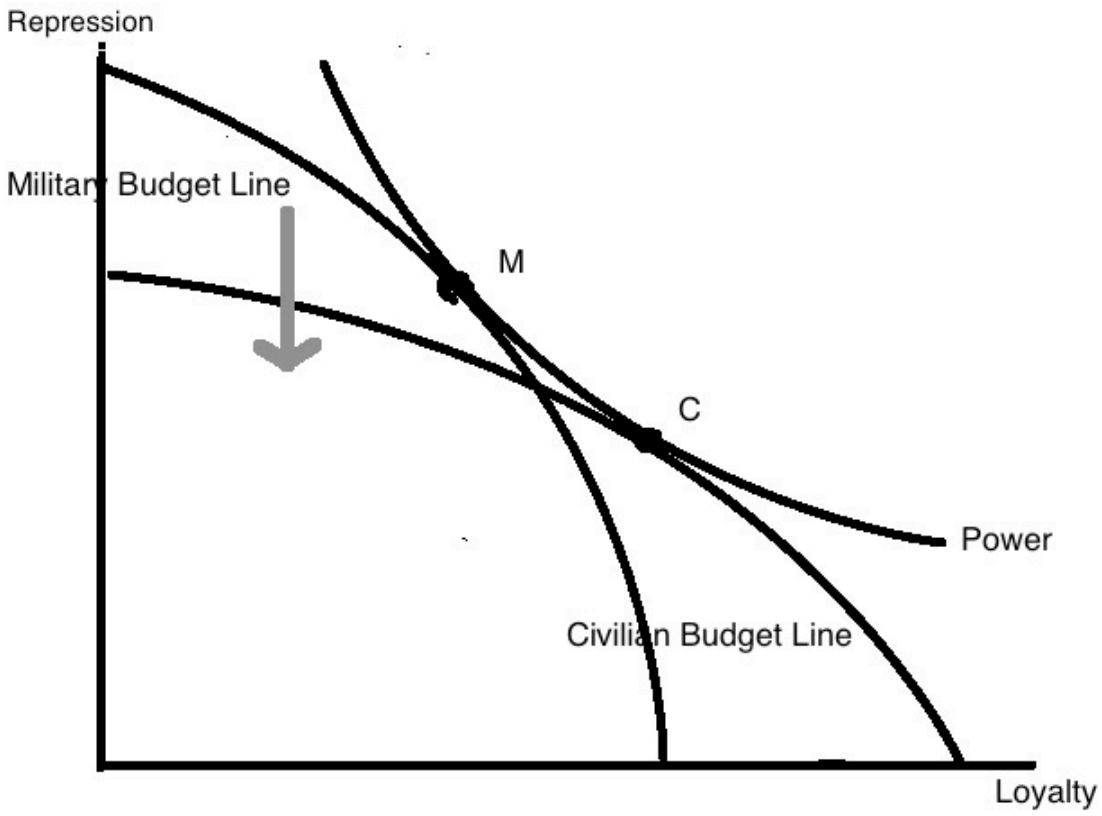

Figure 2. Once a military regime gets into power, it raises military salaries and the military budget. But this raises the price of repression, causing the military budget line to drop down from the y-axis and flatten out, as shown. So the regime destroys its own comparative advantage at governing.