

North Korea in 2014

A Fresh Leap Forward into Thin Air?

ABSTRACT

In 2014, North Korea neither overcame its isolation due to its nuclear weapons and hostile geostrategic posture nor reformed its economy. Kim Jong Un learned on the job, consolidated his leadership, avoided military risk, and opened new channels to South Korea, Japan, and Russia to reduce dependence on China.

KEYWORDS: Kim Jong Un, North Korea, South Korea, nuclear weapons, diplomacy

INTRODUCTION

On January 1, 2014, Kim Jong Un declared that the Democratic People's Republic of Korea (North Korea, DPRK) should make "a fresh leap forward on all fronts of building a thriving country filled with confidence in victory!"¹ Overall, there is no evidence that Kim's DPRK took a fresh leap on any front, political, economic, ideological, cultural, military, or external-diplomatic—but nor is there evidence of instability in the regime. Kim appears to be learning on the job, exercising great caution, and satisfied with making minor incremental but stabilizing internal changes while avoiding sudden, shocking changes to the DPRK's political and economic systems. He seems to be biding his time to formulate a new strategy for 2015 so that new fresh leaps are not into thin air.

PETER HAYES is Honorary Professor, Center for International Security Studies, University of Sydney, Australia, and Director of the Nautilus Institute, Berkeley, California, U.S.A. ROGER CAVAZOS is a business consultant specializing in Northeast Asia and a non-resident Associate with the Nautilus Institute. He focuses particularly on interactions between China and North Korea. Emails: <phayes@nautilus.org>, <rcavazos@nautilus.org>.

1. Kim Jong Un, "New Year Address," January 1, 2014, in *Rodong Sinmun*, English translation appended to Peter Hayes and Roger Cavazos, "Kim Jong Un's 'Fresh Leap Forward' 2014 New Year Speech," *NAPSNet Special Reports*, January 1, 2014, accessed December 29, 2014, <<http://nautilus.org/napsnet/napsnet-special-reports/kim-jong-uns-fresh-leap-forward-2014-new-year-speech/>>.

Asian Survey, Vol. 55, Number 1, pp. 119–131. ISSN 0004-4687, electronic ISSN 1533-838X. © 2015 by the Regents of the University of California. All rights reserved. Please direct all requests for permission to photocopy or reproduce article content through the University of California Press's Rights and Permissions website, <http://www.ucpressjournals.com/reprintInfo.asp>. DOI: 10.1525/AS.2015.55.1.119.

DOMESTIC POLITICAL FRONT

In 2014, Kim Jong Un and North Korea recovered from a remarkable and, in the DPRK, rare event, the public trial and subsequent execution of Jang Song Taek, one of the most senior figures in the regime. Detailed analysis of people and their postings shows that it is likely that Kim is revitalizing old institutions and making frequent personnel changes—the classic technique that the ruling family has used to break up potential alignments of opposition over the decades.²

Some believe that the Jang execution in December 2013 marked the start of the final stage of intra-leadership conflict that will lead to the unravelling and collapse not only of the Kim clique, but the regime as a whole.³ However, we only see limited evidence to that effect in the aftermath of the Jang purge. Rather, Kim has consolidated his power, and the North has made a number of strategic moves more consistent with a single supreme leader exercising power than a collective group running the regime.

ECONOMIC FRONT

North Korea's economy was basically static in 2014. In spite of ambitious goals—to pursue economic revitalization and a nuclear weapons strategy at the same time in a military-dominated economy, the DPRK did not create new economic institutions or repurpose existing ones to support this signature policy. Doing so is difficult given North Korea's rigid economic structure with its longstanding three economies:⁴ the military economy; the line agencies (or state economy); the palace (sometimes referred to as the party) economy; as

2. Stephan Haggard, Luke Herman, and Jaesong Ryu, "Political Change in North Korea" *Asian Survey* 54:4 (July 2014); John Ishiyama, "Assessing the Leadership Transition in North Korea: Using Network Analysis of Field Inspections, 1997–2012," *Communist and Post-Communist Studies* 47 (2014), pp. 137–46.

3. Yoon Sangwon, "What's up with North Korea's Kim? It's a Mystery to CIA," *Bloomberg News*, October 9, 2014, <<http://www.bloomberg.com/news/2014-10-09/what-s-up-with-north-korea-s-kim-it-s-a-mystery-to-cia.html>>; David Maxwell, "Kim Jong-un: Has the North Korean Dynasty Fallen?" *Fortuna's corner*, October 9, 2014, <<http://fortunascorner.com/2014/10/09/kim-jong-un-has-the-north-korean-dynasty-fallen/>>.

4. On the three economies, see Lee Young-sun and Yoon Deok-ryong, "The Structure of North Korea's Political Economy: Changes and Effects," in *A New International Engagement Framework for North Korea? Contending Perspectives*, ed. by Ahn Choong-yong, Nicholas Eberstadt, Lee Young-sun, Korea Economic Institute of America, 2004, <<http://keia.org/sites/default/files/publications/04Deok-ryong.pdf>>.

well as the more recent fourth economy, the private, mostly informal small-scale market economy called *jangmadang* (literally, marketplace), which suffers from fitful stops and starts of permission followed by appropriation.⁵

The regime does not hesitate to shut down growth areas when it judges the action expedient. North Korea's generally poor public health system⁶ results in a drag on the economy directly (loss of labor and productivity from illness, in a labor-short country) and indirectly (by helping to keep the population vulnerable). Officials decided in October 2014 to close the country's borders to tourism, one of the few growth sectors of the service economy, in response to the Ebola threat.⁷ The result was immensely costly, including disruption of tourist traffic, now estimated at 20,000 visitors per year. The borders remained mostly closed through at least late December 2014; only selected traders and visitors were allowed to cross the border in or out. A detailed accounting of who was allowed to cross will tell us a bit about North Korea's priorities, but at present there is no consolidated and public list of who was granted permission to travel.

Anecdotal reports suggest that some North Koreans have become rich by operating in the informal and black markets or by extracting rent from the military, line agency, and palace economies. How Kim will manage the emergence of real pools of accumulated wealth, even if they are politically compliant, remains to be seen.⁸

One key infrastructural choice reveals Kim's desire to reduce the DPRK's overwhelming economic dependency on China, which accelerated after 2008.⁹ This was the appointment of a Russian firm to revamp the country's rail and

5. For a good overview of the *jangmadang*, see Stephan Haggard and Marcus Noland, "The Winter of Their Discontent: Pyongyang Attacks the Market," *Policy Brief*, PB10-1, January 2010, Peterson Institute for International Economics, <<http://www.petersoninstitute.org/publications/pb/pb10-01.pdf>>.

6. Espen Bjertness and Ahmed Ali Madar, "North Korea: A Challenge for Global Solidarity," *The Lancet* 383:9926 (April 19, 2014), <<http://www.thelancet.com/journals/lancet/article/PIIS0140-6736%2814%2960677-2/fulltext?elsca1=ETOC-LANCET&elsca2=email&elsca3=E24A35F>>.

7. Steven Borowiec, "North Korea Reportedly Closing Borders to Tourists Due to Ebola Fears," *Los Angeles Times*, October 23, 2014, <<http://www.latimes.com/world/asia/la-fg-north-korea-tourists-20141023-story.html>>.

8. Andrei Lankov, "North Korea's Elites Are a Threat to Kim Jong Un," *Bloomberg View*, October 13, 2014, <<http://www.bloombergview.com/articles/2014-10-13/north-korea-s-elites-are-a-threat-to-kim>>.

9. Scott Snyder, "North Korea's Growing Trade Dependency on China: Mixed Strategic Implications," *Asia Unbound blog*, Council on Foreign Relations, June 15, 2012, <<http://blogs.cfr.org/asia/2012/06/15/north-koreas-growing-trade-dependency-on-china-mixed-strategic-implications/>>.

road system at a cost of about \$25 billion, in exchange for access to North Korea's vast mineral resources.^{10,11} This deal was likely linked to Russia's decision to forgive 90% of the DPRK's \$11 billion Cold War debt, and to use the remaining debt to fund health, education, and energy rehabilitation. The deal may also pave the way for a Russian gas pipeline to transit the DPRK en route to South Korea.¹² The massive agreement with Russia contrasts with China's \$324 million investment to build a bridge and associated road and railways on the Chinese side of the border—that lead to nowhere on the DPRK side.

One bright spot during 2014 involved the inter-Korean Kaesong Industrial Region north of the Demilitarized Zone (DMZ). After being shut down altogether by the DPRK in September 2013 over an inter-Korean political spat, it returned to normal operations in 2014.¹³ However, the main constraint on all of Kim's economic plans remains North Korea's energy infrastructure.¹⁴ The power grid is a shambles, and is generally incapable of consistently meeting demand where it does exist.

MILITARY FRONT

Many observers anticipated that 2014 would be a hot year in terms of nuclear and missile testing in the wake of North Korean demands that the U.S. return to the Six Party Talks or bilateral dialogue without preconditions. The North let it be known via China in April that if it did not get a positive response, it would escalate to a nuclear or long-range missile test in late 2014. However, this did not occur, and instead, the DPRK launched a political-diplomatic offensive in August to pressure Washington (and Beijing) to agree to its demands for talks.

10. Michelle FlorCruz, "Russia to Revamp North Korea's Rail System, Eyes Mineral Resources," *International Business Times*, October 30, 2014, <<http://www.ibtimes.com/russia-revamp-north-koreas-rail-system-eyes-mineral-resources-1716262>>.

11. Edward Yoon, "Status and Future of the North Korean Minerals Sector," Table 2, January 6, 2011, <<http://nautilus.org/wp-content/uploads/2011/12/DPRK-Minerals-Sector-YOON.pdf>>.

12. V. Soldatkin, "Russia Writes off 90 Percent of North Korea Debt, Eyes Gas Pipeline," Reuters, April 19, 2014, <<http://uk.reuters.com/article/2014/04/19/russia-northkorea-debt-idUKL6NoNB04L20140419>>.

13. Institute for Far Eastern Studies, "Kaesong Industrial Complex One Year after Resuming Operations," *NK Brief*, 14-09-22, September 26, 2014, <http://ifes.kyungnam.ac.kr/eng/FRM/FRM_0101V.aspx?code=FRM140926_0001>.

14. D. Von Hippel and P. Hayes, "Energy Needs in the DPRK," *NAPSNet Policy Forum*, August 12, 2014, <<http://nautilus.org/napsnet/napsnet-policy-forum/energy-needs-in-the-dprk/>>.

Thus, 2014 was a year of relative calm for the DPRK's military. Other than a few firefights on the disputed western seas, and a few shootouts along the DMZ (some to bring down pamphlet balloons launched from South Korea), the Peninsula was not on a high state of military alert for most of the year, even during the large-scale U.S.-ROK (Republic of Korea, South Korea) military exercises in March-April and August.^{15,16} North Korea denounced these exercises as prefiguring an American nuclear attack, but otherwise did little militarily in response.

There was no military fresh leap forward in 2014. Like the economy, North Korea's conventional military capabilities appeared to be static, even slightly declining. Meanwhile, ROK, U.S., and Chinese forces grew and modernized, increasing the relative inferiority of DPRK conventional forces. The Korean People's Army invested in incremental gains in conventional forces to exploit perceived U.S. and South Korean military weaknesses. These included longer-range multiple rocket launchers aimed at northern Seoul or military staging areas south of the DMZ, as well as deploying a new mix of domestic and previously owned Soviet-era and Chinese submarines. The latter are likely to be used in a defensive mode to attack approaching surface vessels in wartime.

Kim in 2014 churned top-level military leadership by removing, replacing, installing, or re-ranking seven of 10 people in the supreme organ of national power, the National Defense Commission. His actions are consistent with weakening the institution and bolstering his form of civilian control over the military.¹⁷ The senior ranks of the North's military have almost no wartime experience since the guns fell silent 61 years ago along the DMZ.

By year's end, the DPRK's nuclear stockpile may be as small as five weapons (five plutonium and zero highly enriched uranium [HEU]). Or it may be as large as 27 (17 plutonium plus 10 HEU).¹⁸ To what extent this

15. Shannon Tiezzi, "U.S., South Korea Announce Joint Military Drills," *The Diplomat*, February 11, 2014, <<http://thediplomat.com/2014/02/us-south-korea-announce-joint-military-drills/>>.

16. Ashley Rowland and Yoo Kyong Chang, "U.S., South Korea Quietly End Ulchi Freedom Guardian Exercise," *Stars and Stripes*, August 28, 2014, <<http://www.stripes.com/news/pacific/us-south-korea-quietly-end-ulchi-freedom-guardian-exercise-1.300309>>.

17. KCNA, "1st Session of the 13th SPA of DPRK Held," April 9, 2014, <<http://www.kcna.co.jp/item/2014/201404/news09/20140409-46ee.html>>; idem, "2nd Session of the 13th Supreme People's Assembly of DPRK Held," September 25, 2014, <<http://www.kcna.co.jp/item/2014/201409/news25/20140925-30ee.html>>.

18. David Albright and Christina Walrond, "North Korea's Estimated Stocks," *Institute for Science and International Security (ISIS)*, August 16, 2012, Table 2, p. 36.

fissile material has been weaponized is unknown. Even if the fissile material is weaponized, delivering these weapons is another matter altogether. North Korea has proven short- and medium-range nuclear delivery capability, including bombers, fighters, and missiles—once it has made nuclear weapons small enough to fit on these different types of delivery platforms. There is little agreement outside of North Korea, let alone definitive answers, to indicate when they will be able to miniaturize nuclear capabilities. Many of these missiles are known to be of poor reliability and accuracy, but if the DPRK is firing nuclear weapons in an all-out attack on South Korean cities, this might not matter too much—although the plausibility of launching such a suicidal spasm by firing such an unreliable weapon system is dubious. The range of scenarios in which firing such a weapon would be rational is minuscule—perhaps in a last-ditch effort to stave off attack and occupation in an all-out war.

What technical means exist for reliable communications and to ensure that North Korea's nuclear weapons are under Kim Jong Un's positive control at all times is unknown. This is even more critical given reports that North Korea is working on submarine-launched ballistic missiles and would likely have to devolve release authority from Kim to a submarine commander to put these weapons to sea.¹⁹ If Kim were not to pre-delegate use authority, then the submarine would have to expose itself at the surface to receive orders, greatly enhancing the risk of exposure to U.S. and ROK anti-submarine forces. If only Kim can authorize releasing a nuclear weapon, a submarine must expose some surface in order to receive explicit permission; any exposed surface greatly increases the chances that the submarine will be sunk.

INTER-KOREAN FRONT

Inter-Korean relations are the only front on which the DPRK might be said to have taken a fresh leap forward in 2014, although it took most of the year to make the leap. The process did not start smoothly. Pyongyang denounced South Korean President Park Geun Hye's "trustpolitik" speech in Dresden on March 28. In the following months, the DPRK not only rejected the speech and its underlying concepts about a reunification "bonanza" but

19. Sam Kim and David Tweed, "North Korean Submarine Threat Overstated, Arms Analysts Say," *Bloomberg News*, November 3, 2014, <<http://www.bloomberg.com/news/2014-11-03/missile-firing-submarines-remain-no-mean-feat-for-north-korea.html>>.

began to issue insulting comments about Park. North Korean officials alluded²⁰ to the June 15, 2000, Joint Declaration, which agreed to promote reunification as an amalgam of the “South’s concept of a confederation and the North’s formula for a loose form of federation.”²¹ This focus underscored that subsumption of the DPRK by the ROK, as implied in Park’s Dresden formula, was a losing proposition for Seoul. Despite Park’s formal launch of her unification committee in August,²² the DPRK seems to have succeeded in negating the Dresden line, at least for now.

More positively, the DPRK surprised South Korea in February by agreeing to and then conducting the first family reunions since 2010.²³ Pyongyang also sought to restart the Mount Kumgang tourism project.^{24,25} Unlike in past years, the DPRK did not ask for food aid or fertilizer during the lean months of winter and spring planting season, for reasons of its own choosing that remain unclear and unstated. As the year progressed, the DPRK began to respond to the ROK’s overtures with proposals of its own. In June, it agreed to participate in the Russian–South Korean priority project of completing the 54-kilometer (33-mile) Eurasian railway via Khasan in the Russian Far East to Rajin, North Korea, and thence to South Korea, including a link to Pyongyang.²⁶ So far, the DPRK has spurned calls for a biodiversity-oriented “peace park” in the DMZ, but has accepted South Korean humanitarian aid, primarily in the form of medication for tuberculosis control. It turned down

20. KCNA, “Five-Point Policy of Great National Unity Should Be Implemented,” November 1, 2014, <http://www.rodong.rep.kp/en/index.php?strPageID=SF01_02_01&newsID=2014-11-01-0003&chAction=T>.

21. South-North (Korea) Joint Declaration, June 15, 2000, <http://www.usip.org/sites/default/files/file/resources/collections/peace_agreements/n_skorea06152000.pdf>.

22. Yi Whan-woo, “Concrete Plan to Win NK Trust Key for Inter-Korean Unification,” *Korea Times*, October 2, 2014, <http://www.koreatimes.co.kr/www/news/nation/2014/11/485_165553.html>.

23. Choe Sang-hun, “Amid Hugs and Tears, Korean Families Divided by War Reunite,” *New York Times*, February 20, 2014, <http://www.nytimes.com/2014/02/21/world/asia/north-and-south-koreans-meet-in-emotional-family-reunions.html?_r=0>.

24. Jon Herskovitz and Kim Junghyun, “South Korean Tourist Shot Dead by North Soldier,” Reuters, July 11, 2008, <<http://www.reuters.com/article/2008/07/11/us-korea-north-shooting-idUSSE014908720080711>>.

25. “North Korea Seizes South’s Mount Kumgang Resort Assets,” BBC News, Asia-Pacific, August 22, 2011, <<http://www.bbc.com/news/world-asia-pacific-14611873>>.

26. “Russia to Extend Trans-Eurasian Rail Project to Korea,” *RT.com*, June 6, 2014, <<http://rt.com/business/164116-russia-railway-north-korea/>>; and Xinhua, “DPRK Launches Railway Remodeling Project with Help of Russia,” October 22, 2014, <<http://english.peopledaily.com.cn/n/2014/1022/c90777-8798379.html>>.

ROK offers to provide assistance in suppressing an outbreak of foot and mouth disease in pigs, which continues to spread.

Sending General Hwang Pyong So to Seoul for the Asian Games (or 17th Asiad) on October 4, 2014, with no advance warning was a bold move designed to overcome South Korea's reluctance to move forward with better ties at the pace desired by Pyongyang, and also to pressure the White House to resume dialogue. This unprecedentedly high-level three-person delegation represented the triune powers of the Party, the military, and the state. Little followed directly from Hwang's meeting with South Korea's national security director and the minister of unification—officials with the purview of substantively changing the relationship between the Koreans. North Korea postponed the talks after the hostile exchanges described above.²⁷

DIPLOMATIC-EXTERNAL FRONT

The DPRK long ago lost its diplomatic race with the ROK.²⁸ Far from making a fresh diplomatic leap, the North reverted to what observers call its habitual “pendulum diplomacy,” swinging from China to Russia for backing in order to balance its external dependencies, and seeking diplomatic space to gain time in the face of mounting external pressure to denuclearize and to accept international norms on a range of issues such as human rights.²⁹ In 2014, three developments exhibited the DPRK's steadily deteriorating diplomatic position. These were relations with China, relations with Japan, and relations with the international community on human rights.

The most important development was the evident hostility in the DPRK's relationship with China, its only remaining ally. North Korea took a fresh leap backward by distancing itself from China, although both sides sustained people to people cultural exchanges throughout the year, leaving at least one

27. Xinhua News Agency, “S. Korea Regrets over DPRK's Refusal to Inter-Korean Dialogue,” November 2, 2014, <http://news.xinhuanet.com/english/world/2014-11/02/c_133760507.htm>; *Talk Vietnam*, “ROK Decries DPRK's Refusal of Inter-Korean Dialogue,” November 3, 2014, <<http://www.talkvietnam.com/2014/11/rok-decries-dprks-refusal-of-inter-korean-dialogue/>>.

28. Peter Hayes, “North-South Korean Elements of National Power,” *NAPSNet Special Reports*, April 27, 2011, <<http://nautilus.org/napsnet/napsnet-special-reports/north-south-korean-elements-of-national-power/>>.

29. Sung Ki-Young, “Hwang Pyong-so's Visit to South Korea and Comments on Prospective Negotiations with North Korea,” Center for Unification Policy Studies, Seoul, October 7, 2014, <

door open for a future rapprochement. There is no doubt that China's top leadership is frustrated with the DPRK's insistence that it develop nuclear weapons. This manifested directly in an unbalanced ratio of high-level meetings: Chinese leaders met with South Korean leaders far more often and at far higher levels than they met with any North Koreans.

Also reflecting the deteriorating relationship, China and the DPRK did not exchange the usual pleasantries during anniversaries such as the founding of their respective parties or national independence days. In a clear shift of strategic stance, China's top leader Xi Jinping visited South Korea first.³⁰ Xi met with President Park several times in 2014. It is unknown when or if Xi will meet Kim Jong Un, let alone visit North Korea.

Nonetheless, there is no interest in China in letting the DPRK fall into "chaos."³¹ The trade relationship has been sustained for most of 2014 at similar levels to the previous year, although there has been a shift in the composition of this trade away from anthracite toward knitted and non-knitted textiles exports to China. Textile-related production inputs have increased in Chinese exports to the DPRK.³² China also reduced oil flows, with reported trade in crude dropping to zero for the first half of 2014³³ and similar cuts to jet-fuel supplies. However, substantial oil flowed via concessional and unreported channels. China was also annoyed when the DPRK, for the third time in three years, captured a Chinese fishing vessel.³⁴

Finally, the U.N. Report on Human Rights in the DPRK morphed from a political irritant when it was released in March to a central political problem for the DPRK in the third and fourth quarters.³⁵ The U.N. passed a General

30. Jane Perlez, "Chinese President's Visit to South Korea Is Seen as Way to Weaken U.S. Alliances," July 2, 2014, at <http://www.nytimes.com/2014/07/03/world/asia/chinas-president-to-visit-south-korea.html?_r=0>.

31. Ding Dong, "Why Doesn't China Let North Korea Fall into Internal Chaos," *Phoenix Media blog*, October 10, 2014, <<http://blog.ifeng.com/article/34192112.html>>.

32. Kevin Stahler, "North Korea-China Trade Update: Coal Retreats, Textiles Surge," *North Korea: Witness to Transformation blog*, October 27, 2014, <<http://blogs.piie.com/nk/?p=13578>>.

33. Marcus Noland and Kevin Stahler, "The (Non-) Embargo," *ibid.*, August 14, 2014, <<http://blogs.piie.com/nk/?p=13416>>.

34. Adam Cathcart, "Odyssey of Extortion: Chinese Press Coverage of the North Korean Boat Hijacking," September 25, 2014, <<http://sinonk.com/2014/09/25/hijacking-dalian-north-korea/>>.

35. United Nations, "Commission of Inquiry on Human Rights in the Democratic People's Republic of Korea," March 17, 2014, <<http://www.ohchr.org/EN/HRBodies/HRC/CoIDPRK/Pages/CommissionInquiryonHRinDPRK.aspx>>.

Assembly resolution³⁶ originally proposed by the EU and Japan calling on the Security Council to refer the matter to the International Criminal Court for possible indictment of Kim Jong Un for crimes against humanity, spurred DPRK diplomats to deflect this attack on Kim. Neither China nor Russia was able to prevent the matter from being referred to the Security Council, but either country, likely both, will use its veto power to prevent North Korea from being charged. Given the centrality of the *suryong* (leader), in the North Korean version of the corporatist state, this task overwhelmed all other priorities in the last quarter of 2014. North Korea's sudden decision to release all three detained Americans may have been related to this imperative.

The regime faced a final challenge to Kim Jong Un's legitimacy in late December, when Sony released a satirical movie, *The Interview*, that portrays an attempted assassination of Kim and the overthrow of the regime by a "free North Korea" insurgency. This symbolic confrontation was preceded by a cyber-attack and vandalism of Sony Pictures, which the U.S. government attributed to the DPRK. This led President Obama to threaten proportional retaliation³⁷—although such a term has never been defined in a cyber context, it could be construed as "proportionate" in accordance with the laws of war—and is apt to be misunderstood by all parties.³⁸ The DPRK denied it was responsible for the Sony attack and threatened its own retaliation.³⁹

The State Department asked China to shut down North Korean hacking on its soil or using communications systems transiting China.⁴⁰ On December 24, 2014, the Internet connection to the DPRK shut down, possibly due

36. Louis Charbonneau, "U.N. Draft Urges ICC Referral for North Korea, but Pyongyang Fights Back," *Business Insider*, October 9, 2014, <<http://www.businessinsider.com/r-un-draft-urges-icc-referral-for-north-korea-but-pyongyang-fights-back-2014-10>>.

37. White House, "President Obama's Year End Press Conference," transcript, December 19, 2014, <<http://iipdigital.usembassy.gov/st/english/texttrans/2014/12/20141219312317.html#axzz3MZ9YXIYp>>.

38. David Sanger, Michael Schmidt, and Nicole Perlroth, "Obama Vows a Response to Cyberattack on Sony," *New York Times*, December 19, 2014, <http://www.nytimes.com/2014/12/20/world/fbi-accuses-north-korean-government-in-cyberattack-on-sony-pictures.html?emc=edit_th_20141220&nl=todaysheadlines&nid=57976564&_r=1>.

39. KCNA, "U.S. Urged to Honestly Apologize to Mankind for Its Evil Doing before Groundlessly Pulling up Others," December 21, 2014, <<http://www.kcna.co.jp/item/2014/201412/news21/20141221-14ee.html>>.

40. D. Sanger, Nicole Perlroth, and Eric Schmitt, "U.S. Asks China to Help Rein in Korean Hackers," *New York Times*, December 20, 2014, <<http://www.nytimes.com/2014/12/21/world/asia/us-asks-china-to-help-rein-in-korean-hackers.html>>.

to a denial of service attack,⁴¹ an attack that the U.S. State Department pointedly neither confirmed nor denied, with more outages in days following.⁴² The DPRK blamed the United States government,⁴³ but anti-DPRK hackers also claimed responsibility.⁴⁴

Given the short distance from symbolic and cyber warfare to kinetic and radioactive warfare in Korea, this event was significant, especially as cyber warfare can be conducted not only against networked military forces but against critical infrastructure such as dams, power plants, hospitals, and data-intensive sectors dependent on record-keeping databases. And indeed, someone hacked into two South Korean nuclear power plants between December 15–21, 2014,⁴⁵ underscoring that the Korean Peninsula remains a very dangerous place six decades after the guns fell silent when the armistice was signed.⁴⁶

CONCLUSION

Far from “a year of sea changes, in which we will raise a fierce wind of making a fresh leap forward on all fronts,”⁴⁷ the DPRK appears to have leapt into thin air without building foundations on which to land. Indeed, in many respects it appears to be moving backward by reverting to failed formulae from previous decades of *juche* (an ideology often taken to mean “self-reliance”) and the personal rule of the Kim regime. Yet, the North has proven itself resilient against external pressure and domestic shocks over many years, and

41. Nicole Perloth and David Sanger, “North Korea Loses Its Link to the Internet,” *ibid.*, December 22, 2014, <http://www.nytimes.com/2014/12/23/world/asia/attack-is-suspected-as-north-korean-internet-collapses.html?partner=rss&emc=rss&smid=tw-nytimesworld&_r=1>.

42. Jim Cowie, “Someone Disconnects North Korea —Who?” December 23, 2014, at <<http://research.dyn.com/2014/12/who-disconnected-north-korea/>>.

43. Associated Press, “N. Korea Uses Racial Slur against Obama over Hack,” December 27, 2014, <<http://www.nytimes.com/aponline/2014/12/27/world/asia/ap-as-nkorea-sony-hacking.html>>.

44. Raphael Satter, “North Korea’s Internet Outages Continue as Disruption’s Cause Remains a Mystery,” *ibid.*, December 24, 2014, <<http://www.nytimes.com/aponline/2014/12/24/world/eurpe/ap-eu-nkorea-mystery-outage.html>>.

45. “Hacker Reveals Classified Info about Nuclear Reactors,” *Chosun Ilbo*, December 22, 2014, at <http://english.chosun.com/site/data/html_dir/2014/12/22/2014122201204.html>.

46. Peter Hayes, “Strategic Negligence and the Sony Sideshow,” *NAPSNet Policy Forum*, December 22, 2014, <<http://nautilus.org/napsnet/napsnet-policy-forum/strategic-negligence-and-the-sony-sideshow/>>.

47. Kim Jong Un, “New Year Address.”

events in 2014 did nothing to suggest that the regime is anything other than likely to survive for many years.

Our impression is that the now 31-year-old Kim Jong Un is learning on the job. In spite of fierce rhetoric, there were only low-level military clashes in 2014. The machinations involved in maintaining control of a state are demanding of any leader, let alone an inexperienced one in a pyramid of power like that found in North Korea. His “day job” leaves little time for Kim to focus on external relations. The continuation of an extreme level of personalized, centralized decision-making also means that most decisions on domestic issues never get made, leaving cadres and officials guessing, or scrambling to implement decisions that defy market basics. The result is that most people are busy doing nothing in order to avoid risk.

Thus, a key question for Kim remains whether he can deliver on his promise to improve the lot of ordinary and middle-ranking North Koreans before their revulsion at daily deprivation, and sweeping generational change, overtakes the regime. This is a race against time, against the cumulative effects of sanctions, against institutional and cultural resistance to the structural changes needed to kick-start the economy, and against the DPRK’s deteriorating conventional military force.

Arguably, the DPRK will remain at the bottom of its deep hole of isolation, sitting on top of a small pile of nuclear and a large pile of conventional weapons but unable to dig its way out without external support. This support will not be forthcoming until the DPRK adjusts its approach and overcomes the hostility that besets all its major external relationships. It showed no signs of innovation in 2014 in its fundamental approach to ending this hostility, which is based on a realist world view in which little matters other than the leader, political ideology, and military power.

Instead, Kim Jong Un and the DPRK continue trying to exploit the vagaries of the evolving balance of power as the foundation of their security and even survival. As the world’s relatively unconstrained great powers become enmeshed in webs of interdependence, adherence to universal norms, construction of trade regimes and legal frameworks, codification of practices, and shared public goods, all created amid the globalization of almost every aspect of human existence, the realist basis for the DPRK’s small-power survival strategy has shrunk. Like the ROK, the DPRK has to find a postmodern pathway to transcend realist-based survival strategies that

have been superseded by political, economic, technological, and even cultural forces that are bigger than any state, even the U.S.

If the DPRK does not break out of its downward spiral, it will descend eventually into the vortex of mass politics exercised in a traditional, orthodox Korean manner that signals the end of Kim's rule and even the end-game of the regime. The only way out of this cul-de-sac is to find niche roles in the international affairs that swirl around the Korean Peninsula whereby the DPRK can add value and contribute to joint public goods. Whether Kim Jong Un can channel his inner self to ignite a slow-motion revolution on many fronts, rather than leaping freshly into thin air and crash landing, depends on the extent to which the external powers engage Kim, shift his decision-making calculus, and open up fresh options. Left to his own devices, it is unlikely that this reorientation will happen. The DPRK's performance in 2014 does not portend a bright future in 2015.