Policy Forum 04-54A: Soft Landing: Opportunity Or Illusion?

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Recommended Citation

Andrei Lankov, "Policy Forum 04-54A: Soft Landing: Opportunity Or Illusion?", NAPSNet Policy Forum, December 09, 2004, <u>https://nautilus.org/napsnet/napsnet-policy-forum/0454a_lankov-html/</u>

Soft Landing: Opportunity Or Illusion?

by Andrei Lankov

PFO 04-54A: December 9th, 2004

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I. Introduction

Andrei Lankov, senior lecturer at the Australian National University, writes: "in the long run the system appears doomed. Sooner or later the gradual disintegration of the police and security apparatus, increasing access to unauthorized information along with manifold social changes will bring it down, probably, in a chain of dramatic, even cataclysmic events."

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This article originally appeared on the Institute for Far Eastern Studies Forum on Peace and Development in East Asia at: <u>http://ifes.kyungnam.ac.kr/ifes/ifes/eng/default.asp</u>

II. Report by Andrei Lankov

"Soft Landing: Opportunity Or Illusion?" by Andrei Lankov

Few doubt that in the long run the present North Korean system is unsustainable, and the last decade has been marked by intense peculations on how and when it will crash. As a result of these attempts at crystal ball gazing, the Pyongyang watchers have come up with two possible scenarios for its eventual collapse--the "soft landing" and "hard landing" options. By the late 1990s a general consensus was reached: almost everybody agreed that a "soft landing" was much more preferable than its alternative, the "hard landing".

The idea of a "soft landing" as it is normally understood implies the gradual evolution of a regime accompanied by large-scale social and economic reforms, more or less similar to that undertaken in China or Vietnam. The perceived need to promote such an option was the major factor behind the Sunshine policy of unilateral concessions launched by Kim Dae Jung's administration in 1997 and still continued by the present South Korean administration. An important part of the underlying assumptions in this policy is a belief that reform would prolong the existence of the North Korean state and make possible a gradual elimination of the huge economic and social gap between the two Koreas. As A. Foster-Carter noted, "Despite the rhetoric of unification, the immediate aim [of the soft-landing policy] was to retain two states, but encourage them to get on better." (1)

The alternative to the soft landing is a "hard" or ("crash") landing. This scenario implies economic and political collapse, followed by unification with the South. Over the past decade this has been seen as a nightmarish scenario since the expected financial and social costs are truly astronomical.

However, there are reasons to believe that the so-called contradiction between the "soft" and "hard" landings may be an illusion. A "soft landing" might be "desirable" but it is hardly "feasible", and is likely to turn "hard" very quickly. The political behaviour of the North Korean elite appears to testify to the fact that such is their assessment of the situation as well.

At first glance, the behaviour of the North Korean elite appears to be quite irrational. Unlike their counterparts in China or Vietnam, they had not initiated any serious reform agenda-- even though the examples of their neighbours vividly demonstrate the efficiency and speed of the economic recovery which can be induced by such reforms.

For a time, it appeared that Pyongyang was indeed seriously considering the reform option. However, it has by now become clear that the "July measures" of 2002 were badly planned and that their only palpable result has been the escalating inflation. The "July measures" are better described not as reforms per se but rather as a final recognition of the grim economic reality.

This stubbornness of the North Korean elite is sometimes described as "paranoid". However, this expression begs the intelligence of the Pyongyang rulers. The Merriam-Webster dictionary defines paranoia as "a tendency on the part of an individual or group toward excessive or irrational suspiciousness and distrustfulness of others". However, one cannot describe as "irrational" the distrustfulness with which the North Korean leadership views the apparently beneficial reform proposals and their proponents. This distrust and suspicion is, alas, very rational and reflects a deep understanding of their country's problems and their own political situation.

Assumptions based on the Chinese, East European or post-Soviet experiences are not applicable to the North. The "market" or capitalist reforms in those countries were indeed beneficial to the former Communist elite or at least for more flexible and better- educated parts. Even a cursory look at the

biographies of post- Soviet tycoons and top politicians confirms that the so-called "anti-communist revolutions" of the early 1990s often boosted the standing of those who were prominent apparatchiks in the 1980s. The first two presidents of the supposedly anti-Communist Russia were Yeltsin, the former Politburo member and Putin, the former KGB colonel. The same is true of other post-Soviet states and China.

However, North Korea is dramatically different from other former members of the Communist bloc. Its major problems are created by the existence of a democratic and prosperous "alternate Korea" just across the border, a mere few hundred kilometres away from even the remotest North Korean village.

The economic gap between the two Koreas and the corresponding difference in living standards is huge, far exceeding the difference which once existed between East and West Germany. The per capita GDP of the South is approximately 10,000 USD, while in the North it is estimated to be between 500 and 1,000 USD. Obesity is a serious health problem in the South while in the North the ability to eat rice every day is a sign of unusual affluence. South Korea, the world's fifth largest automobile manufacturer, has one car for every four persons, while in the North a private car less accessible to the average citizen than a private jet would be to the average American. South Korea is the world's leader in broadband Internet access while in the North only major cities have automatic telephone exchanges and a private residential phone is still a privilege reserved solely for cadres.

The survival strategy of the North Korean political system has been based on the combination of three important strategies: intense police surveillance, harsh suppression of even the slightest dissent and maintaining a strict information blockade.

The last factor is especially important. All Communist regimes have attempted to cut their populace from unauthorized overseas information but few if any have done so with Pyongyang's thoroughness or efficiency. For decades all North Korean radio sets have been made to receive the few official broadcast channels only. No tuning was allowed. All foreign periodicals and books are sent to special departments of libraries where they can only be accessed by persons with security clearance. A prolonged unauthorized conversation with a foreigner on a Pyongyang street has frequently led to serious trouble for the persons involved.

Recently these measures have been relaxed somewhat--not least because maintaining such an exhaustive self-isolation is expensive and the government does not have the money to support it any more. The large-scale illegal migration of North Koreans to China also caused serious breaches in the system since the refugees invariably return with a wealth of unauthorized information about the outside world. Nonetheless, the degree of isolation remains very high. Many North Koreans are beginning to suspect that the South is not really a land of hunger, as Pyongyang's propaganda has been telling them for decades. Still, few of them imagine how affluent their South Korean brethren really are.

Economic reforms are unthinkable without large-scale foreign investment and other types of exchange with overseas countries (what is known in China as "openness"). However such "openness" would mean a decisive break with this system of self-imposed isolation. Under the present circumstances both investment capital and expertise are likely to come largely from South Korea.

The influx of foreigners, especially South Koreans, will however undermine one of the pillars of the regime's political stability, namely the system of information isolation. Even if these visitors carefully avoid everything which could upset their minders, the sheer presence of strangers will be disruptive. This was not such an issue in China or Vietnam where the visitors came from alien countries whose prosperity was seen as generally irrelevant to the local situation. It is likely to be a problem in the

North, however, where a large proportion of foreign investors and experts will come from another half of the same country and will speak the same language.

Thus, any wide-scale cooperation with the outside world remains a dangerous option. Its obvious economic benefits do not count for much, since the associated political risks are prohibitively huge and the Pyongyang elite will not take chances. So far the North Korean leaders have tried to have their cake and eat it too, with a measure of success. They have largely promoted those joint projects where interactions between outsiders and Koreans can be kept at a minimum. The much-trumpeted Kumgang Tourist Project is a good example of such an undertaking. South Korean visitors are allowed to travel under constant supervision of carefully selected security personnel, within an area which has been purged of any local inhabitants and fenced off from the rest of the country. Another popular idea is the creation of special economic zones where capitalism and subversive information would be kept virtually behind high walls. However, the possible scale of such "politically secure" projects is quite small, and they will not be very beneficial to the technological development of this hopelessly backward country.

In spite of the heavy use of nationalist, even racist, rhetoric, the regime cannot rely on nationalism alone as a source of its legitimacy. The inhabitants of the South, after all, belong to the same nation, as North Korean media itself has never tired of repeating. Nor can it cite the sacral sources of its legitimacy: in spite of the numerous quasi-religious features of chuch'e, the regime still exhibits strong vestiges of the rationalist Marxist tradition and has construed its propaganda discourse around its supposed ability to deliver a "happy and prosperous life" to its subjects. The present government which includes a large number of Kim's clansmen and their confidants simply cannot recognize that the country's economy has been following an erroneous path for decades. It will be suicidal for the people who hold power, first and foremost, as heirs to the late Great Leader, Eternal President.

If the populace learned how dreadful their position was compared to that of the South Koreans, and if the still-functioning system of police surveillance and repression ceased to work with its usual efficiency, then the chance of violent revolution or at very least, mass unrest would be highly likely. The proponents of a "soft landing" believe that the collapse of the regime (be it violent or otherwise) would not mean an end to a separate North Korean state. However, it is difficult to see how the North Koreans could possibly be persuaded to remain quiet if they knew the truth and were not afraid of immediate and swift retribution for their dissent. The proponents of the "soft landing", obviously influenced by the Chinese experience, imply that rising living standards will be seen by the populace as an adequate trade-off for their political docility--either under Kim Jong II or under some force which eventually replaced him. Indeed such has been the case in China or Vietnam, but then the populace of these two countries were not exposed to the effect of democratic freedoms and capitalist prosperity enjoyed just across the border by people who speak the same language and belong to a similar culture.š In a North Korea with freer information flows, the existence of the South is bound to create the illusion that the North Korean economic problems would find a simple and fast solution by immediate unification with the South. Such an option is not conceivable at the moment, when the masses are kept under control and information about South Korea is scarce. However, the easing of political restrictions and access to relevant information is bound to lead to a development not much different from that of Germany in 1989-1990.

In other words, the attempts to promote reform and liberalization are likely to lead to the exact opposite--to political instability, regime collapse and a subsequent "hard landing."

The Pyongyang elite is understandably terrified of such an outcome. For them the regime's collapse would mean the loss of considerable privileges. While not exactly "filthy rich", the North Korean top families enjoy very agreeable standards of living, with a generous supply of delicacies, occasional

theme parties and an unlimited use of luxury cars. Many of them are afraid that they would be persecuted by the victors. They know only too well how they would treat the Seoul "reactionary puppets" had Pyongyang emerged victorious from the inter-Korean rivalry and they do not see any reason why they would be treated differently.

Nonetheless, the major stumbling bloc to serious reform is not the stubborn resistance of the top leadership. The political position of the lower elites, the mid-level party cadres and military officers, is probably more important for the fate of the country. Under different circumstances these people would be able to press the government into reforming the economy or simply remove it, as occurred in Romania, the closest East European analogy to North Korea. However in North Korea these people--say, Central Committee members or Major Generals--also have nothing to gain and everything to lose from a possible regime change.

In Eastern Europe and the former USSR it was the second and third tiers of apparatchiks who reaped the greatest benefits from the dismantling of state socialism. Their skills, training and expertise, as well as their connections allowed them to appropriate sizeable chunks of the former state assets. They then used this property to secure dominant positions in the new system and quickly re-modeled themselves as prominent businessmen or even "democratic politicians". The North Korean mid-level elite does not have access to such an attractive option. Once again such a scenario is rendered unlikely by the existence of South Korea with its highly developed economy, large pools of capital and managerial skills. If the collapse of Kim's regime spells an end to the independent North Korean state which is a very likely option, the local elite would stand no chance of competing with the South Korean companies and their representatives. Capitalism in post-Kim North Korea would be constructed not by former apparatchiks who some day declare themselves the born-again enemies of the evil Communism, but by resident managers of Samsung and LG. At best, the current elite might hope to gain some subaltern positions, but even this outcome is far from certain. Something analogous to the "lustration policy", the formal prohibitions of former Party cadres and security officials from occupying important positions in the bureaucracy of post-Communist regimes, is at least equally likely. (2) Some ex- apparatchiks might even face persecution for their deeds under the Kims' rule. Facing such dangers, the lower strata of the ruling elite is showing no signs of dissent and prefers to loyally follow Kim Jong II's entourage.

In the unusual North Korean situation both the top government leaders and the lower-level bureaucrats are deprived of decent exit options. Therefore they cannot be expected to risk the stability of the country by engaging in dubious experiments and work towards the supposed wonders of a "soft landing". After all they do not suffer from famine themselves and their privileges remain impressive even amidst the current chaos and disruption. These bureaucrats obviously believe that reform is likely to hasten the end of the regime and undermine their own privileged position. Unfortunately they appear to be correct in this opinion.

This does not mean that the regime will last forever. However, its transformation is unlikely to occur according to the "soft landing" scenario. If the elite resists change for too long an implosion will be unavoidable and if it initiates reform now, the result is likely to be the same or perhaps, only marginally less dramatic.

Thus if a "soft landing" does not appear to be a realistic option, should a policy of political and/or military pressure be suggested as an alternative? This too is unlikely, even if we put aside the very serious dangers associated with such a policy. Western pressure is probably counter-productive. Threats from Washington only remind the Pyongyang leaders once again how precarious their position is and how terrible a fate is awaiting them in the event of a disaster. These pressures also reinforce the perception of the West as a basically hostile and ruthless force, cause the elite to stick closer together, and justify even harsher treatment of the populace (For the sake of "national").

salvation" the threats from the surrounding perfidious enemies must be resisted at all costs!). This pressure will also help to mobilize the nationalist feelings of the common North Koreans and make them to side with the government.

Then how long will it last? It is difficult to say. After all, Pyongyang has already confounded the predictions of many an expert who forecast its imminent collapse in the early 1990s. Obviously if the elite refrains from tampering with the system and continues to ignore the overtures of the proponents of reform, then the North Korean state might survive for years to come. Wily diplomacy, including the usual nuclear and missile brinkmanship, will also be helpful if it results in a modicum of foreign aid. However in the long run the system appears doomed. Sooner or later the gradual disintegration of the police and security apparatus, increasing access to unauthorized information along with manifold social changes will bring it down, probably, in a chain of dramatic, even cataclysmic events.

(2) As of 2003, lustration laws have been enacted in Czechoslovakia, Lithuania, Bulgaria, Hungary, Albania and Poland. The most thorough of these is the Czech Lustration Act which requires every applicant for senior or middle-level positions in the armed forces, bureaucracy, judiciary, academic management and media to provide a certificate confirming that under Communism the candidate was not an officer of or informer for the secret police, a medium or high-level Party cadre, a member of party militia and so on. In other words, it has made it impossible for a former Communist apparatchik to reach any position of authority or influence in the new system and also greatly restricts his or her ability to engage in economic activity.š See: Roman David. Lustration laws in action: The motives and evaluation of lustration policy in the Czech Republic and Poland (1989-2001). Law & Social Inquiry. Chicago: Spring 2003. Vol. 28, Iss. 2; pg. 387.

III. Nautilus Invites Your Responses

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: <u>napsnet-reply@nautilus.org</u>. Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

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⁽¹⁾ Aidan Foster-Carter. Towards the endgame. The World Today. London:š Vol. 58, Iss. 12 (Dec 2002.); p. 23.