Policy Forum 05-96A: Aid Strengthens Kim’s Regime


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"Aid Strengthens Kim's Regime"

Essay by Andrei Lankov

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I. Introduction

Andrei Lankov, a North Korean studies specialist from the Australian National University, currently teaching at Kookmin University in Seoul, writes. "Stopping all aid could lead to renewed famine, especially in those areas of the country closed to foreigners. But excessive and unconditional aid is likely to halt all reforms, since the Pyongyang government would simply reverse to its old policies, using foreign aid to pay for the system's inherent inefficiencies."

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II. Essay by Andrei Lankov

- Aid Strengthens Kim's Regime
by Andrei Lankov

The recent news out of North Korea leaves no room for doubt. After a decade of grudgingly allowing small-scale free markets, Kim Jong Il's regime is seeking to reimpose total control. Ironically this turning back of the clock is being aided by the "no strings attached" aid policies of two countries, China and South Korea, which claim to be trying to encourage reforms.

From early October, all trade in grain has been forbidden in the small private markets that mushroomed across North Korea when the state-run food distribution system largely collapsed during the famine of the 1990s. North Koreans are now expected to rely on a revived public distribution system for supplies of grain. Special teams of officials have fanned out to check farming households for any "excessive" supplies of grain they might try to sell in the private markets, and ensure they are left only with their officially allowed ration of 700 grams a day.

Internal travel controls are also being tightened. During the famine, authorities turned a blind eye to violations of the regime's tough restrictions on freedom of movement, as starving North Koreans crisscrossed the country in search of food. Now these are being enforced once again, with North Koreans required to obtain a travel permit from police before they can travel elsewhere in the country.

Pyongyang's moves in this direction should not come as a surprise. Allowing even a minimal degree of private enterprise reduces the regime's absolute control over its citizens -- especially if they are no longer dependent on the state for their food -- and provides firsthand evidence of the existence of a more successful economic system. The Kim regime has seen how economic reform preceded the collapse of Communist regimes across Eastern Europe. It's no coincidence that one of the questions most commonly heard in private conversations with members of the Pyongyang elite these days is about the fate of Communist cadres in the former East Germany. To avoid reforms is the surest survival strategy for Pyongyang's ruling elite.

Throughout the past decade, the regime had no choice but to tolerate some degree of private economic activity, because of the collapse of its state-distribution system. But now that the North Korean economy has bottomed out and the famine appears to be over, largely due to generous aid shipments from the outside world, the Kim regime is in a position to get rid of changes that it never wanted in the first place. In addition to trying to curb the activities of private markets, it's ordered most of the representatives of the international aid agencies that it reluctantly allowed into the country during the famine to leave by the end of the year.

The Kim regime can afford to act in this way because it knows that food aid from its two key patrons, South Korea and China, will keep flowing come what may. These now exceed shipments from elsewhere in the world. According to a recent report to the U.S. Congress, North Korea received 350,000 tons of food aid from South Korea and China in 2004 -- compared with 325,000 tons from the World Food Program. Seoul also provides the North with much needed fertilizer, while China takes care of most of its energy needs.

China and, especially, South Korea claim to be supplying aid as part of a strategy of encouraging

North Korea to embrace economic reform. That's the ostensible aim of Seoul's "sunshine policy" of one-sided concessions to the North, while Chinese leaders have shown visiting North Korean leaders around Shanghai and Shenzhen in an effort to encourage it to follow the same path. But, far from encouraging reform, North Korea's recent actions show that it can take advantage of such unconditional aid to move in the opposition direction.

While Western countries insist on their aid being monitored by international relief agencies to try to prevent its diversion to the military, South Korea and China take a much more forgiving stance. Beijing wants stability on its borders, and would not be happy to see another nominally Communist regime collapsing. South Korea also wants to avoid the collapse of the Kim regime, since it would then have to foot the bill for an expensive and socially ruinous German-style unification. This means that both governments are ready to ship aid without asking too many awkward questions or demanding that it be closely monitored. Although ostensibly encouraging economic reform in North Korea, in reality both China and South Korea share the same short-term goal of preserving the status quo. They tacitly understand that means the regime must be able to continue to rely on its police and elite army units, and so needs to keep them well fed. That means turning a blind eye to the diversion of aid to the military, police and other members of the Pyongyang elite, even at the expense of the long-suffering North Korean people.

In the long run, this creates a paradox. Unless Seoul and Beijing are willing to foot the ever growing bills from Pyongyang indefinitely, they need to promote reforms there. However the North Korean regime has shown it has no interest in implementing reforms except when it is the only way to survive.

That creates an uneasy dilemma, which is shared by other foreign aid donors to North Korea. Stopping all aid could lead to renewed famine, especially in those areas of the country closed to foreigners. But excessive and unconditional aid is likely to halt all reforms, since the Pyongyang government would simply reverse to its old policies, using foreign aid to pay for the system's inherent inefficiencies (and perhaps for a bit of luxury for Kim and his cronies). And recent events have clearly demonstrated have how counterproductive showering North Korea with aid can be.

III. Nautilus Invites Your Responses

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