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Social Conflict and Identity Crisis in Unified Korea

Philo Kim

Unification, a historic and societal event, may cause many conflicts and crises rather than bringing blessings and benefits to both Koreas if not sophisticatedly planned and properly managed. Mass migration is likely to trigger social disorder, and widening wealth gap between the two Koreas may intensify class conflict in a unified Korea. Ideological and cultural heterogeneity will even more act as a serious hindrance in integration and identity formation in a newly unified Korea. Enormous hostility and distrust will be a great burden for social integration in unified Korea. This paper argues that four possible solutions are needed to be addressed for successful integration and new identity formation. First of all, social chaos and conflict should be minimized through the remedies of economic and institutional measures; secondly, social cohesion and new identity should be strengthened by new visions, principles and values; thirdly, practical programs of conflict transformation healing and counseling should be addressed; and lastly, proper management of internet and cyber information are needed to reduce social conflict and identity crisis after unification in Korea.

Keywords: social conflict, social integration, identity crisis, identity formation, unification

Introduction

The question of unification which has historically been a prominent issue on the Korean Peninsula has emerged in recent years with a greater visibility as a key point of interest and contention within the South Korean society. In the beginning of 2014, South Korean President Park Geun-hye emphasized that the Korean unification is a bonanza bringing much blessings to Koreans and to the region. With the vision

of unification bonanza, the South Korean government has prepared for Korean unification more actively than ever. Unification will bring about peace and prosperity to both Koreas. However, pessimism overwhelms the minds of many Koreans regarding how it can be realized. It is more pessimistic to foresee the bonanza of the unification on the Korean peninsula considering the gap in values and ideology of the two Koreas. Suppose much hostility and distrust reside in the mind of Korean people in both sides, unification may even result in serious conflict of interests between the two sides of Korea rather than yielding mutual benefits.

Unification is a "clashing" of different social entities. It is a shocking process where two heterogenic states should be accustomed to the abruptly changed environment. It will also be a tough process in which a socially accustomed entity meets with entirely different human community. It leads to many conflicts in the realms of politics, economy and culture. In that sense, when it comes to unification on the Korean peninsula, it surely causes many conflicts and problems due to the long time seizure of the Korean nation with hostile ideologies of capitalism and communism, though we are not sure of when it occurs. The Confucian cultural tradition is still deeply rooted, and quasi-religious and a kind of autistic state has been formed in the North. Therefore, although the two Koreas may become a unified country through the mobilization of national sentiment, they shall suffer from a serious conflict and identity crisis in the process of unification.

Moreover, unlike Germany, the two Koreas have not actively exchanged or communicated with each other, so mutual understanding between the two is constrained. While East and West Germany had carried out people-to-people exchanges of average 3 million in general or 10 million in 1980s annually before the unification,[1] two Koreas recorded only an average of 170,000 people in human exchange yearly

1. Ministry of Unification (South Korea), *Collections of Exchange and Cooperation between East and West Germany. Section 3: Human Exchanges and Transportation* (Ministry of Unification, 1993); Chang Suk-Eun, *Integration Process of Divided States and Its Lessons: Focusing on Vietnam, Yemen, and Germany* (Seoul: KINU, 1998), pp. 113-116.

which even reduced to almost none in recent years. Considering this situation where the level of exchanges and communications is very low between the two Koreas, the process of unification into a harmonizing community will be a very difficult task since two conflicting values and thoughts are involved.

While it is unquestionable that any developments in the course of unification between the two Koreas will have deep and lasting consequences for integration for better or for worse, it is highly likely that it will trigger a lot of discords in the newly unified nation. The issue of how to coordinate and overcome these discords will be an important criterion to judge success and failure of unification. Therefore, we need to carefully analyze the differences and similarities of both Koreas, so that the two Koreas can mobilize available resources for successful integration. In this sense, this paper attempts to analyze possible social conflict and the problem of identity crisis after the unification of the Korean peninsula, and to suggest alternative measures for promoting social integration and identity formation suitable to the newly unified Korea.

Concept of Social Integration and German Experience

The term "social integration" first came into use by the work of French sociologist Emile Durkheim. He hoped to understand why rates of suicide were higher in some social classes than others. Emile Durkheim believed that a society exerts powerful influence on individuals. He concluded that people's beliefs, values, and norms make up a collective consciousness, and a shared way of understanding of each other and of the world.[2] Social integration in this sense can be a collective social state where all members participate in a dialogue to achieve and maintain mutual understanding based on shared values. American sociologist Talcott Parsons said that social integration is maintained

2. Emile Durkheim, *On Suicide*. Translated by Kim Chung-sun, *On Suicide of Emile Durkheim* (Seoul: Chung-A Press, 1994).

by the dynamics of both positive and negative dimensions. In the positive dimension, people are integrated into a system through the internalization of cultural values such as beliefs, languages, and symbols. In the negative dimension, people are integrated through reward and punishment and other control mechanisms.[3] As Durkheim explained, a society is more secure and stable when social integration is achieved by voluntary submission of the people to, what he called, the collective representation composed of the emotional, the moral, the holy, and the religious.[4]

The idea of social integration has been utilized in the sense that unification is not just a political event, but a process of societal transformation. In light of the experience of Germany, there has been a growing consensus within the South Korean society to view unification as a process rather than an outcome. Deepening differences in structure and thought between South and North Korea have made an environment in which the realization of unification as a single event or as an immediate, absolute synthesis is no longer rational. Furthermore, the idea of integration has been utilized more consistently as an appropriate framework for the application of the idea of "unification as a process of integration."

On the other hand, debates on unification as a process of integration in South Korea have focused primarily on political and national security concerns, and the result has been a serious imbalance in the development of thought and discussion on integration as it applies to the political, economic, and socio-cultural dimensions. Discussions of social integration, specifically relating to the formation of a shared identity between South and North Koreans, have been particularly lacking. Some scholars have viewed unification as the final stage in the process of integration, with integration providing and creating the conditions necessary for unification. Others have approached

3. Talcott Parsons, *The Social System: The Major Exposition of Author's Conceptual Scheme for the Analysis of the Dynamics of the Social System* (Glencoe, IL: The Free Press, 1951).
4. Emile Durkheim, *The Division of Labor in Society* (New York: The Free Press, 1956), pp. 129-130.

integration as a much more general concept, one that encompasses cultural and social changes and that will continue long after the conditions of political and legal unification are realized.

So while the conception of "unification as a process" is something with which Koreans are growing familiar, the concept of social integration is understood as a particular state of unification process. Social integration can be seen as a dynamic and principled process where all members participate in a dialogue to achieve and maintain peaceful social relations. Social integration does not mean forced assimilation. Social integration focuses on the need to move toward a safe, stable and just society by forming and mending conditions of social disintegration such as social fragmentation, exclusion and polarization; and by expanding and strengthening conditions of social integration towards peaceful social relations of coexistence, collaboration and cohesion.

The concept of social integration is commonly understood in two dimensions: institutions and values.[5] Institutional integration focuses on the legal and policy aspects of the integration process, and proceeds with official organizations and socio-economic entities. Integration in values, on the other hand, is a multi-dimensional and relatively more complicated process that plays out over a longer period of time. Because value integration encompasses changes in beliefs, attitudes, public consciousness, and culture, it is comprised of the process of subjective consciousness and national identity to the institutional integration. In the conception of social integration, it is sought to formulate a scheme that will incorporate both legal-institutional and attitudinal dimensions, and account for both institutional and value integration simultaneously.

The case of Germany clearly shows how difficult it is to achieve a successful social integration in the process of unification. Despite the improved standard of living in East Germany, from 50 percent to 80 percent of West Germany, some East German people still want to

5. Park Jong-Chol et. al., *Measures of Building Comprehensive System for National Consensus on Unification* (in Korean) (Seoul: KINU, 2005), pp. 9-13, 129-161.

return to the old regime; two-thirds of former East German people feel they are second-class citizens, and three-fourths of them have felt discrimination.[6] The report noted that East Germans, even more than two decades after unification, possessed distinct attitudes, values, and expectations, reflective of the unequal reality of East Germany's course of development.[7] While countless reports and articles on integration were published in Germany following reunification, these proved inadequate for encouraging the actual convergence of the two societies. And the response to this insufficiency was a greater attention to social and psychological assessments of integration that would acknowledge the distinct East German identity by measuring quality of life in their ways.

Comparing with the Korean situation, nevertheless, the German unification is surely regarded as a typical example to achieve successful social integration. Germany had no civil war which might have aroused serious scars. And there were moderating people and institutions including the numerous "roundtable discussions" that brought representatives of the state and of various groups from society together and they were mostly protestant clergymen.[8] In order to make social integration successful, West Germany adopted health system and kindergarten system from East Germany, so the system of unified Germany had been standardized by East Germans in the realms.[9]

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6. Werner Pfennig, "Social Change: East-West Division, Demographic Statistics, and Consumption Behavior." Ministry of Unification, *Study of Unification and Integration in Germany: Volume 1 — Sectional Study* (Seoul: Ministry of Unification, 2014), pp. 159-167.
7. Op. cit., pp. 168-169.
8. Friedrich Winter, ed., *Die Moderatoren der Runden Tische: Evangelische Kirche und Politik 1989-1990* (Leipzig: Evangelische Verlagsanstalt, 1999), recited from Werner Pfennig, "Germany United Since 25 Years — Korea Since 70 years Still Divided: Some Questions and Critical Remarks Based on Experiences Made in Germany" (Paper presented at *Conference on the German Experience of Integration after Reunification Its Implication for Korea*, January 27, 2015, Seoul), p. 15.
9. Lee Eun-Jeong, "Unification Preparation from the Perspective of Unification Document in Germany," (in Korean) Workshop co-hosted by Free University of Berlin and IPUS, Seoul National University, January 28, 2015, Hoam Faculty House, Seoul National University.

Above all, West Germany had pursued so called *Ostpolitik* through which "change through rapprochement" and normalization had been actively promoted with the communist state.

Having that in mind, social integration in Korea will be much more difficult than in Germany. Unlike Germany, Korea has suffered from civil war; "change through rapprochement" by Sunshine Policy was not well received by South Korean public; it is highly unlikely that there will be a peaceful revolution in North Korea; there are no groups or institutions to possibly play a role of reform in North Korea; and there are no "neutral" personalities or institutions to moderate social conflict which might take place in the process of unification on the Korean Peninsula. To make matters worse, the two Koreas hardly share an all-Korean identity because 70 years has already passed since the division. Unlike Germany where some sentiment of German nation had been commonly shared between the two Germans rather ambiguously and sometimes strongly, the two Koreas do not seem to feel any solidarity for Korea as a whole. Rather, there seems a strong sense of voluntary identification in the people within either the ROK or the DPRK.

Social and Ideological Conflict after Unification in Korea

Mass Migration and Social Disorder

When unification takes place on the Korean peninsula, the immediate social response of the people to the abruptly changed situation will be the mass migration of population. The mass migration mainly will be population outflow from the North to the South. The world witnessed the mass outflow from people in former communist countries to the West when the system collapsed in Eastern Europe. When the communist regime in East Germany came to an end, the East German people displayed four types of responses to the changes around them. Of the four responses — compromise, seclusion, evasion, and resis-

tance — resistance was demonstrated the least.[10] It was somewhat striking because church organizations were widely present in East Germany and so the conditions were actually quite advantageous for organizing resistance. In contrast, civil organizations are totally nonexistent in North Korea today, and therefore organizing resistance against authorities would be an extremely difficult endeavor. It thus seems that escape is the only means of resistance that would be available for ordinary citizens and power holders alike, in the event of sudden unification.

It is assumed that the scale of the mass migrants will be large enough to cause a serious social problem and even may result in emergency situation in unified Korea. To cite the German case for reference, within the two months after the fall of the Berlin Wall, 180,000 East Germans fled from their homes before the population flow stabilized. The same proportion in the population of North Korea would be 260,000, or approximately 440 new escapees daily.[11] The population of East Germany was about 17 million in 1989 while the North Korean population is currently 24 million. Other estimates have predicted a similar volume of North Korean refugees, based on the high likelihood of another section of the population to escape in an emergency situation; that is, the youth and the lower class in border areas, especially those who have experience traveling overseas or have family members in neighboring countries.[12] Since the present North Korean economic situation can be considered worse than that of Germany prior to reunification, there is a high possibility that the number of migrants will be greater.

The mass migration issue might instigate a very serious social

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10. Lars Hansel, "East Germany: Rationale for East Germans choosing the early unification," *Lessons from the former divided nations and its implications for the Korean context*, Peace Foundation International Symposium on the Unification 2010 (June 23, 2010), pp. 126-127.
11. Park Jin, "Refugee Management for Possible Emergency in North Korea," (in Korean) unpublished paper.
12. Kim Philo, "An evaluation on mass exodus of North Korean refugees and its countermeasures," (in Korean) *Policy Studies* (Fall 1997), pp. 245-297.

conflict in Korean context. As we all know, there are ten million separated family members scattered in both sides of Korea. Many difficult problems are inherent in separated family issue, such as legal disputes regarding land and property ownership, family reunion, right of succession, and so forth. Through inter-Korean government dialogue during the past 15 years, only about 20,000 family members have succeeded in meeting their family members, but there are still many family members waiting who applied for seeking their family members through inter-governmental dialogue. There are also South Koreans who went to the North during the Korean War. They also will seek their family members residing in the South. Families of abductees, POWs and even 26,000 recent refugees who settled down in the South surely will move to find their families in the North.[13]

Mass migration may enhance social tensions and chaos to the full extent in unified Korea. The social chaos and tensions will mainly be heightened in the northern part, but the mass migration from the North will surely have a great impact on the southern part. Massive inflow of the Northerners to the South may paralyze social order and system, and sometimes it may cause serious social crimes on the southern part of the peninsula. It may therefore result in the inability to proper administer laws in the South. But more serious social chaos may occur in the Northern side. North Korean society has traditionally been controlled through clandestine surveillance on individuals by the state and the consequent punishment of those deemed as threats to their authority. Many North Koreans have experienced severe punishment under this surveillance system, and some have even been the victims of unwarranted punishment. Therefore, if unification in

13. There are numerous number family members abducted during the Korean War, and also there are 516 South Korean abductees remained in North Korea. Since the end of the war, 3,835 South Koreans had been abducted (or kidnapped) among whom 3,310 were repatriated and some escaped, but 516 are still under detention in North Korea. And about 500 South Korean POWs (out of 19,000 South Korean entire POWs) who alive in North Korea will become a social issue. Han Dong Ho, et. al., *White Paper on Human Rights in North Korea 2014* (Seoul: Korea Institute for National Unification, 2014), p. 550.

Korea weakens state control, it is possible that these victims, who previously refrained from acting in fear of further punishment, will seek revenge with their own hands. It is also possible that these former victims will employ violent means against the people responsible for their undeserved suffering, even seeking them out in their homes.

Widening Inequality and Class Conflict

The economic gap between South and North Korea will widen. Economic unbalance is serious problem. More than 95 percent of GDP produced on the Korean peninsula comes from the South, while the North provides only less than 5 percent. This uneven economic development condition may become a serious obstacle to unity among Korean people. This may create serious regional tensions between the North and the South and it may develop into a class conflict between rich and poor in the unified society. As discussed above, the mass migration to the South will likely occur mainly due to the food shortage in the North.

The social consequences of unification are predicted to appear primarily in the form of rapidly deteriorating humanitarian conditions around the country. Considering the poor condition of North Korea's current health and food conditions, it is likely that existing levels of starvation and the shortage of medical supplies and education resources will only be aggravated by the onset of sudden change. According to the statistics of 2013, North Korea's per capita Gross National Income, or GNI was estimated at USD 1,250, twenty times less than South Korea's estimated USD 26,000.[14] Therefore, even if living standards in North Korea improve and income increases twofold in the next several years or even in the following couple of decades, the majority of North Koreans will likely continue to live under harsh conditions.

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14. Korean Statistical Information Service, "North Korean Statistics: Major Indicators of North and South Korea," (in Korean) http://kosis.kr/bukhan/bukhanStats/bukhanStats_03_01List.jsp (February 13, 2015).

Problem of unemployment will deteriorate economic and social inequality. In the case of Germany, the unemployment rate went up to 40%. If the Korean unification is to bring about unemployment up to 30% of the economically active population of North Korea, the number of unemployment will increase as many as 3.3 million in unified Korea. South Korea had already an experience in which the number of unemployed reached up to 1.5 million during the Asian financial crisis in the late 1990s. In this context, 3.3 million people, or about 1 million urban workers are likely subject to unemployment. Therefore, the unemployment shall pay not only a huge economic expense, but also a social expense and even a greater loss of self-identity because the North Korean people had been living in a socialist system in which they had never thought of unemployment.

North Korea's chronic food shortage situation has resulted in undernourishment and devastating hardship for a quarter of the country's population (approximately five to six million people). Moreover, famine and the continuing economic recession have left medical facilities poorly equipped to provide services to the North Korean people. The number of patients suffering from contagious or curable diseases reflects the state of inadequate medical care in North Korea. According to official statements issued by the North Korean authorities, during the year before and after 2001, patients suffering from tuberculosis patients numbered around 51,000, while malaria patients numbered around 300,000.[15] The deterioration of North Korea's economic situation and the simultaneous loss of state management capacity will likely result in a greater risk of epidemics, as the healthcare to which the average citizen has access will become even more limited.

Considering the widening gap between two Koreas, it was not easy to integrate the two Koreas socially. Both Koreas did not have

15. Korea NGO Council for Cooperation with North Korea, and Government-Civil Policy Council for Assistance to North Korea(of Unification Ministry), *White Paper on Ten Years of Assistance to North Korea* (in Korean) (Seoul: Korea NGO Council for Cooperation with North Korea, and Government-Civil Policy Council for Assistance to North Korea(of Unification Ministry), 2005), p. 180.

enough opportunities to exchange their views and thoughts with each other. When it comes to welfare integration, the conflict will become greatly tense. The Northerners may have a critical attitude towards unified Korean society if the health care system and social security benefits such as pension and various subsidies are not provided with equal amount as those of the Southerners. The relative deprivation that the Northerners may feel will hinder integration of the two Koreas into one communal body. Rather it may cause a sense of inferiority and frustration to the Northerners. If so, the socialist Northerners may refuse unification, criticizing the South as a society that the rich becomes richer and the poor poorer. If so, the North Korean people are likely to criticize the South as a snob who knows only money, whereas the South Korean people are likely to treat the North as a "beggar." It will cause serious social conflict and greatly inhibit the social integration in unified Korea.

Ideological Gap and Cultural Heterogeneity

Ideological gap and cultural difference will surely cause social conflict in the unified society in Korea. Two different and heterogenic systems of ideology, capitalism and communism had been formed and developed in each part of Korea for the past 70 years. It is not an easy task to integrate the two heterogenic societies at all. According to the survey of Institute for Peace and Unification Studies at Seoul National University (IPUS), the people in both North and South Korea think there are enormous differences between the two societies.[16] Based on the survey in 2014, as seen in Table 1 below, an overwhelming majority of South Koreans believe that there are great gaps between the two Koreas in election systems (91.0%), standard of living (93.6%), historical perception (83.6%), language (83.6%), customs and lifestyle (83.3%) and sense of values (91.8%).

16. Park Myoung-kyu, et al., *Survey on Unification Conception in 2014* (in Korean) (Seoul: Institute for Peace and Unification Studies, Seoul National University, 2014), pp. 93-94.

Table 1. Awareness of Differences between two Koreas in 2014 (in percentage)

	South Korea	North Korea
Political Election	91.0	97.3
Living Standard	93.6	98.7
History	83.4	95.3
Language	83.6	97.3
Customs and Lifestyle	83.3	91.9
Values	91.8	93.3

Source: Park Myoung-kyu, et, al., *Survey on Unification Conception in 2014*; Kim Philo, "Conception on the South and the reality in North Korea by North Koreans," *Changes of North Korea and the Residents in 2014: How We Evaluate the Change in North Korea during the two years of Kim Jong Un* (IPUS, SNU, August 27, 2014, Seoul).

North Koreans are also aware of wide differences in political elections (97.3%), living standards (98.7%), historical perception (95.3%), language (97.3%), customs and lifestyle (91.9%), and sense of values (93.3%).[17] No remarkable changes were detected in time-series observation.[18] Both North and South Koreans are acutely aware of the cultural differences between them, which poses a serious problem in their readiness for unification and internal social integration. Increased material exchanges and human visits between the two sides do not guarantee mitigation of political, economic and cultural differences. In fact, more exchanges could possibly cause more troubles.

Cultural heterogeneity will also cause a serious social conflict

17. Kim Philo, "Conception on the South and the reality in North Korea by North Koreans," (in Korean) *Changes of North Korea and the Residents in 2014: How We Evaluate the Change in North Korea during the two years of Kim Jong Un* (IPUS, SNU, August 27, 2014, Seoul).
18. Song Young-Hoon, Kim Philo and Park Myoung-kyu, *Survey on Unification Conception in North Korea in 2008~2013: Focusing on North Korean Refugees* (in Korean) (Seoul: Institute for Peace and Unification Studies, Seoul National University, 2014).

between two Koreas. While traditional values prevail in the North, modern and commercial values have enrooted in the South. People in both sides of Korea will be faced with culture shock when it comes to unification. However, the traditional culture in North Korea is being changed recently by the contact with the South Korean culture. The figures indicate that the rates of exposure to South Korean culture grew sharply in the North, namely, 57 percent in 2009 to 85.9 percent in 2014.[19] In view of the closed system in the North, the survey results are somewhat surprising even if we consider the fact that samples were North Korean defectors settled in the South. But it is natural that the cultural preference flows from the modern and commercial to the pre-modern and traditional. Therefore, the open, commercially entertaining South Korean pop culture has strong appeal to North Koreans.

Although the cultural inflow in North Korea may help North Koreans adapting to the new society, the cultural difference in two Koreas will surely hinder in realizing successful integration in the unified Korea. We have already seen that North Korean defectors living in South Korea are greatly suffering from such heterogenic lifestyles, a life too busy, overuse of the English languages, abstruse legal terminologies, express buses, airplanes and so forth, which make the North Korea defectors greatly difficult in social adaptation in South Korea.[20] Conversely, North Korean defectors are not friendly accepted by the South Korean citizens. To South Koreans, North Koreans are those persons of stubborn, double-minded, and unthankful. It is criticized that North Koreans are too strong in self-esteem and they take it for granted the things that are supported by the government. South Koreans may be surprised by finding that traditional Confucian values such as loyalty to the nation and filial piety prevail in the

19. Song Young-Hoon, Kim Philo and Park Myoung-kyu, *Survey on Unification Conception in North Korea in 2008-2013: Focusing on North Korean Refugees*; Kim Philo, "Conception on the South and the reality in North Korea by North Koreans."
20. Song Young-Hoon, Kim Philo and Park Myoung-kyu, *Survey on Unification Conception in North Korea in 2008-2013: Focusing on North Korean Refugees*.

North and also by seeing the undeveloped North far worse than they thought.

Identity Crisis and Hostile Sentiment in Unified Korea

ROK(Hanguk) vs. DPRK(Chosun)

Sudden unification on the Korean peninsula will increase great tensions and conflict between the two Koreas. Tensions and conflicts are likely to occur with regards to various issues, including the progression of North-South negotiations and the decision on the part of South Korea of whether or not to accept North Korean institutions. Today, the two Koreas possess very distinct understandings, particularly regarding the national history, national identity, the *Juche* ideology, origins of the Korean War, Kim Jong-un's achievements, and so on. Most North Koreans today possess only a distorted knowledge of *Namchosun* (North Korea's nomenclature for South Korea), and are unaware even of the existence of the Republic of Korea. Such disparities constitute great risks for the future of the Korean Peninsula, as even the smallest dispute may lead to a mass conflict in the case of unification. The Republic of Korea is in need of a policy that can accurately convey to the North the realities of the South and simultaneously build inter-Korean affinity.

As the state of division persists year after year, the statehood has become stronger than ever in both parts of Korea. Two Koreas have shown their own loyalty to their nations by their own national flags and national anthems. Fifty-three percent of South Koreans do regard North Korea as a different state.[21] The language, culture and living habits of the two sides diverged and these have been mobilized for the nation-state building for their own purpose. The conception and interpretation of Korean history have diverged; school system and

21. Park Myoung-kyu, et. al., *Survey on Unification Conception in 2014* (in Korean), p. 425.

educational philosophy became different. Both Koreas see the origin of Korean nation differently. South Korea believes in the *Han* tribe as their original genealogy while North Korea rejects it. Instead, North Korea claims the *Mac* tribe is the real origins of the Korean nation. South Korea has given its legitimacy of history to *Shilla* dynasty, whereas North Korea finds its roots in *Goguryo* dynasty.[22]

The most difficult obstacle is the name of the country itself, ROK, or Republic of Korea and DPRK, or Democratic People's Republic of Korea. The name "Korea" in English is not a problem. But the name in Korean remains different. South Korea calls it *Hanguk*, while North Korea calls it *Chosun*. In these days, some people use the English word "Korea" directly. North Korea in this context strongly believes that they are descendent of *Chosun* dynasty, rejecting the claims of *Han* nation, while South Korea believes without any doubt that they are descendent of *Han* nation. The two Koreas do not share the name of Korea or Korean nation in Korean language.

It is a quite contrasting situation when Germans had shared the name of German nation even in divided period. West Germany called itself *Bundesrepublic Deutschland*, whereas East Germany calls itself *Deutsche Demokratische Republik* in German. Germans used *West-deutschland* for the West Germany, and *Ostdeutschland* for the East Germany in German. It clearly shows that the German people had shared the same German word *Deutchland* for their own nation regardless the division of the country. However, the two Koreas do not share the Korean word for "Korea or the Korean nation." This will, in fact, worsen identity crisis and lead a serious problem in the process of identity formation and integration of two Koreas after unification on the Korean peninsula.

The national identity in unified Korea is nowadays a hot issue in

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22. History Institute of Social Science Academy in North Korea, *Full History of Chosun Korea, Vol. 2: Ancient* (in Korean) (Pyongyang: Comprehensive Encyclopedia of Science Publishers, 1991), pp. 10-13, 129-134, 180-182.; Son Young-jong, Park Young-hae and Kim Yong-gan, *Thorough History of Chosun Korea, The First Volume* (in Korean) (Pyongyang: Social Science Publishers, 1991), pp. 33-43.

preparing unification in the South. Some South Korean right-wing adherents try to establish the ROK identity in preparing for unification, which collides with the identity of DPRK. There currently exists great tension whether the current liberal democracy should be preserved in the unification of Korea. North Korea on the other hand will not give up the socialist identity of their nation in the unified Korea. South Korea is likely to have an orientation of diffusing the ROK nationalism, or *han* nationalism while North Korea will intend to expand their DPRK nationalism, or *chosun* nationalism. North Korea on the basis of the *Juche* idea will attempt to expand their version of Korean nationalism, or what it calls "Chosun Korea nationalism-first policy (*Chosun minjok jaeil ju-i*)."

When the socialist ideology in Russia and Eastern Europe suddenly disappeared, people could not immediately adapt to the democratic environment. While some turned to religious extremism, others were most inclined towards extreme nationalism. If the collapse of North Korean system results in the case of unification of the two Koreas, the North Korean socialism will tend to take a form of extreme nationalism. Considering *juche* as a component of North Korea's political system, it will become an obstacle to integration in unified Korea.[23] According to the IPUS annual survey of pride of *juche* is relatively strong and the loyalty of North Korean residents toward Chairman Kim Jong-un is also strong; 57.0 percent of North Koreans have pride in *juche* ideology in 2014 and the Chairman had 64.4 percent support in 2014.[24] The relatively high level of internal-

23. *Juche* ideology has been developing from a simple ideology to religious belief. North Korea performs worship service of meeting and study in, what it calls, "Study Room for *Kimilsungism*" like a church building in Christianity. It is estimated that there would be at least more than 100,000 of those places nationwide. The place is regarded as solemn and sacred location distinguished from ordinary or profane locations because the place is believed to be deeply related to Kim Il Sung. Kim Philo, *Religious Nature of North Korea: A Comparison on Religious Forms of Juche Idea with Christianity* (in Korean) (Seoul: Korea Institute for National Unification, 2000).
24. To the question of "Do North Koreans have pride in the juche ideology?" 57% said "yes," while 43% said "no" in 2014. Kim Philo, "Conception on the South

ization of the *juche* ideology and royalty among North Korean residents will be a serious hindrance in integration of the two Koreas. The reason that the neighboring countries worry about Korean unification may be the possibility of a unified Korea pursuing extreme nationalism. For Japan, for example, it will be a great fear and threat if the extreme nationalism develops in the unified peninsula.

It will be also a difficult problem to strengthen the new identity of diplomatic relation in unified Korea in the sense that the two Koreas have preferred a different country for their own part. The most favorite neighboring state to South Korea is the U.S., while that to North Korea is China. 74.9 percent of South Koreans regard the U.S. as the most favorite neighboring state to South Korea in 2014 whereas 79.2 percent of North Koreans regard China as the most favorite state to the North.[25] This trend has not changed for the past several years.[26] The most threatening states to each Korea are, on the other hand, different from each other. To South Koreans, North Korea is the most threatening states, while to the North the United States is the most threatening power. From this figure, it is predictable that Koreans should be very cautious in preparing for Korean unification because North Korea prefers China, whereas South Korea prefers the United States. So, North Korea may not request any serious help from South Korea in the case of unification. Instead, North Korea may ask China for any imminent need. Therefore, it is highly likely that any events like sudden change or collapse will not lead to automatic unification, considering diplomatic orientation and national identity on the Korean

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and the reality in North Korea," *Changes of North Korea and the Residents in 2014* (IPUS, SNU, August 27, 2014).The share of positive responses stood at 63.8% in 2012 and fell to 51.9% in 2013, but rebounded to 57.0% in 2014. These figures represent a drop of some 20 percentage points from 1994, when some 80% professed pride in the ideology.

25. Park Myoung-kyu, et. al., *Survey on Unification Conception in 2014*, 177; IPUS, "How We Evaluate the Change in North Korea during the two years of Kim Jong Un," (in Korean) *Conference of IPUS on Changes of North Korea and the Residents in 2014* (August 27, 2014), p. 112.
26. Song Young-Hoon, Kim Philo and Park Myoung-kyu, *Survey on Unification Conception in North Korea in 2008-2013: Focusing on North Korean Refugees*, p. 106.

peninsula. This inclination would seriously spark the dispute on the issue of globalization including expansion of English usage and economic openness.

Hostility and Distrust

There are other obstacles to bother integration and identity formation in unified Korea. That is, hostility and distrust which had been piled up over the 70 years history of the Korean division. This will be the most challenging issue in the unified Korea. Koreans underwent civil war and still suffer from ideological confrontation. The war and confrontation have left serious scars and wounds in the minds of Korean people, although the two Koreas have held dialogues, exchanges and cooperation after the end of Cold War.

In Korean War, about 850,000 people were killed in the South, and about 1.2 million people were claimed to be killed in North Korea.[27] Meanwhile, the antagonism has solidified in both parts of Korea. While the antagonism nestled sporadically in the lower stratum of the South Korean society, it had been strongly rooted in the upper class in the North. Since the North Korean regime had given much benefits to the victims and their families suffered from the war, the upper class in North Korea are mostly those who directly suffered from Korean War. Their feeling of strong enmity had been shaped not only by brain-wash education, but by their family education and family heritage. The structure of "systematic antagonism" in both Koreas remains as a difficulty to derive a fully integrated unification.[28]

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27. As for the human damage and the structuration process of antagonist sentiment of the Korean War, refer to Kim Philo, "Human loss of Korean War and the change of class policy in North Korea," (in Korean) *Unification Policy Studies* 9, no. 1 (2000), pp. 219-242.
28. Within this structure of "systematic antagonism" I would call, North Korea has pursued regional self-reliance system since early 1960s which has a military purpose. This is the unique idea of Kim Jong-Il, who had raised a county-based self-reliance strategy in 1964 to defend the system in case of war. In this context, North Korea tried on purpose to evenly disperse the industrial facilities nationwide, shunning from being paralyzed in war-time. This has

The 2014 survey showed that both South and North Koreans regarded each other mainly as partners for cooperation (45.3% and 55.7%, respectively). On the other hand, the levels of apprehension (or watch-out) and hostility were 22.8 percent and 13.9 percent, respectively, in the South, and 10.1 percent and 20.1 percent, respectively, in the North. This means that about 30 to 35 percent of each side of Korean population has enmity against each other.[29] It is very interesting that the perception on the other side is quite symmetrical. If the perception of cooperation is increasing in the South, the same feeling of cooperation is increasing in the North. The perception of viewing the other as an enemy is mutually increasing in each side of Korea in recent years. This perception toward South Korea has increased from 12.8 percent to 20.1 percent among North Koreans during the past year. One could say that the perception on the other side of Korea is greatly affected by the situation of the inter-Korean relation.

In 2014, 74.9 percent of South Koreans believed that North Korea's another military provocation against South Korea is possible. Over the past years, the rate of concerns about the North's military action changed from 68.9 percent in 2012 to 66.0 percent in 2013.[30] The figure jumped in 2009 when North Korea conducted its second nuclear test, and jumped again in 2011 after the incidents of ROKS *Cheonan* and Yeonpyeong Island took place, and then jumped again in 2014 when the inter-Korean relation went into extremely tense situation. North Korean defectors were asked if they thought an attack from the South was possible when they lived in the North, and they expressed such concerns existed among people in North Korea. Concerns of military provocation from the South rose sharply to 63.8 percent in 2014 from

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been done to improve the capability of military defense. After the post-Cold War era, North Korea has furthermore resorted to the self-reliance strategy of local mobilization. Kim Philo, *Regional Self-Reliance System in North Korea* (in Korean) (Seoul: KINU, 1999).

29. Park Myoung-kyu et. al., *Survey on Unification Conception in 2014*, p. 75; Chung Eun-Mee, Kim Philo and Park Myoung-kyu, *Survey on Unification Conception in North Korea in 2014*. Seoul: IPUS, 2014, p. 59.
30. Park Myoung-kyu et. al., *Survey on Unification Conception in 2014*, p. 88.

45.9 percent in 2013.[31] In the 2008 survey, 31.4 percent said they had thought the possibility was high, but it felt likewise in 2011 after the sinking of the ROKS *Cheonan* and the shelling of Yeonpyeong Island in 2010, which also could affect the insecure feeling for North Korean people in the following years. The serious confrontation between the two Koreas in recent years may affect the sense of insecurity among both Koreans in 2014. These data show that the two Koreas still have distrust and anxiety against each other.

Recommendations for Successful Social Integration

Economic and Welfare Remedies

The economic cooperation between two Koreas and South Korea's assistance to the North should be conducted in the direction of improving the North's economic capability and income levels. Otherwise, the affluence gap between the South and the North will grow further, and national consensus for unification will be more difficult to be made. Aforementioned, South Korea generates more than 95 percent of the entire GDP produced in the Korean peninsula, whereas North Korea provides only 5 percent. This is an enormous imbalance of production on the Korean peninsula. If this situation continues, the social tensions between the North and the South will be intensified to its extreme degree even after unification.

The South Korean economy tends to be undervalued by the potential North Korean threat. Therefore, Seoul needs to establish stable economic cooperation with Pyongyang in order to create peaceful and secure environment. The South Korean government needs to create and expand common interests of both Koreas through the exchange of complementary industrial products, and to establish a regional market in North Korea. In addition, the construction of social over-

31. Kim Philo, "Conception on the South and the reality in North Korea by North Koreans," p. 100.

head capital will bring about much benefits of transportation to China and Europe by saving transportation cost, which may reduce unification cost in the long run.

At the same time, it is necessary to make efforts to break down the psychological wall especially by carrying out humanitarian assistance to the poorest layer of up to 6 million starving North Koreans. Health, sanitation and food support can affect the most vulnerable members of society. Inefficiency in food distribution can lead to chaos and conflict at all levels and within all the sectors of society. These people will find survival extremely difficult without the distribution of immediate food supplies. A deadlock in food provisions can cause former North Korean companies and factories to become dissolved, as members set off individually in search for food. Therefore, special attention must be paid to ensure that schools, hospitals and sanatoriums located in poverty-stricken areas receive necessary aid. By performing material support, the South Korean government needs to save lives in the North and release the enmity emotion that they might have against the South as well as the possible absorption by the South.

In order to avoid social chaos and economic downturn caused by mass migration from the North to the South, it is highly recommended to promote a policy for separation of labor market between two regions for a certain provisional period. It is very important to keep separate labor market in order to stabilize the national economy in the times of turmoil like a sudden unification. For this purpose, it is necessary to pursue a policy to give priority of ownership to those who reside in their house during certain period of time, i.e. 5 years or 7 years. In addition, the unified Korea should prepare measures for the unemployed including various measures for expanding employment.

If the situation is allowed, the unified Korea should promote gradual privatization, while maintaining the state ownership of the means of production in major properties in the Northern region in order to minimize the regional inequalities. It is also recommended to enforce a license of usage rather than ownership of land and house, and also such policy is recommended as compensation rather than the return for the South Korean holders of the North's land documents.

It is crucial to maintain the social welfare service in North Korea at least as it is now. This means that the welfare level in North Korea should not be curtailed down even after the unification. Welfare system itself in North Korea is regarded relatively well established in comparison to that of South Korea. Fortunately, however, it will not entail much cost to maintain the present welfare services because the actual quality of benefit is very low in current North Korea. For this reason, maintaining the current level of welfare benefits seems to be no big financial burden. Therefore, it is needed to secure proper funding to absorb the social welfare system in order to expedite social integration in unified Korea.

Value Integration and Identity Formation

Koreans should confirm a couple of social principles and some directions in order to promote solidarity of its members in unified Korea. A unified Korea will need a new identity formation because it will be totally new system different from the old regime. That is, people in unified Korea will have to get used to new values and ideology, and they will also be requested to share emotional ties and a sense of pride among themselves as members of a unified Korea. Therefore, Koreans should build these new values and ideology pertinent to the newly unified system. General direction of value integration is suggested as follows: Strengthening and magnifying the vision of unified Korea as a main source of integration, while managing the social conflict to the minimal extent, not to hinder the North-South integration.

In more concrete terms, Koreans should actively promote the social and cultural activities to form a sense of inter-regional community while reducing culture shock between the two regions. For this purpose, it is important to create a national consciousness and national feeling on the basis of ethnic identity and ethnic ties; on the other hand, it is also important to acknowledge a heterogeneous entity as that of diversity in unified society. Koreans could build the national consensus through the history of Dangun and Japanese colonial experience for example. The most preferred direction is that the DPRK is absorbed

by the value of the Republic of Korea. However this is not possible in reality. North Korea has presented *Corea* as an alternative national identity which is worth consideration. Both Koreas can also share social cohesion when they eat *kimchi*, wear *hanbok*, and play *yutnori* (a traditional folk game). In all, it is very important to understand and acknowledge the heterogeneity as a diversity since the two Koreas had been much differentiated during the 70 years of division. So that Koreans should be careful to avoid the heterogenic elements disturbing social integration in unified Korea, while promoting national pride and national consciousness as a force of social cohesion.

In order to successfully overcome value conflict in unified Korea, it needs to address the high level of vision, discourse and strategy for new identity formation. As indicated in the German unification, unsuccessful management of psychological conflicts between the two Koreas can result in a huge social cost. In this regard, a unified Korea will need to adhere to the principles and directions in order to build core social values needed in the unified society.

First principle would be promotion of communication and coexistence. This is the principle not only needed after unification but also in the process of it. In order to achieve successful integration, it is essential to understand that the two Koreas have disparate systems, and to build a new attitude and culture of acknowledging different norms and values. In this regard, it is no doubt to say that the promotion of communication and coexistence is the first and the foremost principle for the successful identity formation in the unified Korea.

Second principle would be the development of universal values such as democracy, markets and openness. Though coexistence and communication should be the basic starting point for social integration, they are not enough to achieve a full unification when one thinks of identity formation after unification. It needs further efforts to prepare and create universal values and institutes as of the unified version. Only then Koreans will be able to ultimately achieve unity and the purpose of social integration. In order to promote identity with social cohesion after unification, it will take place at least the homogeneity in institutions and will create a shared value between the North and the

South residents. This practically means that North Korean socialism should be transformed into more democratic, marketized, and opened systems in unified Korea.

Third principle would be building capacity for integrated identity. In order to enhance integrated identity in unified Korea, it is not satisfied to simply expand the universal values and institutions to the North. Rather, Koreans should enhance capacity building of integration by creating and enlarging new social and cultural assets in the unified society. Strengthening social capacity in this sense means new identity should be positive sum, not unilateral institutionalization. In other words, it means that the integration policy should not hamper cultural assets of unified Korea, sticking to the principle of institutional homogenization. Unification shall be meaningful as far as it is the result of creating a "bigger Korea" to create sustainable growth engines and so as to expand its national assets in economic, social, and cultural terms. In this sense, how to rebuild the vulnerable social and cultural identity and assets of North Korea has been emerged as a challenge. It is also urgent task how to accumulate diplomatic identity and socio-cultural assets through human and cultural exchanges with China and the United States after unification.

The fourth and last principle would be the green and peace-oriented value. As for the direction of new identity formation in a unified Korea, a green and peace-oriented value is highly recommended. Unified Korea may basically have two fundamental challenges: One is to create a cultural model that can lead to coexistence with nature beyond the growth-oriented development approach; the other is to create a social model that can lead to peaceful life in which a member of the community is promoted to the good of all. Both are closely connected to each other. How to integrate the qualitatively new core values into a social system is the main challenge and goal of the 21st century in the unified Korean peninsula. "Green peace" shall be the core value of integrating various social groups in unified Korea. The idea of joining green into peace is embedded in the word of green peace. Green has been already a trending value in philosophical thinking in these days and therefore will be the most critical elements

to constitute a sustainable form of human beings in the unified Korea. Peace is also an emerging value as a very urgent task of human being too. After the Cold War, ethnic, regional, cultural, and religious conflicts are bringing about a variety of conflict, violence and hatred, and it has become an urgent task to manage nationalism, ethnic sentiment, racism, and religious conflicts. In this, the value of green and peace will be the dominant paradigm of identity that the future Korea should build together in newly established fatherland.

Conflict Transformation and Healing Programs

After the unification, social conflict between the North and the South will incur serious problems in many aspects, and this conflict is likely to be further amplified through political and social empowerment based on local sentiment. If such a serious conflict occurs, intervention of a third party may be a very realistic option as an arbitration mechanism to mitigate the conflict among them. There will be a great need for a mediator or mediation mechanisms to solve the various conflicts of ideological, cultural and social ones deeply rooted in between the two Koreas after unification. Traditionally, the conflict is understood as that can be "resolved" or "managed" by special methods. But more recently people have argued that it cannot be "resolved" or "managed" in a way that the sources of conflict are completely eliminated. Rather it should be solved by the method of conflict transformation, focusing on the relationship among conflicting parties. In many cases, conflicts cannot be treated in the way of "management" or "solved," rather, they are able to be treated only through redefining "relationship." Therefore, in the case of such a conflict, it is necessary to strive to find creative sympathetic elements in the process of dealing with conflict resolution and to build a constructive relationship better by focusing on the "relationship" between groups of conflict rather than focusing on the conflict itself.

In this respect, conflict mediation and the specialized agencies can be utilized in addressing social integration in unified society in

Korea. It may help operating a national program to seek a psychological consultation. Millions of North Koreans lost their families because of hunger, and witnessed their family members' deaths. They should receive psychological counseling. It may also help operate conflict transformation programs such as "Peacemaker" and "conflict mediation."[32] In particular, we should prepare a training program for the North Korean people. If the two Koreas do not reconcile with each other fortified by the hatred and sense of revenge of the Korean War, unified Korea will not able to a step forward for successful social integration. And also, it should carry out democracy training program. Some values of authoritarian attitude will be important factors to hinder the integration of a unified Korea, given the nature of North Korean society that the "monolithic ideological system" and undemocratic behavior prevail in current North Korea. In this regard, it is essential to carry out democracy training programs to tolerate diversity and to recognize the entity of others in order to realize a successful social integration in unified Korea.

Information and Cyber Management

Unification will lead to a serious social crisis. The so-called unification crisis in Korea can lead to public unease in the Korean peninsula. The events following the sinking of ROKS *Cheonan* and capsizing of *Sewol* ferry demonstrated that people in South Korea can access news about the incident very quickly via the internet, even before official government statements are made. In the same way, news of a political situation in North Korea are likely reach the domestic and overseas Korean masses first through internet sources rather than through the South Korean or a unified authority. Taking into account that today's South Korean citizens perceive internet sources as being more reliable than official information provided by the government, it is

32. For example, refer to Peace-maker program, http://www.hispeace.or.kr and to conflict resolution program, http://www.kadr.or.kr.

vital that the unified Korean government find improved ways to accurately and efficiently transmit information concerning unification news to all Korean public.[33] Failure of the government to do so will lead the public to feel greater distrust towards the government and ultimately hamper the government's efforts to promote its policies on unification.

To ease tensions, the unified Korean government will need to formulate an effective accommodation policy for North Korean refugees. Yet, even despite positive intentions, passive approach by the unified Korean government may only encourage continued mass chaos if most Koreans tend to resort to groundless rumors and false reports. Nonetheless, it is crucial for the unified Korean government to take an active role in controlling the crisis. In the current information age, the government must prepare to take action with the awareness that the ability of ordinary citizens to access information is similar to that of field experts. This may apply to unification crises on the Korean peninsula as well. It is no longer possible for the government to manage its people by attempting to restrict information; this will only cause the people to distrust the government. In order to gain the people's trust, the government must turn to a system through which it can share information efficiently through the internet and persuade the people by engaging with and openly challenging opposing views online. Therefore, without clear and accurate guidelines from the unified Korean government, social chaos in unified Korea will be difficult to avert.

Conclusion

Unification as a historic and societal event may cause many conflicts and crises rather than blessings and benefits to both Koreas without sophisticated plans and proper management. Preparation for unifica-

33. Suh Jae Jean, "Social Consequence of North Korean Contingency," (in Korean) *IIRI Working Paper Series 02* (June 2010), pp. 10-15.

tion is not an issue confined to a task of immanent political and military challenges. It is an issue of the societal and historic agenda of the entire Korean peninsula in the 21st century that requires great transformation in national identity and various social realms including economy, education, culture and so forth. The vision and plan for the process and strategies of unification will determine the fate of the Korean peninsula, and therefore, it should not be dealt with using any nationalistic sentiment, populism, or political force. Well organized plans and analyses based on institutional changes and people's awareness in the two Koreas are needed. In this sense, efforts should be made to seriously evaluate what the current status and trends of the inter-Korean division and integration situation signify.

Mass migration is likely to trigger social disorder, and widening economic gap between the two Koreas may intensify the class conflict in unified Korea. Ideological and cultural heterogeneity will be even more serious hindrance in integration and identity formation in newly unified Korea. And enormous hostility and distrust will be a great burden for social integration in unified Korea. This paper suggested four possible solutions that must be addressed for successful social integration and new identity formation after unification in Korea. First, social chaos and conflicts should be minimized through the remedies of economic and institutional measures; second, social cohesion and new identity should be strengthened by new visions, principles and values; third, very practical programs should be addressed; and fourth and finally, proper management of internet and cyber information are needed to reduce social conflict and identity crisis after unification in Korea.

A shift of policy paradigm will be needed to ease tensions and conflict after unification on the Korean peninsula. Economic and welfare issue will be vital for social integration in unified society. The problem of how to distribute the economic and welfare benefit will be crucial whether it is able to create social cohesion and national unity after unification. Value integration will be also critical for social integration in unified society. For this, communication and mutual understanding is basically needed, and development of universal

values such as democracy, markets and openness is essentially important. And so-called green peace value will also be crucial to form social cohesion with a new identity. The newly unified society will require new citizenship needed for new system and new institutions. It is a crucial task to make the younger generation realize the importance of new identity formation after unification because they will be the major citizens in the unified era. The approach to perform this task should not be a unilateral promotion of policy. Rather it is mutual understanding and better communication needed for substantial improvements in the new identity formation in unified nation. Flexible and organized efforts must be made to rebuild a new social identity for unified Korea while comprehensively understanding a variety of changes in new systems and orientation in the newly established Korean society.

Acknowledging the reality of divided Korea is the starting point to achieve this long-term goal. Not only the participation of South Koreans but also of North Koreans is all the more important to make preparations toward successful social integration. What is more essential than sheer communication and exchange is to convince the North Koreans that their future lies in the unified peninsula and the integration of the two Koreas is far more beneficial than maintaining the current status of division. Therefore, widening economic gap between the two Koreas and the rising sense of crisis and distrust toward each other should receive more attention from policymakers and scholars as well.

The current South Korean administration emphasizes the recovery of national homogeneity and proposes that the cooperation between South and North Korea on setting agendas for humanity, co-prosperity and integration.[34] It is not easy to achieve such a vision considering continuing conflicts and confrontation. But it is fortunate that positive notion regarding the other side as partners of cooperation still

34. In an address, "An Initiative for Peaceful Unification on the Korean Peninsula" in Dresden, Germany, on March 28, 2014, President Park Geun-hye presented three proposals to lay the groundwork for peaceful unification.

exist in the minds of at least 45.3 percent of South Koreans and 55.7 percent of North Koreans. This is a positive sign for successful social integration. Two Koreas remember and share the common culture even though the content has been changed. Both sides can communicate with each other with shared memoirs. We can promote social cohesion and create new identity by utilizing this shared memory. For this goal, inter-Korean dialogue and cooperation must be encouraged at both civilian and governmental level.

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Coming Together!: Could Belgian Integration be a way for the Unified Korea?

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This essay looks at Belgium's integration and splitting crisis in the context of political structure, so-called "Dualistic-Federalism" composed of "Communities" and "Regions." Under the minority ruling authority by the French-speaking people, the Dutch-speaking people in the Flemish region suffered from discrimination in all aspects of cultural, educational and social life, although they were a backbone of building Belgium based on the Catholicism and the bourgeoisie class. "The Flemish Movement" eventually resulted in "State Reforms" that abolished those outdated problems, and thus reconstructed federal state through dualistic-structure, in other words. The heterogeneous country, for a while, could maintain its political mechanism to ensure a unitary entity. At the same time, however, it introduced "separatism" over the political parties in the Dutch-speaking people, and consequently Belgian identity might disintegrate. Dualistic-Federalism is not the cure-all for political populism and separatism. It is necessary to consider that the task for integration lies in "People," but neither in class and group that would be a dominant force, nor in political mechanism to take care of matter as it comes. Although Belgium's case is different from the Korean unification project, it comes to be the useful reflection for the South-North Korea provided that the both Koreans together discover the way for creative evolution in national integration and crisis of the split.

Keywords: Belgium, Dualistic-Federalism, State Reform, Flemish Movement, Lesson for Unified Korea

Introduction

Brussels is not only the capital of Belgium, but also more often cited as the center of the European Union. It is second only to New York a cosmopolitan city as well as the hub of multilateralism in Western Europe. Unlike Brussels — a city of openness, diversity and liberalism — however, Belgium faces with a serious crisis from ethnic tension and potential separatism between the French-speaking and the Dutch-speaking people, aside from increasing proportion of foreign nationals,[1] and even more, its dissolution has very often been mentioned as a fact by international media as well as Belgian people.[2] In reality, Belgium held general elections in May 2014, for instance, but its coalition government was not established until October the same year because it has several controversial issues of economic and political autonomy between the ethnic communities. Although the cause of tension seems that the French-speaking community depends excessively on the Dutch-speaking community economically, but, in fact, more important reason lies in the fact that the Flemings want to preserve and maintain its own ethnic, cultural and historical independence instead of an artificial integration with the Walloons. Nevertheless, it is a clear lesson that the both communities neither resort to political violence nor lead to the collapse of state governance.

For any country, it is not easy to exactly define a national identity that may provide us with insights, in particular when we learn certain experiences after political mechanism of the ruling domestic structure is changed by revolution or reform. Political system is one

1. On 1 January 2010, the population of Belgium was 10,839,905. 10% of total population (1,057,666) inhabitants are not Belgian. The largest group of foreign nationals is Italians (165,052), followed by French, Dutch, Moroccans and Poles respectively, http://www.belgium.be/fr/la_belgique/connaitre_le_pays/Population/ (Date accessed: February 10, 2015).
2. "Bye Bye Belgium," Emission Special on *RTBF*, December 13, 2006; "Time to call it a day," *The Economist*, September 6, 2007; "Can divided Belgium hold together?" *BBC News*, October 20, 2008; "No Love Lost: Is Belgium About to Break in Two?" *Time*, June 30, 2010.

of main points to describe characteristics of a given state. So, a review would be useful to South Korea that pursues national unification if we can examine a country that experienced nation-building and ethnic integration through struggles in political mechanism and domestic structure. Even more so, if that country suffers a crisis of division ethnically after state-building and the national integration, it would be more significant to strictly explore the courses and the contents. Belgium may provide the unified Korean Peninsula with various implications through process and evolution of integration and division in the context nation-building, although its political situation, cultural amalgamation, ethnic composition and social integrity make different from those of the Korean Peninsula.

In this context, this essay firstly tries to overview Belgian history from the perspective of nation-building and changes of political system/mechanism that brought power differentiation to its political centralization. Sometimes, "nation-building" is exchanged or even confused with "state-building." The former refers to construction of identity and evolution of national mentality rather than physical infrastructure while the latter is related to a functional formation of establishing statehood of a certain country with consolidation of territory and permanent institutions.[3] Thus, nation-building is more significantly examined from the viewpoint of political legitimacy in domestic power distribution and people integration while the concept of state-building is widely considered in the context of international law, for instance, recognition of state establishment. This essay focuses primarily on domestic factors to ensure nation identity or bring conflicts between two ethnic groups in Belgium, but does not overlook institutional structures. It looks back that Belgium has undergone a constant crisis and reconciliation caused by the French-speaking and the Dutch-speaking, although German-speaking community also located in the Eastern province, but it is not seriously considered as

3. Harris Mylonas, *The Politics of Nation-Building: Making Co-Nationals, Refugees, and Minorities* (Cambridge & New York: Cambridge University Press, 2012); Charles Tilly, *The Formation of National States in Western Europe* (New Jersey: Princeton University Press, 1975).

the black sheep of the communities because it is the smallest size of Belgian federal system, and that it has transformed its institutional mechanism with a series of state reforms to maintain unitary country since the revolution in 1830. Secondly, it focuses on the separatism and the split of national sentiment in Belgium that currently suffer from the Flemish Movement. Initially, the Movement was alienated from the extreme right, but it was deeply involved in the abolishment of discrimination conducted by the French-speaking and the ruling system in the law and the administrative process. Since the 20th century, the Flemings have produced chances to construct a Belgian Federalism which is composed of dual system — "Regions" and "Communities" — through State Reforms. Currently, the Flemish Movement has influence to "Separatism" that is primarily prevailing in Flanders. *Vlaams Belang*, a Flemish populism party, has claimed regional autonomy, but is going to pursue absolute national interests in the terms of only for Flemings, and moreover, tries to blend xenophobia and anti-Semitism in a slogan of family happiness. This trend, in a greater or less degree, is gradually widespread in the Flemish region. Finally, for the future of the unified Korean Peninsula, the essay discusses implications derived from Belgium's integration or dissolution crisis.

Political Structure and State Reform in Belgium

Historical Overview

In Western Europe, Belgian governmental system has often been explained as a federal state, a con-federal entity or a dual political system.[4] In fact, the Constitution of Belgium officially identifies itself as a "federal state" composed of communities and regions.[5] Back to

4. Charles-Etienne Lagasse, *Nouvelles Institutions Politiques de la Belgique et de l Europe* (Unknown: Artel, 1999); "Le confédéralisme n'est plus très loin," *La Libre*, October 5, 2004.

the history of Europe, Belgium emerged in 1830 as a unit of sovereign state through so-called "Belgian revolution." Prior to that, it was a southern part of the Dutch system until the Dutch War of Independence 1568-1648, and then escaped from the Northern Dutch. The Dutch low-countries including Belgium shortly under the rule of Austria and France, and Belgium was integrated into the United Kingdom of the Netherlands in 1815 after Napoleon's defeat. The territory of Belgium was also internationally considered for the Netherlands to establish its defensive barrier against France. The French-speaking people, however, began to reject absolutism under the Dutch, Prince of Orange and the King William I of the Netherlands, and further to complain religious differences between Protestants in the Dutch region and Catholic churches in the French region. Such heterogeneous country could not exist as an integrated entity anymore. In August 1830, the French-speaking Catholic bourgeoisie and Liberals, influenced by the French July revolution, eventually resisted the ruling system centralized by the Netherlands authority. Furthermore, the Flemish bourgeoisie, with religious and mental aspects, supported the French-speaking bourgeoisie because they have more Catholic orientation than Protestant of the Netherlands. As a result, European neighboring countries, France, Prussia and England recognized Belgium as an independent sovereign state in London, 1831. The French-speaking revolutionaries installed a national congress and Leopold I was enthroned as the first King of Belgium.[6] Thus, Belgium's essential precondition was domestically to achieve national integration of the French-speaking and the Dutch-speaking to maintain political coalition while its neutrality and national independence were internationally secured by the European concert. Its monarchical regime constantly pursued centralized and unilingual structure in a unitary entity, more concretely Belgian social foundation and platform were

5. La Constitution Belgique, Art.1 er. "La Belgique est un État fédéral qui se compose des communautés et des régions."
6. About Belgium's international status in early 19th century, see, Paul Schroeder, "The 19th-Century International System: Changes in the Structure," *World Politics* 39, no. 1 (1986), pp. 1-26.

to "ensure and maintain the bourgeoisie's preponderant power over new state."[7] This solidarity based on the religious faith of Roman Catholic and the social structure formed by bourgeoisie mentality was a foundation to build a unitary Belgium, but faced still challenges of instability because it lacked consensus by all Belgian people. The national consolidation might suffer serious crisis of separatism if it is eroded or collapsed in either way, Catholicism or social structure led by bourgeoisie class.

Belgian elites took on board of ideas initially in nation building such as: firstly, the ruling class including the royal family who is part of the French-speaking, assumed that French language would be one of national unifying instruments.[8] The King Leopold I, the first monarchy of Belgium, was from the House of Saxe-Coburg and Gotha that ruled territories in parts of Bavaria and Thuringia and was the member of German confederation. As did most European royal family, he was speaking in French and succeeded much of the cultural heritage derived from France, and closer to the French bourgeoisie rather than the Dutch-speaking Flemings. Additionally, the French-speaking elites enforced all nations to speak in French as an extension of the French rule whereas the Dutch-speaking Belgian did not agree with the unilingual policy introduced by the French people; secondly, sharing the faith — Catholicism — in Belgium was another instrument to consolidate national identity. In Belgium, the Roman Catholic was a kind of mechanism that transcends ethnic differences and integrates the linguistic heterogeneity into one country. The Conservative Union (*L'Union Constitutionelle et Conservatrice*), under the leadership of Charles Woeste, a lawyer and later to be minister of state, was created in major Dutch-speaking towns such as Ghent, Leuven, Antwerp, and Brussels during the mid-19th century. The Union was to be the Federation of Catholic and conservative circles Associations (*La Fédération des Cercles catholiques et des Associations conservatrices*) and then decided

7. Jean Beaufays, "Belgium: A Dualistic Political System?" *Publius* 18, no. 2 (1988), p. 64.
8. Ibid.

to establish the League of Catholic circles. The Flemish city Mechelen was a center of Belgian-Roman Catholic conference because Belgian the Dutch-speaking, upper-middle class, also has a deep Catholic tradition in the life. Furthermore, the Catholic Union participated in elections. In 1879, the King Leopold II, with the liberal government, proposed and conducted a secular law for creating free primary schools, but even failed by the resistance of Catholic powers in the parliament. In the field of industry, the Confederation of Christian Trade Unions as a leading trade union still influences all areas of Belgium since Belgium is currently a unionized country; thirdly, Belgium during the 18th century was the most dynamic European country with colonial exploitation. Although the colonial policy of Belgium was much covered by the personal ambitions of Leopold II who became the King in 1865, Belgian industry relied heavily on the products of colonized countries for instance, Congo Free State. Under the rule of Leopold II, Belgian government implemented a number of civil engineering projects and export-import business that were usually from exploitation of natural resources in colonies. Such exploitations, one hand, satisfied the greed of the King and royal family, on the other hand, improved of the living quality of bourgeoisie class regardless of the Dutch-the French.[9] In the early 1900s, Belgium's industry was characterized, "coalmining, blast-furnaces, metallurgy and textiles, but the production of artificial fibers and non-ferro industry were stimulated by the colonization of Belgian Congo."[10] At least, affluence in real life shielded its discrimination policy against political tension. Thus Belgium's unitary entity could be maintained under the faith of Roman Catholic and the social platform structured by the bourgeoisie provided that French-speaking dominates absolutely all political agenda.

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9. Adam Hochschild, *King Leopold's Ghost: A Story of Greed, Terror, and Heroism in Colonial Africa* (New York: Houghton Mifflin, 1999), pp. 61-74; Mark van den Wijngaert, Lieve Beullens and Dana Brants, *Pouvoir & monarchie: La Belgique et ses rois* (Bruxelles: Luc Pire, 2002), pp. 320-340.
10. Michelangelo van Meerten, *Capital Formation in Belgium, 1900-1995* (Leuven: Leuven University Press, 2003), pp. 200-201.

Unitary State Reserved by State Reform

National consolidation and political centralization were possible in reserving fundamental desires of the Dutch-speaking people. Up until 1960s, although the Flemings achieved partial equality in the fields of laws, administration and communication, they did not fully participate in political decision process. They hope to set up their own independent institutions to balance out the much-maligned authorities of French-speaking prevailing over even the Flanders region. In order to maintain national integration while sustaining freedom, most of all, it was necessary for Belgian people to accept linguistic pluralism using French, Dutch, and German as official languages. And the first step was to allow them to recognize "linguistic territorialism" in administration, army, justice, and education to establish "inter-linguistic border" between the French, the Dutch and the German-speaking people.[11]

Since 1970s, therefore, along with the evolution of linguistic pluralism, Belgium's political system has been in controversy, called as Federalism or Dualism in the dimension of political reformation. Federalism usually represented as terms of "a political compact between groups which had come together in an association."[12] It is also described as "decentralized power fiscally and politically" under democracy principles.[13] In a federal structure, the idea of "power-sharing" is a main point for contender groups to preserve congruence of unitary entity. So, Belgium's ruling system is often referred to Consociationalism, which is a kind of federalism that is consociational approach to ethnic conflict, emphasizing distribution of political

11. Beaufays, "Belgium: A Dualistic Political System?" p. 65.
12. Jan Erk, *Explaining Federalism, Explaining Federalism State Society and Congruence in Austria, Belgium, Canada, Germany and Switzerland* (New York & Abingdon: Routledge, 2008), p. 2.
13. Joanne Bay Brzinski, Thomas D. Lancaster and Christian Tuschhoff, "Federalism and Compounded Representation: Key Concepts and Project Overview," *Pubilius* 29, no. 3 (1999), pp. 1-17; Jason Sorens, "The Institutions of Fiscal Federalism," *Pubilius* 41, no. 2 (2011), pp. 207-231.

power and stability of legal system to secure characteristics and autonomy of an individual group.[14] Furthermore, economic and social diversity are much considered to organize federal mechanism from the viewpoint of sociological federalism.[15] In particular, Belgium's federal structure seems to reflect socio-economic federalism between the communities and the regions which originated from economic gap and cultural differences. In other words, Belgium's federalization is considered by the ideas "Communization" since the role of federal mechanism plays in the political decentralization or even in the move for congruence between state and society.[16] Moreover, Belgium's regional/communal unbalance in socioeconomic aspect and formal-institutional differences as well as population size is also described as having properties of "asymmetric federalism." Belgium's three territorial Regions (the Flemish, the Walloon and the Brussels-Capital region) and three linguistic Communities (Dutch, French and German Community) are quite different in the aspects of physical size as well as cultural history. The Dutch-speaking Flanders, 60 percent of Belgians, lead the Cabinet of the central government at present, while the French-speaking — 30 percent of Belgians, usually lives in Wallonia, the southern region of Belgium — was a leading power in ruling Belgium as a whole by 1960s. Despite asymmetric federalism, Belgium does not have serious problems from population size. For instance, German community enjoys full competencies of legislative power in policy making as did the much larger French and Dutch-speaking communities. Brussels-Capital region is another independent region, alongside Wallonia and Flanders, using French and Dutch as a common language although the former is much more widespread than the latter in the city.

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14. Arend Lijphart, *Democracy in Plural Societies; A Comparative Exploration* (New Haven & London: Yale University Press, 1977); Hong Ki-Joon, "Political Integration in Belgium: A Case Study on Consociational Federalism," *The Journal of Contemporary European Studies* 23 (2006), pp. 115-138.
15. Pierre-Joseph Proudhon and Richard Vernon (Trans.), *The Principle of Federation* (Toronto: University of Toronto Press, 1980).
16. Jan Erk, *Explaining Federalism*, p. 31.

Such institutional differentiation shows a "Dualist Political System" through so-called "State Reform" by the request of the Flemings.[17] The first state reform in 1970 witnessed the setting-up of three Communities for cultural autonomy and three Regions for their own economic territory, resulted in the extension to individual and social services of competence of Communities. Then the fifth state reform eventually completed the full-fledged federal system under the Communities and the Regions. This dual-complex structure composed of Regions and Communities is a unique institutional mechanism to integrate linguistic groups into a unitary country and at the same time provide them with autonomous decision process and responsibility in policy. In doing so, the most important role of the federal government and the national parliament is to neutralize these asymmetric and complex features through political coalition.[18]

Table 1. State Reform of Belgium

No.	Year	Summary of Revision in the Constitution
1st	1970	• Establishment of three cultural Communities to provide a cultural autonomy • Setting-up three Regions that have their own territory in economic field
2nd	1980	• Extension to individual and social services of competence of communities (French, Dutch, and German) • Establishment of Council and Government in the Communities
3rd	1988-1989	• Shape Brussels-Capital Region • Communities' competence covered up education, while the Regions did transport and public works
4th	1993	• Complete fully-fledged federal under the Communities and the Regions (The following statement is inserted in the Constitution, "*La Belgique est un État fédéral qui se compose des communautés et des régions* [Belgium is a federal state composed of Communities and Regions])."

17. Beaufays, "Belgium: A Dualistic Political System?" pp. 63-73.
18. Wilfred Swenden, "Asymmetric Federalism and Coalition-Making in Belgium," *Publius: The Journal of Federalism* 32, no. 3 (2002), pp. 67-87.

No.	Year	Summary of Revision in the Constitution
5th	2001	• The Lambermont Accord amended: More competences were given to the Communities and the Regions in regard to agriculture, fisheries, foreign trade, development cooperation, auditing of electoral expenses and the supplementary financing of the political parties.[19] • The Lombard Accord amended: Guarantee representation of the Flemings in Brussels in Parliament of the Brussels-Capital Region.
6th	2011	• Adjustment of electoral district and procedure under the title "A more efficient federal State and more autonomous entities" • Division of the Brussels-Halle-Vilvoorde (BHV) district (The split in electoral district of Flemings habitant in the French-region)

Source: Belgium Portal (http://www.belgium.be/en/about_belgium/country/history/belgium_from_1830/formation_federal_state/)

The Parliament members are dominated by the French-Dutch linguistic groups, and the Cabinet also is required to make a coalition government by them because any group cannot overwhelmingly account for the majority in federal government. The Chamber of Representatives (*La Chambre des Représentants*) now is made up of 150 parliamentarians that are directly elected by the constituency, while the Senators consist of the directly elected members and the appointed members from Community parliaments in accordance with population size. Prior to the revision of the Constitution in 1993, the Chamber of Representatives and the Senate (*Le Sénat*) shared the same powers and a law was to be voted on and passed in both chambers. Afterwards, the Chamber of Representatives in the federal system became the primary legislative institution while the Senate still has partial instruments on a way with the Chamber in four main areas: institutional aspect, international affairs, financial matters and judicial field.[20] On

19. IBP Inc., *Belgium Country Study Guide Volume 1 Strategic Information and Developments* (Washington D.C.: International Business Publications, 2012), p. 64.
20. "Sénat de Belgique." Prior to 1995, total number of senators was 184, and then was to be 71 for 1995-2014.

the other hand, the Cabinet's composition in the federal government also reflects power-sharing of linguistic communities and regions. The King officially but not seriously, appoints and dismisses ministers of the federal government. Before doing so, however, he must listen to consultations from the presidents of each party in the Chamber of Parliament, the Flemish and the French party presidents. Composing the federal Cabinet, the King nominates an *informateur* who is responsible for drafting a report on the basis of consultations, and then appoints a *formateur* who is in charge of developing the composition and the program of designated government. The Prime Minister is appointed after an agreement is reached by all participants in the process. Other ministers together form the Council of Ministers, the supreme executive institution, and State Secretaries are appointed by the *formateur's* proposal. The Chamber of Representatives concludes the final agreement/disagreement with a vote of confidence. Usually, however, the composition of coalition government, including appointing a *formateur* who usually become the Prime Minister, is not easy because the gap of ideas and programs between linguistic groups that designate the future of Belgium. Since the federal election on June 10, 2007, for instance, the Cabinet did not complete full coalition until that December since Yves Leterme who was appointed as the *formateur*, could not complete a coalition and resigned from the position. After the election in 2014, political coalition between the French and the Dutch speaking group moved similarly at a snail's pace.

Flemish Movement and Separatism

The federal mechanism based on autonomous decision-making of the Communities and the Regions is to preserve national integration through power-decentralization or power-sharing. The state reforms temporally resulted in peaceful response of two language groups suffering from ethnic tension. Belgium moved to a dual system to form a unitary country of when the Francophone enjoyed its absolute privilege, but is still deeply divided by linguistic and socioeconomic

differences. This phenomenon actually brought about the "Flemish Movement." The movement collectively called all social forces that focus on the emancipation of the Flemings in Belgium. Its aspiration has often produced a fight of Dutch-speaking associations and individuals against a centralized political structure. And, it began to demand more attention for the Flemish culture and the Dutch language against the French-speaking domination in all living areas. In the mid-19th century, a Flemish politician from Ghent, pointed out the discriminated Flemings from viewpoint of socioeconomic problems.

> "The saddest phenomenon, however, is this: while it is clear that Flanders has the most serious lack of education, of good schools, of good school premises, it is also there that the least is being done to remedy this lack; and while in the Walloon area the municipalities, provinces and the State combined have spent 12 million francs in the last five years on extraordinary works for primary education, in the Flemish area, where the need is so much greater, only half that sum was spent...."[21]

Such Flemish claims, however, was not accepted in the Belgian society led by the Francophone, which consequently had alienated the Flemish Belgian's loyalty from Belgian patriotism during the Great War. Flemish soldiers even wrote a letter to King Albert I in 1917, asking his majesty's intervention on the discrimination spreading in Belgium military culture.[22] Therefore, the war story is differently remembered between the Flemings and the Walloons.[23] Shared mentality based on Catholicism and bourgeoisie began to erode in confrontation to the death in the Total War.

Since 1970s, such demands of the Flemings have created the opportunity to conceive a Federal structure in Belgian context, based

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21. Julius Vuylsteke, *Brief Statistical Description of Belgium*, recited from "History of Flemish movement up to 1914."
22. André De Vries, *Flanders: A Cultural History* (Oxford: Oxford University Press, 2007), p. 19.
23. Karen D. Shelby, *Flemish Nationalism and the Great War: The Politics of Memory, Visual Culture and Commemoration* (New York: Palgrave, 2014).

on ideas of Regions and Communities through state reforms. Those Regions and Communities enjoyed exclusively their own autonomous decision-rights in cultural, educational, health and hygiene policy. More important thing is that the Flemish Movement still reveals itself in political party, social aspiration and cultural protectionism. In particular, Flemish nationalists *Vlaams Belang* (Flemish Interest), the renamed group of *Vlaams Block* that was an extreme political party that was dissolved after the violation of the Constitution in November 2004, has continually called for withdrawal from the federal system as well as proposed anti-multicultural policy. Furthermore, a series of results of the Chamber of Representative elections has demonstrated the rise of the Flemish separatist parties claiming full independence of the Dutch-speaking territory.

Table 2. *Chambre des Représentants* Elections in 2007

Political Group	%	Seats
Christian Democratic and Flemish (CD&V)-New Flemish Alliance (N-VA)	18.51	30
Movement for Reform (MR)	12.52	23
Socialist Party (PS)	10.86	20
Open VLD	11.83	18
Vlaams Belang (Flemish Interest)	11.99	17
Flemish Socialist Party - Spirit (SPA-Spirit)	10.26	14
Humanist Democratic Centre (CDH)	6.06	10
Greens - Walloon (Ecolo)	5.10	8
Dedecker List	4.03	5
Greens - Flamands (GROEN!)	3.98	4
National Front (FN)	1.97	1

Table 3. *Chambre des Représentants* Elections in 2010

Political Group	%	Seats
New Flemish Alliance (N-VA)	17.4	27
Socialist Party (PS)	13.7	26
Movement for Reform (MR)	8.4	18
Christian Democratic and Flemish (CD&V)	10.9	17
Open VLD	8.6	13
Flemish Socialist Party - Spirit (SPA-Spirit)	9.2	13
Vlaams Belang (Flemish Interest)	7.8	12
Humanist Democratic Centre (CDH)	5.5	9
Greens - Walloon (Ecolo)	4.8	8
GROEN!(Greens - Flamands)	4.4	5
Dedecker List	–	1
People's Party	–	1

Table 4. *Chambre des Représentants* Elections in 2014

Political Group	%	Seats
New Flemish Alliance (N-VA)	20.3	33
Socialist Party (PS)	11.7	23
Christian Democratic and Flemish (CD&V)	11.6	18
Open VLD	9.8	14
Movement for Reform (MR)	9.6	20
Flemish Socialist Party - Spirit (SPA-Spirit)	8.8	13
Greens - Flamands (GROEN!)	5.3	6
Humanist Democratic Centre (CDH)	5.0	9
Vlaams Belang (Flemish Interest)	3.7	3
Greens - Walloon (Ecolo)	3.3	6
Others	–	5

Source: Inter-Parliament Union; "Elections 2014" *Le Soir*.
* Bold type refers to the parties calling for Flemish independence.

In the tables, the Dutch parties include Open VLD, Flemish Socialist Party-Spirit (SPA-Spirit), GROEN!, *Vlaams Belang* (VB), Christian Democratic and Flemish (CD&V) and New Flemish Alliance (N-VA) whereas the French parties cover Socialist Party (PS), Movement for Reform (MR), Humanist Democratic Centre (CDH) and the Ecolo. The seats are 87 for the Dutch communal representatives and 62 for the French including the German-speaking area.

One special feature in Belgian party system is that the ownership is divided in accordance with both the language-ethnic groups. For instance, Flemish Socialist Party and French Socialist Party are completely different in organization, budget and constituency, and nominate potential candidates respectively in elections, although they share a common political tendency in same ideologies. Flemish parties are usually in favor of the Flemish movement, although there are varying degrees. Among them, *Vlaams Belang*, Christian Democratic Flemish, and New Flemish Alliance together are dominant political parties in Flanders to support the Flemish movement, whereas the French-speaking people did not share to complain the political system under the ruling of the Francophone. In fact, "Belgian nationalism was a much stronger force in the region than Walloon nationalism ever was."[24] As seen from the tables, the Parliament seat-share of three Flemish groups has been much higher than other groups, and thus this trend is bringing into the concern of nation-spilt.

Vlaams Belang (VB) possesses many resources that the Flemish movement provided. It calls for separatism from Federal system, and further, degraded Belgium as an "artificial state" while Christian Democratic and Flemish and New Flemish Alliance propose moderately the way of the con-federal state rather than separatism. Such extreme right-wing ideas had not much influence in the Flemish Movement until German totalitarian regime financially supported to *Vlaams Nationaal Verbond* (Flemish National Union) in the early 1930s, and subsequently it made eventually the way to the radical direction.[25] In

24. David Art, "The Organizational Origins of the Contemporary Radical Right: The Case of Belgium," *Comparative Politics* 40, no. 4 (2008), p. 429.
25. Ibid., pp. 426-427.

other words, Flemish Movement has redirected to ensure the Fleming's socioeconomic rights and proposed the anti-migration policy in the slogan of family happiness on the basis of the Dutch solidarity against social discrimination. Political ideology in extreme right-wing parties has been surely determined by "the shape of the far right landscape."[26] *Vlaams Belang* reveals its political principles following,

> ... It is an instrument for the advancement of the national and cultural identity of Flanders. Through its political initiatives the Vlaams Belang aims to ensure that the organisation and government of the state are (co-)determined by the need to preserve the cultural identity and the national interests of the Flemish people.... [27]

The Flemish extremists also hide its identity in building Flemish independence, defending the Dutch language, and encouraging cooperation between the Flemish region and the Netherlands. Moreover, it reveals that its activities aim "to dissolve Belgium and establish an independent Flemish state"[28] Of course, *Vlaams Belang* is largely criticized from European and international communities as well as Belgian people because it rejects universal values such as multiculturalism that reflects cultural diversity and relativism, while it only cherishes the Flemish cultural identity. Thus although the separatist emphasizes the democracy and the rule of law are the best priorities for individual freedom in its "Mission Statement,"[29] its declaration could still not be accepted to European support.

Surly, New Flemish Alliance (N-VA) and Christian Democratic and Flemish (CD&V) are more modest groups compared to *Vlaams Belang* in terms of absolute regional autonomy, country dissolution and even xenophobia. Nevertheless, two Flemish parties are still negative to Belgian integration without common aspirations and interests.

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26. Ibid., p. 436.
27. The Flemish Republic, http://www.flemishrepublic.org/4/ (Date Accessed: February 14, 2015).
28. Ibid.
29. Ibid.

Vlaams Belang thinks the subsidiary for other communities as "the dissipation of public money."[30] To some extent, this idea is shared with all other Flemish parties. New Flemish Alliance, the biggest party in Belgium, declared that it would see Belgium evolving from a federal state into a confederation.[31]

Concluding Remarks: Implication for Unified Korea

To what extent does this Belgian experiences provide lesson to the Korean Peninsula? Most of all, there are many discourses with negative responses to the unification of the Korean Peninsula, stressing the generation gap. According to recent survey, 50-60 percent respondents feel that unification of the Korean Peninsula is unnecessary while the poll in 1990s, 90 percent gave a positive response.[32] The most persuasive reason of the poll-result shift is largely understood that the South Korean people heavily feel governmental spending, increase in taxation and administrative redundancy through the calculation of cost-benefit, of course although there are a few arguments that emphasize a market expansion in unified South-North Korea and an invisible asset calling "completed peace and stability" may neutralizes a fiscal burden and a sharing responsibility in the condition that a reasonable time schedule is needed.[33] It seems that personal impression based on the calculation of cost-benefit replaces a discourse of sensible unification.

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30. Ibid.
31. "The meaning of a confederation. What are the implications for Belgium?" *News Juice*, October 12, 2012.
32. "The Generation Gap on Korean Unification," *The Diplomat*, January 29, 2015; "Survey shows a third of young S. Koreans negative on unification." *Yonhap News*, November 19, 2013; "South Korean youth grow wary of unification," *The Washington Post*, October 17, 2011; "Korean unification: dreams of unity fade into past for young South Koreans," *The Guardian*, May 27, 2013.
33. Kim Kyuryoon, Hwang Byung-Duck et al., *New Approach to the Costs/Benefits of Korean Unification: Adopting Comprehensive Research Factors and Seeking Alternatives* (Seoul: KINU, 2012)

To be sure, Belgium's nation-building supported by heterogeneous ethnic bourgeoisies and Catholicism holding decisive motivations to launch a new country is a unique case in European history. More significant implication, however, is to observe the cases that covers State Reform, social movement (i.e. Flemish Movement) and rising of separatism after integration. When Belgium initially appeared, its priority was "nation-state building" led by Catholicism and bourgeoisie class, even though they were combined by different groups ethnically. Over the years, it was not easy to integrate both French-speaking and Dutch- speaking into a unitary country. Belgium has a special experience that the aspiration of national integration or ethnic followed the establishment of nation state. Belgium's nation state meant eventually post-modern state beyond ideologically ethnic heterogeneity, or modern-state without ethnic heterogeneity. If it is for the latter, that is, say, "an artificial state," as *Vlaams Belang* alleged. Post-integration of Belgian nation state conceived the ideas of Communities and Regions in the political structure of dualistic federalism. In this point, we have to retrospect again on why the nationalism or the ethnic integration appears in Belgium.

On entering the 20th century, the Dutch-speaking people under the ruling of the minority authorities desired a more matured culture and a kind of consciousness to maintain its own history rooted in national aspiration. As above, Belgian politician Julius Vuylsteke pointed out that the education matter is a crucial area to defend its culture and history for the Fleming's autonomy. This stress means that one of basic rights of persons is to be respect for their culture and education, rather than construct formal nation state. Moreover, the experience of the War strengthened those confidences to the Flemings.

At least, in Belgium, the religious faith and the class-solidarity became to be the less discipline under democratic principles. Federalism, which could secure autonomy and independence of ethnic groups, replaced the obsolete ideology. "The Flemish Movement" was a kind of political demonstration calling for the protection of the Flemish-speaking people's fundamental rights. Furthermore, the Movement reflected aspiration of "*raison d'être* of Flemish people,"

although it was partly transformed to the political extremism. In Post-industrial society, Socio-economic issues came to underplay religious faith and class solidarity.

In the 21st century, Belgium again encounters a controversial issue, in other words, "separatism" led by the Flemings. Ostensibly, the reason why is that asymmetric distribution of economic resources between the Walloon and the Flanders results in the former's excessive dependence on the latter. Yves Leterme, the former Prime Minister, said,

> "... The federal government has a future if given the space to the federated entities to support their funding, to solve their social and economic differentials. If we can do that at the institutional level, the Belgian state has a future...."[34]

Currently, however, Flemish movement reveals partly positive effects on ethnic solidarity in the context of socio-economic matters, but there is no influence of for instance employment in the primary sector, and also shows a negative effect of industrial combination mutually in both the Communities.[35] Rather than, more crucial thing is the willingness for integration or to be represented by other alternative words. Conceivable ideas for ensuring independence and autonomy of the Communities and the Regions, ironically, introduced the split between Dutch-French culture and history. The Walloons as well as the Flemings do not step by step convince of the "raison d'être of Belgium." A French media reported for instance the French-speaking at Wallonia are 23 percent believe the disappearance of Belgium, and 59 percent still do not feel that, and 18 percent do not know anything. That is to say, 41 percent of the Francophone in the southern region is indifferent or negative to Belgium as a unitary entity.[36]

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34. "Je veux aider la Wallonie à s'en sortir," *La Libre*, May 21, 2007. Translation by the author.
35. François Nielsen, "The Flemish Movement in Belgium After World War II: A Dynamic Analysis," *American Sociological Review* 45, no. 1 (1980), pp. 76-94.
36. "Un Wallon sur deux prêt à devenir français!" *La Voix Nord*, July 29, 2008, Furthermore, in the report, almost half of the Walloons – 49% – make a favorable impression of France. Even more, 60% Nord-Pas-de-Calais peoples are in favor of the annexation of Wallonia.

On rising of a grand community, the European Union, on the one hand, the nation state relies on absolute sovereignty and independence is to be more ambiguous entity. On the other hand, the project of multiculturalism failed. Belgium in the 21st century might be highly back to the early 19th century, if they do not conceive a new mechanism or aspiration for consolidation of both the Communities. A majority of the Walloons (66%) wants to preserve the king's powers while only a third of the Flemings (31%) would like to keep in the state,[37] although Philippe I, the new king of the Belgians, says that he would strongly unite a divided nation.[38]

In this context, Belgium case provides the following inputs for the unified Korean Peninsula. Firstly, the Korean Peninsula should reflect the reason of the division. Ethnic conflict is not the case for the South and North Korea. The task for integration lies in "the Korean people," but not in a class or a group that would design to be a dominant force. Secondly, comparing with Belgian experience, federalism is not a panacea for satisfying everything in political life. Over the times, it might come to the conflicts of the Communities and the Regions each other, if the federalism is not a just suitable hat to both Koreans. Institutional distribution of capability and competence between the local provinces and the central government has to be thoughtfully considered. Such a matter of social security is a crucial point as instrument to allocate power in the multi-federalism.[39] Thirdly, it is necessary to prepare for occurrence of the extreme/popular movement. As long as the Korean peninsula is divided, it is certain to leave a great gap of value, perception and cognition in philosophical and cultural way in both sides. Political implementations have to be determined in considering the necessity of non-material factors as well as physical resources. Lastly, it should be considered to the rela-

37. "Flamands et francophones divisés sur le futur rôle du roi," *Le Soir*, July 15, 2013.
38. "Le nouveau roi des Belges devra unir une nation divisée," *Capital*, July 21, 2013.
39. Patricia Popelier and Bea Cantillon, "Bipolar Federalism and the Social Welfare State: A Case for Shared Competences," *Publius* 43, no. 4 (2013), pp. 626-647.

tion with neighboring countries. Belgium was constructed through the conclusion agreed by the great neighbors such as UK, France, Germany and the Netherlands. In particular, France and the Netherlands were the main stakeholders to defend its border interests. If Belgium is to be disintegrated in future, France and the Netherlands have to think many things again in the structure of European post-modern state. Similarly, whether the future of South-North Korea designates unification, integration or serious conflicts of the Peninsula, neighbor stakeholders will keep close eye on the entity in the context of systemic stability and regional order. Thus, the Korean peninsula reflects again its future vision to contribute to the world.

Belgium's experiences are much different from the Korean unification project. However, Belgium comes to be the reflection for both Koreans provided that the South-North Koreans together discover the way for creative evolution in national integration or in crisis of the split.

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Being Better at Doing Good: Organizational Engagement and International Management Practices in the DPR (North) Korea

Rajarshi Sen

International organizations work in North Korea (the DPRK) under multiple external and internal pressures, and they try to respond to their working environment in their own ways. However, it is important that these organizations are able to work effectively, in order for international engagement with the DPRK or any transition to be meaningful. In this research, utilizing the case study method, I explore the following questions: How can international organizations work more effectively in the DPRK? How can they achieve their outputs and outcomes more easily? What are the dynamics of the mutual embeddedness process as international organizations become immersed in the context of the DPRK? I find that organizations in their efforts to respond to the environment in the DPRK end up compromising their effectiveness in avoidable ways. I explore what works and what does not for organizational management in the DPRK and make some recommendations.

Keywords: international organizations, North Korea, organizational effectiveness, mutual embeddedness, socialist transition

Introduction

DPR Korea (North Korea/the DPRK) has one of the most difficult in-country operating conditions for international organizations and their managers. Scholars have noted that economic engagement with the DPRK has been "used for cross-purposes and that this ... is unwittingly helping North Korea achieve aims ..." which are unintended.[1] How-

1. Hazel Smith, "How South Korean Means Support North Korean Ends: Crossed Purposes in Inter-Korean Economic Cooperation," *International Journal of Korean Unification Studies* 14, no. 2 (2005), p. 22.

ever, at the same time, there is significant support for engagement with DPR Korea.[2] Influential sections in many countries such as China, Russia and even the Republic of Korea (South Korea/ROK) feel that it is through constructive economic engagement that the DPRK may change from within, ensuring the welfare of all of its people, and hence reducing the tension in the Korean peninsula. But how do we ensure the effectiveness of economic engagement with the DPRK?

As a partial answer to that question, I study the record of engagement of international organizations working in the DPRK. I find that there is scope for massive inconsistency between what international organizations in the DPRK expect to happen (such as, behaviors they expect from their local employees/the DPRK nationals), based on how these organizations manage their operations, and what in fact happens. International organizations' understanding of existing social drivers and what they can achieve in such an environment is under-studied, especially in a closed economic system like DPR Korea.

The specific questions that this research explores are: How can international organizations effectively work in DPR Korea? How can they achieve their outputs and outcomes more easily? To what extent do international organizations change due to working in DPR Korea and, in turn, to what extent do the DPRK actors change due to working with international organizations; i.e., what are the dynamics of the mutual embeddedness process? These are important questions not only for the DPRK but for many other contexts, such as post-socialist transition countries.

Much of the literature on economic and organization management in socialist-communist contexts tend to be concentrated on European post-socialist transition countries. This study contributes to comparable literature focusing on the Asian context.

There is also implication for multinational enterprises (MNEs) working in emerging markets, which are known to worry about the "fit" of their organizations to the local context. "A recent Accenture

2. Asia Society and University of California, *North Korea Inside Out: The Case for Economic Engagement*, 2009, Report of Independent Task Force.

survey shows that 95 percent of senior executives say that they doubt their companies have the right operating model to support their international strategy."[3] Depending on the alignment of interests between headquarters and the country of operation, the management responses to the problem of local intransigence may range from the need for minor adaptations to overcoming significant hurdles.

For instance, organizations over the world employ various incentives that are designed to retain, motivate and promote their staff. In the DPRK, the conditions like restricting interaction between national and international workers are such that those incentives lose their edge. To make things worse, there is the overhang of geopolitical crisis that periodically negatively impact operations of organizations in the DPRK. It is therefore in the interest of those working and investing in the DPRK, in the interest of effectiveness of official development assistance, and for any kind of transition planning, to better understand the various ways of embeddedness and spillovers of international organizations working in that country.

Literature Review

The field of economic and organization management in socialist-communist countries is informed by many studies on post-socialist transition and comparatively fewer studies (at least the recent ones that are in English) on the management of "classical" socialist organizations, not in transition. The scarcity of the latter type of studies is due to information control and restrictions on scholarship in "classical" socialist-communist countries and disinterest of contemporary scholars on classical socialism.[4] As to the former body of work — on post

3. Stéphane J.G. Girod, Joshua B. Bellin and Robert J. Thomas, "Are Emerging-Market Multinationals Creating The Global Operating Models of the Future?" Research Report, Accenture Institute for High Performance, 2009, p. 3.
4. Rüdiger Frank and Sabine Burghart, eds., *Driving Forces of Socialist Transformation: North Korea and the Experience of Europe and East Asia* (Vienna: Praesens Verlag, 2010).

socialist transition — this is often colored by Western and neoclassical economic precepts. (There is also an interesting body of literature on the lessons to be learned from socialist transition, mostly by World Bank economists and others from similar background, of which the two notable scholars are Joe Stiglitz and Justin Lin, who have greatly illuminated China's transition. However, these works deal with macro-level issues such as initial conditions and path dependencies and not so much with the meso and micro level issues that is the remit of this research.) At any rate, much of this abovementioned literature is on European socialist-communist systems. The applicability of this Eurocentric knowledge is limited to the DPR Korea as European socialism-communism and the Asian variety, particularly the DPRK's system, differ in important ways. Nevertheless, there are some comparable literature on the DPR Korea and some committed scholars. Much of the Korean scholarship on this subject usually focuses on international relations, unification or regime collapse. A general issue, however, with this literature is the lack of the respective researchers' direct and sustained physical access inside the country. Hence, these scholars are limited in their direct observation of internal workings of organizations and human dynamics in situation in the DPRK.

Comparative management studies identify and explain similarities and differences among business strategies, management systems and social behavior in different work contexts (e.g., geographic areas, cultures or industries). Historically, the study of comparative management assumed salience in the context of post-socialist transition, as the recognition dawned "that post-socialism has proven to be more complex, convoluted and diverse than was first thought by the transition economists."[5] It became clear in post socialist institution building that the influence of international actors was actively constrained by local actors in a variety of everyday micro-social interactions. The literature on the study of small and medium enterprise management in post-socialist transition draws from the rich empirical evidence of

5. Ed Clark and Mike Geppert, "Socio-political processes in international management in postsocialist contexts: knowledge, learning and transnational institution building," *Journal of International Management* 12, no. 3 (2006), p. 3.

eastern European firms.[6]

The relevant and recent literature specifically on the DPRK is by a handful of scholars with long commitments to Korean studies. Hazel Smith is one such scholar, as well as a practitioner, who has worked with the UN and humanitarian agencies in the DPRK. In *Hungry for Peace*,[7] she deals with the DPRK's famine during the 1990s. She explains that the famine and the humanitarian response have subtly transformed the DPRK's economy, society, and political thinking, as the country accepted some international norms and allowed markets to function. Rüdiger Frank and Sabine Burghart among others have done interesting work on socialist transformation in the DPRK. Their approach is to study the history and transition of socialist institutions, and illuminate the 'stickiness' of the institutions in the context of change.[8] In a 2006 paper,[9] Frank notes:

> Though not making headlines in the Western press, the societal relations in North Korea have changed dramatically. It is virtually impossible to undo what the monetization of the economy has done to individual's outlook on their own life and their place in society. In addition to loyalty to the state, there now exists an alternative way of advancing. The politically enforced uniformity of living conditions that applied to most North Koreans has been rapidly replaced by social stratification according to material wealth on a large scale. In a monetized economy, political power is closely related to economic power. Unless the top leadership decides to start a massive purge and to expropriate the new rich — a step that would be politically risky and therefore must be considered unlikely — these winners could become the nucleus of a middle class that would exhibit the same characteristic as elsewhere: a strong distaste for extremes.

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6. Snejina Michailova and K. Liuhto, "Organization and management research in transition economies: towards improved research methodologies," *Journal of East-West Business* 6, no. 3 (2001), pp. 7-46.
7. Hazel Smith, *Hungry for Peace: International Security, Humanitarian Assistance, and Social Change in North Korea* (Washington D.C.: United States Institute of Peace Press, 2005).
8. Frank and Burghart, eds., *Driving Forces of Socialist Transformation*.
9. Rüdiger Frank, "Classical Socialism in North Korea and its Transformation: The Role and the Future of Agriculture," *Harvard Asia Quarterly* 10, no. 2 (2006), p. 54.

Noland in a recent paper[10] examines labor standards and employment practices in Kaesong special economic zone in the DPRK, where Republic of Korea (South Korean) firms operate. This paper examines whether ROK firms' employment practices in DPRK are likely to encourage the DPRK's transition. Utilizing survey data, Noland shows that the DPRK government has successfully circumscribed exposure of its citizens who are the workers in these ROK firms to market-oriented economic practices. Noland finds no evidence of the sort of broader spillovers that proponents of engagement sometimes assert. The paper also explores the possibility of using voluntary labor codes to promote transformation.

The work of the above scholars, cumulatively, has significant breadth, but there is a paucity of in situ studies. The source material for most of these works is second hand — either interviews of defectors, mirror statistics or other proxies. There is a troublesome limitation of primary and reliable information on the DPRK, and hence there is a speculative quality pervading much of the literature.

Enhancing Organizational Effectiveness in the DPRK: Clutching at Straws?

Enhancing the effectiveness of international organizations working in the DPRK may sound like a wishful thinking. Organizational effectiveness at its simplest is about improving organizational performance externally and internally. This should be determined through multiple criteria, including productivity, growth, turnover, stability, collaboration and human resource development.[11]

As the abovementioned criteria *inter alia* determine the embeddedness of an organizational in its context, we examine the process of

10. Marcus Noland, "Labor Standards and South Korean Employment Practices in North Korea," Report, Washington, D.C.: US-Korea Institute at SAIS, 2014.
11. W. Richard Scott, *Organizations: Rational, Natural, and Open Systems* (Englewood Cliffs, NJ: Prentice Hall, 1992).

embedding of international organizations working in the DPRK. The concept of organizational embeddedness, introduced by Polyani[12] and expanded by Granovetter[13] and others is useful for this research as it allows a study of the complexity within which organizations find themselves. Another usefulness of the embeddedness concept is its dual nature: Embeddedness constrains organizations' effectiveness by tying them down in webs of social, political, cultural factors that act as friction against efficient management; embeddedness can also open up opportunities for organizations through, for example, improved network resources, greater trust and lower transactions costs.

International organizations adjust their corporate interests in relation to local conditions existing in host countries. Therefore, the economic, social, cultural, and institutional conditions of host countries are important considerations for organizational embedding processes; particularly, social, micro-level interaction between expat managers of international organizations and local actors.[14]

In the DPRK, where there is tight control on every facet of life, the drivers and barriers to embeddedness, the relevant variables, should be identifiable. International organizations operate here based on (i) a broader agreement with local authorities as to their mandate; and (ii) specific permissions for each consequent activity that implementing the broad agreement entails. Basically, the "official line" is supposed to be followed in every aspect of economic and social exchange. The official line basically prescribes a range of activities and functions that are pre-approved. Any deviation, therefore, stands out.

Accordingly, I study the outcomes of certain activities and atten-

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12. Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston, MA: Beacon Press, 1944).
13. Mark Granovetter, "Economic Action and Social Structure: The Problem of Embeddedness," *American Journal of Sociology* 91 (1985), pp. 481-510.
14. Marta Kahancová, "Embedding Multinationals in Postsocialist Host Countries: Social Interaction and the Compatibility of Organizational Interests with Host-Country Institutions," Discussion Paper, Köln: Max Planck Institute for the Study of Societies, 2008.

dant friction/transaction costs of those activities under examination, which at different points in their life in the DPRK the international organizations engage in. Further, the embedding process in the DPRK does not generate increasing returns; e.g., giving more incentives to workers does not necessarily engender proportionally increasing levels of trust in them towards the management. This is because the system in the DPRK is premised on minimizing interaction, reciprocity and dependence between locals and foreigners. For example, the DPRK nationals working in international organizations are mandatorily removed after relatively short periods of time. Also, there is no scope for contact between former international and national colleagues. Many such micro-level restrictions are in place, designed to effectively bring about a sort of mutual disembeddedness, which act as barriers to positive mutual embeddedness.

Thus, to understand how embedding occurs I follow a three-pronged approach:

- Elicit an understanding of interactions and dynamics from available literature on international management practices in the DPRK and in the post socialist transition context.
- Empirically explore micro-level management practices of international organizations working in the DPRK, and the response of relevant local actors/counterparts.
- Apply theoretical logic to the empirical information and to the findings from literature, to determine the variables (i.e., the drivers and barriers) to the mutual embedding process between the international organizations operating in the DPRK and their local counterparts.

The possible variables of embeddedness/disembeddedness in day-to-day management practices that this research focuses on include: the human resource management practices of international agencies and firms working in the DPRK (e.g., what kinds of incentives improves which types of performance of workers?); motivations and ideologies of salient actors (e.g., what kinds of incentives are requested by workers for which kinds of work); and the consequent negotiation/bargaining dynamics between expat managers and their DPRK counterparts.

As this research is essentially exploratory in nature, it utilizes the case study method, employing suitable qualitative research tools, including literature review, participant and non-participant observations, and unstructured interviews for studying the selected cases of the handful of international organizations working in the DPRK. The aim of this research is not to test hypotheses, as the areas under study in the context of the DPRK are still underexplored and hence data and theories will not be readily available. Instead, this research aims to identify salient variables (i.e., drivers and barriers to mutual embeddedness and disembeddedness), study the various conditions of cause and effect of such variables, and generate new knowledge. Qualitative research is also suitable for this kind work to trace the lines of causation.

The consultation includes sources available in the public domain (such as aid agency reports) and, utilizing my current vantage point as resident in the DPRK, appropriate observations of salient people and dynamics relevant to organizations in-country.

Limitations

For the case study, as this research utilizes a convenience sample, addressing limitations of low generalizability and external validity would be necessary. Through an extensive survey of the theoretical and case study literature (aid agency documents), thus, and close observation of aid agency practices, we expect to compensate for sample limitations.

Limitations of studying embeddedness also need to be addressed. One general vexing question in organizational embeddedness research is how to attribute embeddedness/disembeddedness. Organization research scholars have cautioned, "Not everything is 'embeddedness'."[15] In the case of the DPRK, this problem is somewhat mitigated

15. Tina M. Dacin, Marc J. Ventresca and Brent D. Beal, "The Embeddedness of Organizations: Dialogue & Directions," *Journal of Management* 25, no. 3 (1999), pp. 317-356.

by the fact that market forces are greatly attenuated, particularly at the meso-level economic sectors which most international organizations occupy and work in. In addition, it is the author's experience in the DPRK that reciprocal decisions/actions often occur, to an extent, in a tit-for-tat manner, i.e., the organization takes one step and the DPRK counterparts take another corresponding step in relatively quick succession. Such responses make the question of attribution somewhat transparent.

Furthermore, in keeping with the best recommendations in embeddedness research methods, this research studies the rich empirical context in which organizations work in the DPRK. This study looks at the various repetitive actions and processes that international organizations in the DPRK do over time, and the corresponding responses to and outcomes of such actions and processes.

International Organizations in the DPRK

The United Nations agencies, embassies, and international NGOs (INGOs) constitute a relatively sizeable presence of international organizations in the DPRK. It is noteworthy that these well-known INGOs cannot operate in the DPRK under their own names. In addition, there are 24 embassies in Pyongyang.

Then, there are resident commercial/joint venture organizations. Expat managers and international personnel of these commercial organizations mostly reside in and around the Munsudong diplomatic area in Pyongyang (or in city hotels), with all the other diplomats, UN and aid workers.

The DPRK, like China and other socialist countries, has begun experimenting in enclave capitalism, and has set up Special Economic Zones (SEZ) in far flung areas of the country. The Rason Special Economic Zone was established in the far northeast of the country in 1991. The two Koreas have established two joint economic zones, the Kaesong Industrial Complex (KIC) and the Mount Kumgang Tourist

Region (where operations are now suspended). The DPRK's SEZs have attracted investment and foreign currency, without spurring greater/general economic growth in the rest of the country through the establishment of linkages or through "demonstration effect" leading to more effective economic activities. The DPRK recently announced that new SEZs would be established in each province of the country. The expat managers and staff of the SEZs are restricted to living within the SEZs.

Then, how do the various agencies and organizations differ in terms of their respective motivations, ideology, and negotiation styles, which are the relevant variables being studies in this research? In the discussion below, we examine the general varieties of organizing and managing in socialist systems, and within that discussion will situate our DPRK case study.

DPRK's Coordinating Agencies

The DPRK government has coordinating bodies for the international agencies working in the country; these agencies are generally part of some of the ministries, like the Ministry of Foreign Affairs. The coordinating bodies are: KECCA (the Korean Europe Cooperation Coordination Agency) for INGOs and NCCs (the National Coordinating Agencies) for the various UN Agencies.

For international commercial organizations operating the Special Economic Zones (SEZs), the government coordinating agencies are the State Economic Development Commission (SEDC) and the Korea Economic Development Association (KEDA). These oversee the development and promotion of the DPRK SEZs. The Kaesong Industrial Complex has a dedicated coordinating body, the Kaesong Industrial District Management Committee (KIDMAC). There are recent reports that the Ministry of External Economic Affairs (formerly the Ministry of Foreign Trade) has been reorganized in June 2014 to subsume the DPRK's Joint Venture and Investment Commission (JVIC), SEDC and possibly all other separate agencies, and thus all matters

related to international economic enterprises are streamlined into a single body now.[16] These coordinating agencies' explicit role is to collaborate and coordinate the working of respective international organizations; they also exert parallel control on the DPRK staff working in such organizations.

In each office of each international agency operating in the DPRK, there are one or two national colleagues who are responsible for coordinating the other national colleagues in that office. It is often the case that there are intersecting parallel lines of management, explicit and implicit, in the international organization operating in the DPRK. Thus, expat managers face many challenges in smoothly managing their organizations.

Nevertheless, there is growing evidence of interdependent interaction between the DPRK entities and international organizations working in the DPRK. There are reports, for example, that minimum operating conditions of humanitarian agencies were gradually improving.[17] Private commercial firms were employing innovative methods to reward and incentivize the DPRK workers, such as through chocolate pies at the Kaesong Industrial Complex (which is a longstanding example of inter-Korean cooperation, and most recently affected in the wake of the 2013 Korean crisis[18]).[19]

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16. Institute of Far East Asia Studies, "North Korea's Ministry of External Economic Affairs Stresses Business at Economic Development Zones is Gaining Momentum," *NK Brief* no. 141006, Seoul: IFES, 2014.
17. Aid agencies in the DPRK regularly put out various reports of their cooperation on the ground and scanning any of those can lead one to easily conclude that working environment is tentatively improving.
18. The latest crisis in 2013 included an escalation of tensions between North and South Korea (Republic of Korea, ROK), the United States, and Japan. The trigger was the North's launch of its Kwangmyŏngsŏng-3 Unit 2 satellite on December 12, 2012, and its nuclear test on February 12, 2013.
19. Kim Young-jin, "Choco Pies Fuel Productivity at Gaeseong," *Korea Times*, September 12, 2012.

Organizations and Management in Socialist Systems

There is not much existing literature in the public domain on actual organizational level management and human resource practices prevalent in the DPRK. This is to a large extent due to the lack of access of researchers to organizations in the DPRK. There are (1) only a handful of case studies of the Kaesong Industrial Complex (KIC) — the joint DPRK-ROK Special Economic Zone (SEZ) — which is perhaps the only industrial area where organization researchers have access. Then, there are some organizational audit-type reports (mostly of the United Nations' organizations) available in the public domain. And, my own empirical observations, based on three years of living and working (as an international development consultant) in the DPRK. Hence, this is the body of knowledge from which I draw inferences for this research.

As a starting point, for general purposes/macro-perspective, it may be valid to assume that the DPRK having a socialistic and command economy type, there should be broad similarities with systems and practices prevalent in such socialist countries elsewhere. In socialist State Owned Enterprises (SOEs), managers do not see their roles as entrepreneurs, interested in expanding future incomes for the organization, but rather primarily as custodians on behalf of the state of past investments and resources. Thus, in socialist economies, SOE managers adopt a bookkeeping management style; as profits/surplus if any is generally turned over to state or used per directions from the state.[20]

Socialist socio-economic systems usually operate as rigidly hierarchical and rule-bound, and are marked by several important disconnections. Business organizations are intersected with multiple lines of authority (this, for instance, is evident in the international organizations working in the DPRK, e.g., as noted in the DPRK Coor-

20. Max H. Boisot, "Institutionalizing the Labour Theory of Value: Some Obstacles to the Reform of State-owned Enterprises in China and Vietnam," *Organization Studies* 17, no. 6 (1996), pp. 909-928.

dinating Agencies section above); the management style in use is a combination of participation, ideological propaganda, and coercion. The enterprises are deeply dependent on the state for structural and political-ideological reasons; such dependence leads to disconnect of the actions of economic units from their financial consequences (e.g., soft budget constraints).[21] Managers of socialist enterprises must demonstrate submission to the official ideology, and hence must conspicuously display their obedience; such conformity is known to lead to disconnection of the formal organizational system from actual organizational practices.[22]

As for organizational culture — i.e., the system of values and meanings practiced in and promoted by a specific organization and which it uses to motivate its employees — for capitalist firms it is generally locally-defined (i.e., related to the firm's immediate social environment), loose and implicit. Organization culture of firms in socialist economies on the other hand is centrally-ordained; employee motivation in socialist firms is therefore traced to state/external sources and is much more heavily imposed than in capitalist firms. Of course, the specifics of how organizational cultures were practiced differed from country to country. For instance, organizational culture in the former Soviet Union involved obtrusive party and government propaganda, press campaigns, and party control into employee inducements and motivations; in other words, staying in the good books of the party leaders, who may or may not have the best economic interests of the organization at heart, would be a *sine qua non* for any employee's career.[23]

In current day DPRK, an idea of organization culture can be drawn

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21. This phrase, credited to the Hungarian economist János Kornai, is the description of an institutional practice in centrally planned, socialist economies in which production units form expectations of always being bailed out by central authorities and not be held accountable for performance (Wikipedia).
22. Haridimos Tsoukas, "Socio-economic Systems and Organizational Management: An Institutional Perspective on the Socialist Firm," *Organization Studies* 15, no. 1 (1994), p. 23.
23. Ibid., p. 33.

from a reading of the precepts of economic management being implemented in the country, the so-called Economic Management in Our Style policy. According to this policy, the DPRK is a socialist society where:

> ... the means of production are socially owned and where the economy develops according to the guiding plans of the country.... With relation to means of production, socialist ownership is the foundation of a socialist economy, and a socialist economy is developed through collective labor.... Adhering to socialist principles in an economic enterprise means to support and hold fast to socialist ownership and to thoroughly realize the principles of collectivism. ... In terms of economic leadership and management, we must adhere to and support socialist ownership, put national and societal gains above all else while also securing as much profit as possible for producers. ... The entire process of production and management must become one which fosters the spirit of collectivism in workers and laborers and which elevates the public's willpower and creativity so that they may fulfill their roles and feel ownership responsibility.... Economic guidance and management must coincide with objective economic laws and scientific logic in order to guarantee the highest amount of real economic profit.... Objective economic laws affect a socialist economy, and the process of satisfying those demands is equal to 'economic construction' or an 'economic development process'. ... In order to guarantee real economic profits, economic laws and related economic spaces must be put to use effectively. Such economic laws include the law of value, the law of distribution through labor, and the law of planned, balanced development of the people's economy through economic leadership, management, production and economic activities. .... In terms of economic guidance and company management, efforts first must be made to advance scientific technology, and all processes and factors relating to production and management must be made scientific. All businesses should actively pursue research and development in new technology and progress towards becoming a company where scientific technology and production are integrated — a technology-intensive business.[24]

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24. Institute of Far East Asia Studies, "'Securing Economic Profit,' Fundamental to Economic Management," *NK Brief* no. 141027, Seoul: IFES, 2014.

In November 2002, the agreement between the two Koreas on the Kaesong Industrial Complex allowed, for the first time, large volumes of investments from ROK firms in industrial units that would employ the DPRK labor under ROK management. KIC had attractive benefits that created potential competitive advantages for southern small and medium enterprises (SMEs) to locate in the Kaesong Industrial Complex. The KIC is located only 60 km from Seoul, and is also close to the Incheon Free Enterprise Zone (IFEZ), the main logistics hub of the ROK.

Case studies of the Kaesong Industrial Complex note that ROK managers have stated that they are impressed with the intensity with which the DPRK workers take their jobs. In return, due to the relative improvement of working conditions for workers in KIC under the ROK management standards, the DPRK worker health and appearance, anecdotally, showed some improvement. There are also preliminary signs of effectiveness of casual engagement, as there were *gradual relaxation of controls on social interaction between management and workers*. Preliminary findings are that, cumulatively, these measures have led to some level of skill assimilation, and thus a degree of productivity improvement.[25]

Organizational Change in Socialist Systems

The immediate post-socialist transition period was an exceedingly fraught environment, exerting significant pressures on organizations to transform rapidly. Such an environment has led to counter-intuitive outcomes in socialist organizations. Organization managers, caught between the pressures to maintain continuity and the pressures of change induced by external, transformative forces have often resorted reflexively to the comfort of known routines.

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25. Jeffrey Gower, "Knowledge Management and Transfers between North and South Korea at the Kaesong Industrial Complex," Working Paper Series, University at Buffalo, SUNY, 2011.

Post-socialist managers have, thus, continued to see through old lenses, reproduce old practices, and in this way have somehow coped at a time of great flux and achieved some degree of organizational continuity.

However, many similar organizations and their managers have also opted for a significant break from old routines and embraced organizational change to cope with the fast changing environment.[26] It seems that what has happened in the complex reality in post socialist contexts is that during the times of transition managers have rationalized their decisions in conditions of incomplete and conflicting information, utilizing rough and ready justifications, rather than established dogma. It has been a process of learning by doing for the post socialist managers.

Implications of Socialist Socio-economic Systems for Organizational Management

Scholars have described the management of organizations in socialist systems as "politically induced isomorphism,"[27] in which socialist organization managers enforce conformance on their organizations to the party line as an attempt to enhance their and their organizations' legitimacy. In return, the state allocates resources for these organizations' functioning and propagation.

However, dependence on the state for precious resources and management approach to enforce submission to political priorities leaves the question of the organization's response to real economic forces uncertain. Tsoukas, for example, writes:[28]

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26. Ed Clark and Anna Soulsby, "Organization-Community Embeddedness: The Social Impact of Enterprise Restructuring in the Post-Communist Czech Republic," *Human Relations* 51, no. 1 (1998), pp. 25-50.
27. Tsoukas, "Socio-economic Systems and Organizational Management," pp. 33-34.
28. Ibid., p. 36.

> Thus, a socialist economic system causes two fundamental dissociations: vertically, the dissociation of the formal organizational structure and culture from actual practices and behaviors and, horizontally, the dissociation of the actions of an economic unit from their consequences. Both these disjunctions generate vicious circles: the more actual behavior is different from that intended, the more central authorities respond with more indicators, regulations and restrictions which, in turn, produce more of the initial non-conforming behavior. Similarly, the softer the budget constraints, the greater the appeal of economic units to the usually receptive state, to rid them of their difficulties.

Some interesting insights can be drawn from the discussion in the above sections on organization, management and change in socialist systems, relevant to the variable being studied in this research — HR practices; employee motivations; ideologies; and negotiation dynamics. It appears that in stable circumstances, as socialist organizations become increasingly dependent on the state, the dependence becomes somewhat habit forming for the managers. HR practices, motivations, ideologies and negotiation dynamics must therefore be adjusted to justify dependency. This implies potentially deeper path dependency and organizational inertia. In times of change, it is difficult to shake off those dependencies and inertia, at least in the initial phases of transition. It is only during the later phase of transition, after much hard learning, that post socialist organizations and managers inculcated in the values and practices of socialist systems are able to adjust to some form of hybrid management combining old forms and new pressures.

Case Study[29]

With the above theoretical discussion of socialist organizations and management practices in perspective, let us now turn to some actual

29. DISCLAIMER: There are various real and high risks to researchers, organizations and persons for any case study involving the DPRK; both the DPRK

instances and management practices in DPRK. Specifically, among international organizations working in the DPRK, the example of one agency stands out.

IOA is probably the only international agency working in the DPRK which has by agreement with the host government tried to implement management and human resource principles of international standard. Therefore, this agency is an interesting case to study the effects of human resource practices on organizational effectiveness within the contextual limitations of DPRK.

IOA Programs in the DPRK

IOA is one of the oldest international aid agencies working for the last three to four decades in the DPRK in areas of humanitarian aid and responding to humanitarian and development crises in the DPRK. Like any other aid agency in the country, IOA works jointly with the DPRK government to develop the country program, which is approved by IOA's governing board, constituted as it is with international multilateral agencies of various nation states. Sometime in the past decade, due to some allegations of mismanagement and wrong doing that had surfaced against IOA in the DPRK, the agency did some hard bargaining with the DPRK government which led to the instituting of a number of strict conditions with regard to human resource management, financial management, audit and oversight matters on IOA's programs in the DPRK.

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government and also the international organizations working in the DPRK are sensitive about their operations and reputations. For reasons of anonymity and confidentiality, the actual agency that is the subject of this research will not be named here but referred to only as International Organization (IOA). To avoid the risk of deductive disclosure, I may have changed indentifying details; certain information sources may be available only upon request. Any resemblance to any actual persons, living or dead, or actual organization or events is purely coincidental. The findings, interpretations and conclusions expressed in this paper are my personal views, and do not necessarily reflect the policies or views of the United Nations, or any of its funds, programmes or specialized agencies.

In the area of Human Resource Management, DPRK national staff were removed from core organizational duties. National staff salaries would be paid directly to them instead of the previous practice of paying the government. The idea behind these changes was to align IOA national staff to standard practices prevalent for IOA national staff in other countries, and thereby have greater control and loyalty from IOA national staff and embed them more deeply in IOA organizational culture, weaning them away from government influence and dependence. These revised management practices and conditions caused consternation for the government of DPRK. The government viewed the situation as being motivated by political pressure on IOA from hostile donor countries.

Role of the DPRK Government in IOA Programs

The legal framework for IOA's operations in a country lays out the parameters of the relationship between it and the host government. This legal framework signed with the DPRK was a standard agreement, and hence it addressed only in broad terms the obligations of IOA and DPRK government on IOA's operations in the country.

But the devil lay in the details. The IOA-DPRK legal framework, for instance, did not address such issues as HR management practices, financial management practices, or anything about the nitty-gritty of daily IOA operations in the DPRK, where there were grounds for micro-level manipulation and pressure by the government. There were reportedly some corrupt practices in the use of IOA funding that was meant to support government ministries and departments with whom IOA worked closely as program counterparts.

IOA's DPRK Office Profile

As in other countries, the government of DPRK and IOA worked together closely on strategies and goals that would address the needs on the ground and also support the government's national priorities for the DPRK. Based on the broader strategies and goals, IOA-DPRK

in collaboration with the government would approve projects for implementation in the country.

In other countries where IOA works, the country level managers have a lot of influence in shaping these projects. However, for the IOA-DPRK office, the Regional Headquarters of IOA withdrew a lot of the authority for project formulation, approval and implementation, due to sensitivities of the geopolitical situation and the donor countries. The Regional HQ also provided a higher than normal amount of oversight on IOA-DPRK's daily activities.

IOA DPRK country level managers also faced issues from the DPRK government counterparts on access to project sites for monitoring and project management. I have written elsewhere on these and related difficulties that UN and aid agencies face in operating in the DPRK:

> Aid agencies in DPR Korea often complain (mostly informally) that they are not allowed by the government to conduct the kind of in-depth analyses needed for more ambitious programming; and the donors stymie many attempts at increased scope and scale of activities. Aid agencies in DPR Korea are already known to impose their own form of conditionality. Named the "no access-no aid" principle (literally, DPR Korea authorities are reluctant to grant aid agency and their resident expatriate workers physical access to areas and populations for which/whom they request aid from agencies), aid agencies use this for trust-building and negotiations with national counterparts for improved access to affected populations. In response, the government sometimes makes access dependent on the financial scope of the engagement (to maximize the amount of aid money available, they employ a reverse principle, known in Pyongyang circles as, "no aid-no access!"). The DPR Korea government imposes other conditions: for many aid agencies, independent project monitoring is not allowed and all monitoring is required through ministries and/or national counterparts. Then there is the "7-day notification rule" — under which every project visit has to be requested from and approved by the government with a minimum seven days notice. Although many such conditions vary and are relaxed from time to time, on the whole the operating environment facing aid agencies in DPR Korea remains challenging.[30]

IOA-DPRK Staffing Arrangements

International Staff

The IOA-DPRK office international staff were primarily with two types of contracts, based on two different sources of funding for their salaries and emoluments. One type, usually for higher country level managers, was funded by central funds; as such funding is more continuous, these staff therefore had more permanency to their contractual status with IOA. The other type was funded through various combinations of project funds; as funds for projects are more intermittent, dependent on the vagaries of donor funding, the contracts of project staff were more temporary, such as of one- or two-year duration. It has been a continuing issue that centrally funded staff positions in IOA-DPRK were so few, yet the sensitivity of the work in the DPRK required more centrally funded staff. There is some allegation that the light central funding was at least partly due to the geopolitical environment, which should not have been the case given neutrality of international multilateral organizations. I have written elsewhere that this lack of job security for expat staff potentially compromised their actions and decisions.[31]

National Staff

In DPRK socialist economy, the lack of a labor market requires international organizations to request the government counterparts and be dependent on them for recruitment of national personnel. There are many issues with this practice: limited opportunity to interview government-referred candidates; limited opportunity to assess their suitability for proposed work; limited opportunities to manage, motivate, guide,

30. Rajarshi Sen, "Whither Inequalities? Paradoxes and Practices of Aid Agencies," Background Paper, UNICEF-UN Women "Addressing Inequalities" Global Thematic Consultation for MDGs post-2015, New York, 2012.
31. Ibid.

and discipline such personnel (as they are not technically the agency's own employee but seconded to the agency from a parent government organization, where they can return to virtually guaranteed employment); limitations to retain such personnel for a length of time considered desirable for the organization. All of these issues impacted IOA-DPRK's operations significantly. Due to the short tenures and high rotation of national personnel, IOA's return on the investment in nationals' training and capacity-building was often low.

IOA-DPRK had only a few national officers who had been with the office for a long time and had acquired the necessary skills gained from long periods of service. Such capable, long term national employees, however, were the exception; generally, there was no standard period of assignment for Korean national staff. Local staff was assigned on an annual rotational basis and there was the perception that the government used the IOA rotation as a training office. IOA-DPRK had therefore requested the government to increase the length of rotation of national staff, and there was some evidence that this request was granted.

In terms of location and overall functioning of the IOA-DPRK office, all international organizations and offices, including embassies, were physically isolated in a diplomats' compound. All local personnel arrived and left together by transportation that IOA arranged, generally working from 8:00 a.m. to 5:00 p.m.

Analysis

Given the preceding theoretical discussion of socialist organizations and socialist management practices, followed by the account above of actual organizational actions and management practices of the international organization working in the DPRK, I now consider how those actions and practices fare in terms of enhancing organizational effectiveness. While more details are tabulated in Appendix, a general description follows in this section:

Broadly speaking, there were six to seven categories of actions that seem relevant when it comes to distinguishing the organizational management dynamics affecting IOA: human resource management, institutional arrangement, relationship with government (which is a sub category of institutional arrangement), physical/infrastructural environment, principal-agent relations, funding resources and interpersonal relations.

The specific actions that were critical in the day to day management of the IOA organization include donor pressure on IOA for increased accountability, leading to local personnel being removed from core staff duties; and creation of regular contract agreements between Korean nationals and IOA, with salaries paid directly to the local personnel, as opposed to the arrangement earlier of national staff being seconded to IOA from the government. In response, the government imposed various direct and indirect barriers to national staff enjoying long tenures with IOA; this forced IOA to negotiate with the government for ensuring fixity of and/or longer tenures for the Korean staff. Ongoing, also, were various forms of undue government influence and interference in IOA's internal decision-making, to increase chances of IOA's decisions to conform to government agenda. The "no aid, no access-no access, no aid" dynamic between government and international organizations was also an ongoing practice. As were general measures to minimize interactions between national and international colleagues. There were separate telecommunication systems between nationals and internationals in the DPRK; national colleagues cannot call international colleagues and vice versa.

In such a contested situation, IOA headquarters adopted internal control measures to minimize risks to IOA operations and increase accountability of the IOA-DPRK office, by circumscribing decision making authority of IOA-DPRK based managers. This further delegitimized IOA-DPRK based managers. As it is, IOA-DPRK managers were in professionally insecure position due to non-permanent nature of their individual contracts. They were hence without any incentive to take any strong decisions. Despite these limitations, some managers did go the extra mile by cultivating to the extent possible informal

relationships with Korean colleagues. These extra efforts did pay some small dividends, in terms of trust building and greater mutual understanding.

Discussion

In the 1990s, as many socialist economies disintegrated, the respective countries experienced major economic shocks of high inflation, precipitous falls in GDP, and so on. In such circumstances, the establishment of macroeconomic stability became a natural focus and policy approach. However, subsequent experience showed us that the preoccupation with macroeconomic issues and macro stabilization programs would tend to fail in the absence of or with inadequate micro level adjustment.[32] This was because socialist systems created microeconomic distortions, such as lack of incentives for workers of an organization to respond to economic forces and fundamentals that affect the organization, that impacted the macro picture; hence, the micro-macro links are consequential.

Similarly, inconsistencies between the structures of incentives facing expat managers in the DPRK and DPRK nationals working with these managers are becoming evident from the operations of international organizations in the DPRK. The above analysis has highlighted that manager-national worker interaction in international organizations operating in the DPRK remains largely transactional, devoid of the possibility of forging deep bonding and loyalties. Such limited interaction, and the extant social and political controls in the DPRK as well as the international organizations' own practices to mitigate their risks (which collectively constitute the operating environment that international organizations in the DPRK find themselves in), pose significant barriers to the formation of psychological contracts between DPRK national workers and expat managers. Psychological

32. Jan Svejnar, "Microeconomic Issues in the Transition to a Market Economy," *Journal of Economic Perspectives* 5, no. 4 (1991), p. 123.

contracts and good team relationships are constructs and practices in organizational dynamics that lead, through the formation of cognitive mechanisms such as transactive memory systems (TMS),[33] to improved task coordination and enhanced team performance.

Although, there are some evidences, to be sure, from the above case study of IOA-DPRK of limited formation of interpersonal relations, which can build relational coordination. Other such examples — as the initial lack of interaction between expat managers and DPRK workers, followed by tentative growing interaction, correlated with preliminary signs of improving skills — come from case studies of Kaesong Industrial Complex. It was noted that, at first, ROK/South Korean managers were not allowed, for example, to eat lunch with the workers. Gradually, the DPRK government allowed these managers to remain in Kaesong on a semi-permanent basis. The resultant growing familiarity with expat managers and their interaction with DPRK national staff (such as DPRK workers bringing home-cooked food for the expat managers, possibly as reciprocity for 'choco pies') potentially led to 'tacit knowledge to be exchanged between management and workers knowledge in settings other than the job site.'[34]

Overall, however, the analysis of international organizations working in the DPRK described significant difficulties in the formation of strong team dynamics between expatriate managers and DPRK nationals. As a result, these organizations' operating environment is structurally indisposed for the accomplishment of complex, interdependent tasks, which in turn affect their effectiveness.

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33. Transactive memory systems (TMS) are cognitive processes and outcomes in knowledge-intensive teams (see, for instance, Vesa Peltokorpi, "Transactive Memory System Coordination Mechanisms in Organizations: An Exploratory Case Study," *Group & Organization Management* 39, no. 4 (2014), pp. 444-471, such that team members collectively develop to encode, store, and retrieve information in different domains. This is possible as team members are aware who knows what, are able to specialize in different but compatible information domains, and use each other as external cognitive aids.
34. Gower, "Knowledge Management and Transfers between North and South Korea at the Kaesong Industrial Complex," pp. 20-21.

The conditions preventing deeper connection between expat managers and their national colleagues assume significance also when seen in light of our above theoretical discussion of socialist and post socialist organization management and change. We have seen, for example in the literature on post socialist transition in Eastern Europe, that personnel inculcated in socialist values and management practices have a tendency to cling to old habits. Only serious and sustained change pressures can eventually lead them to embrace some hybrid form of old and new management practice. In the case of IOA-DPRK, in the opinion of this author, the organization has exerted more pressure on the DPRK government counterparts than any other organization working in the DPRK; IOA-DPRK has also most impressed upon its national colleagues (through their organizational socialization process) for change towards international standards. However, the capacity for exerting pressure for any one organization such as IOA-DPRK is limited. The embeddedness of national colleagues to the extra-mural environment outside of IOA is much stronger than their embeddedness within IOA's organizational culture. Hence, hard persuasion needs to be supplemented/balanced with soft measures — reflected through HR management practices; employee motivations; ideologies and negotiation dynamics. Both hard and soft approaches are necessary and neither alone will be sufficient.

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Appendix

Table 1. International Organizational Actions and Practices in the DPRK

Category of actions/ practices	Organizational Action/ Practices	Sources	Reasons	Possible Impacts on Organizational Effectiveness
Human Resource Management (HRM)	Local personnel removed from core staff duties	UN	Risk reduction/ mitigation measure by IOA management	The resulting mistrust between Korean colleagues and expat managers, as agents of the organization, should hamper psychological contract[35] between managers and local employees Removal of local staff from core duties restricts them to lower duties only; hence, exchanges between such staff and managers will remain merely transactional, as opposed to something deeper ... which too would hamper strong psychological contract

35. Psychological contract is a complex concept formed by an individual's perception of mutual obligations that exist between herself and her employer. These obligations arise out of the belief that a promise has been made either explicitly or implicitly and the fulfillment of promissory obligations by one party is contingent upon the fulfillment of obligations by the other. The mutual obligations are thus sustained through the norm of reciprocity. (Jacqueline Coyle-Shapiro and M. Parzefall, "Psychological contracts," in Cary L. Cooper and Julian Barling, eds., *The SAGE handbook of organizational behavior*, London: SAGE Publications, 2008), p. 8.

Category of actions/ practices	Organizational Action/ Practices	Sources	Reasons	Possible Impacts on Organizational Effectiveness
HRM	In lieu of the current agreement between the government and IOA for local personnel, individual service agreements between Korean nationals and IOA were to be created, to then be converted into regular IOA contracts, with salaries paid directly to the local personnel	UN	Donor pressure on IOA to improve HRM in the DPRK	Attempts by IOA managers to win over some extent of control on local staff through contractual and financial remuneration means
Institutional arrangement/ environment	Government structure included a number of Ministries, bureaus, commissions, and institutes which interfaced with IOA on many fronts including in project implementation. In their capacity as implementing agencies or government partners, these myriad entities received financial support from IOA for their work with IOA projects.	UN/ Author's observation		Opens up possibilities for exerting political pressure on IOA, leading to political isomorphism

Category of actions/ practices	Organizational Action/ Practices	Sources	Reasons	Possible Impacts on Organizational Effectiveness
HRM	There was no standard period of assignment for Korean national staff. Local staff were assigned on an annual rotational basis and there was the perception that the government used the IOA rotation as a training office	UN/ Author's observation	Manipulation of human resources by government	Short stints predisposed exchanges between Korean local staff and expat managers to remain merely transactional ... and hence precluded formation of strong psychological contracts
HRM	The DPRK was unable to guarantee the length of time that local personnel were posted to a position, diminishing the effect of IOA's investment in training and capacity-building for staff	UN	Manipulation of human resources by government	Exchanges between Korean local staff and expat managers to remain merely transactional ... and hence precluded formation of strong psychological contracts
HRM	IOA-DPRK requested that local personnel be assigned to the IOA office for a longer period of time, and there was some evidence that this request was granted.	UN	Manipulation of human resources by government; and doling out small concessions to impress upon IOA/its expat managers	Evidence of extracting some concessions from the government by IOA-DPRK

Category of actions/ practices	Organizational Action/ Practices	Sources	Reasons	Possible Impacts on Organizational Effectiveness
HRM	The lack of a functioning labor market in the DPRK meant that the government assigned local personnel required by IOA for its program operations. IOA had only limited opportunity to interview government-referred candidates and determine their appropriateness for the role. There were few effective mechanisms in place for staff performance reviews and appraisals to evaluate the work of national staff	UN	Manipulation of human resources by government	Essentially, this meant that expat managers had very little effective management control over their Korean national colleagues
HRM	Periodically, the DPRK government would reassign local staff. When reassignments occurred, the government would inform IOA-DPRK of the reassignment and send replacement candidates. It seems that the government usually only sent one such candidate, limiting the IOA office's choice. IOA-DPRK later persuaded their DPRK government counterparts to send two candidates from which to choose.	UN	Manipulation of human resources by government; and doling out small concessions for influence	Evidence of extracting some concessions from the government by IOA-DPRK

Category of actions/ practices	Organizational Action/ Practices	Sources	Reasons	Possible Impacts on Organizational Effectiveness
Institutional arrangement/ relationship with government	No aid no access-no access no aid practice	Author's observation	Government-aid agency negotiation for ready access to project sites in exchange for aid	Evidence of extracting some concessions from the government by IOA-DPRK
Physical/ infrastructural environment	In terms of location and overall functioning of the IOA-DPRK office, all international organizations and offices, including embassies, were physically isolated in a diplomats' compound. All local personnel arrived and left together by transportation that IOA arranged, working from 8:00 a.m. to 5:00 p.m. Because local personnel left at 5:00 p.m., the international staff were usually the ones to close the office.	UN/ Author's observation	Government attempt to minimize contact between resident expat staff and local population/ political	Minimal personal/after hours interaction between expat managers and national colleagues inhibits formation of team spirit, loyalties
Physical/ infrastructural environment	Separate telecommunication systems between nationals and internationals in the DPRK; national colleagues cannot call international colleagues and vice versa	Author's observation	Government attempt to minimize contact between resident expat staff and local population/ political	Minimal personal/after hours interaction between expat managers and national colleagues inhibits formation of team spirit, loyalties and strong psychological contract

Category of actions/ practices	Organizational Action/ Practices	Sources	Reasons	Possible Impacts on Organizational Effectiveness
Principal-Agent relations	IOA Regional HQ withdrew project approval authority from the head of IOA office in the DPRK and retained such authority for itself. This was done in part to allow for higher level decision-making on projects, which were subject to scrutiny by donor countries, and to assist the head of IOA DPRK office in his relationship with the government. Thus, while the role of IOA-DPRK included project oversight, a significant amount of project oversight and decision-making authority rested with the IOA Regional HQ.	UN	Donor pressure on IOA	This situation essentially created confusion and mistrust between IOA's HQ- and Country-based managers

Category of actions/ practices	Organizational Action/ Practices	Sources	Reasons	Possible Impacts on Organizational Effectiveness
Funding resources	There were few centrally funded positions in the DPRK despite clear justifications for an increase in centrally-funded positions. The light central funding was in great part due to the geopolitical environment in which the IOA-DPRK office existed and tension between IOA Headquarters management and the DPRK Office over increasing funding and core staff for the DPRK.	UN/ Author's observation	Donor pressure on IOA; funding scarcity	This created contractual uncertainty for IOA expat staff on the ground, which resulted in them not 'rocking the boat' and/or not being too strict in their oversight responsibilities
Interpersonal relation	Expat managers giving small gifts on their own volition to national colleagues engendered some small levels of loyalty and team spirit	Author's observation		Building relational coordination, i.e., coordination carried out through emergent relationships of shared goals, knowledge, and mutual respect. Strong relationships enable employees to embrace their connections with one another and to more effectively coordinate the work in which they are engaged.[36]

36. Peltokorpi, "Transactive Memory System Coordination Mechanisms in Organizations," p. 449.

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Securitization of Democracy: A Case Study of South Korea*

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This study analyzes securitization of democracy in South Korea. While "North Korean threat" has dominated security discourse in South Korea, democracy has been securitized in the country. This study examines how democracy has been securitized in the political processes in South Korea. Therefore, the aims of this study are twofold. One is to examine the utility of securitization as a theoretical framework for empirical analysis, while the other is to explore the issue of securitization of democracy in the South Korean political context where threat from North Korea has always been a significant factor.

This study finds that the authoritarian leaders of South Korea before its democratic transition in 1987 like Rhee Syngman, Park Chung-hee, and Chun Doo-hwan were all engaged in the activities of securitizing democracy to justify their authoritarian rules. In other words, democracy was securitized by the authoritarian leaders who needed to justify their lack of legitimacy and to oppress the opposition party. Their assertion that facing the threat from the North, South Korea needed to be united around the authoritarian leaders effectively convinced the people to abandon the prospect for democracy. In other words, securitization of democracy is one of the best ways to understand and describe the politics of South Korea before its democratic reform in 1987.

Keywords: Securitization, Democracy, Security, South Korea, North Korea

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Introduction

With the end of the Cold War and the beginning of the post-Cold War era, international relations theorists started to ponder upon new ways of understanding and conceptualizing security issues. In this context, the theory of securitization, which was originally developed by the Copenhagen school, is considered as one of the newest and most innovative frameworks for analyzing contemporary security issues. At the same time, however, there are also some doubts about its usefulness for empirical analysis among pessimists. This study attempts to examine its usefulness as an empirical research by providing a case study utilizing the theoretical framework.

This study analyzes securitization of democracy in South Korea. While "North Korean threat" has dominated security discourse in South Korea, democracy has been the most securitized issue in the country. Some scholars argue that facing threat from North Korea, some particular political powers in South Korea, conventionally authoritarian leaders and the conservative camp, have promoted South Korea's pro-U.S. and anti-North Korea identities to use it as a justification for their authoritarian regime and suppression of their political opponents. In this context, this study examines how democracy has been securitized in the political processes in South Korea. In so doing, this paper will review the burgeoning literature on securitization in South Korea, and then extend the discussion to the securitization process of democracy in the political process.

Therefore, the aims of this study are twofold. One is to examine the utility of securitization as a theoretical framework for empirical analysis, while the other is to explore the issue of securitization of democracy in the South Korean political context where threat from North Korea has always been a significant factor. The rest of the paper will consist of the followings: First, I will discuss and summarize the key points of the theory of securitization, focusing on its origin, main idea, and implications. A discussion of the current research on securitization in South Korea will follow. And then I will analyze securitization of democracy in the political process in South Korea. In

the conclusion section, I will summarize the key findings of this paper and discuss its implications both in theoretical and practical dimensions.

Securitization as a Framework for Analyzing Security

The so-called "Copenhagen school"[1] is well known for leading the discussion on security issues in the post-Cold War era and proposing a new way of conceptualizing the issue. Unlike the conventional security theories, they point out, in the post-Cold War era the concept of security should be expanded to include diverse actors such as individuals, sub-state groups, and even supranational actors domain beyond state actors' arena. Furthermore, they also highlight that security issue is concerned with diverse areas including economic, societal, and domestic political issue areas, going beyond the pure military issues among state actors.[2] This new concept of security is created through the process of social discourse and consensus making, which is called "securitization."[3] This expanded concept of security occupies the central status in the discussion of security in the post-Cold War era.

According to the Copenhagen school, "security" is considered as an outcome of a specific social process rather than an objective condition. In this theory, the social construction of security issues is analyzed by examining the "securitizing speech acts" through which threats become represented and recognized. In other words, "issues become "securitized," treated as security issues, through these speech-acts which do not simply describe an existing security condition, but bring it into being as a security situation by successfully representing

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1. Its key texts include Barry Buzan, *People, States, and Fear: An Agenda for International Security in the Post-Cold War Era*, 2nd ed. (Boulder, CO: Lynne Rienner Publishers, 1991); Barry Buzan, Ole Waever, and Jaap de Wilde, Security: A New Framework for Analysis (Boulder, CO: Lynne Rienner Publishers, 1999).
2. Barry Buzan, Ibid., pp. 25-28.
3. Barry Buzan, et. al., Ibid., pp. 23-33.

it as such."[4]

More specifically, one of the main characteristics of the Copenhagen school is the diversification of referent objects and the expansion of security sectors. When it comes to the diversification of referent objects, in the past especially during the Cold War era, state was considered as the single most important target for security. Yet in the post-Cold War era, the Copenhagen school views that sub-national entities including societal groups and individuals should also be considered in the concept of target for security. According to this perspective, state, which was considered as provider for security in the past, now can be regarded as a provider of "threat," as opposed to security. This negative function of state has become more prominent in the third world countries where the security of individuals and societal groups are *threatened* by the state. Not surprisingly, the concept of human security becomes a very important part of the thesis suggested by the school.

The expansion of security sectors suggests that not only military and strategic issues but also non-military sectors should also be considered for a new concept of security. In addition to military sector, Buzan takes four non-military sectors into consideration for conceptualizing security in a new world: politics, economy, society, and environment. As Ulman criticizes, being confined to military sector is an extremely narrow and biased way of defining security, which lacks other important issues that threaten the quality of life of social actors.[5] In other words, they claim, in the contemporary world threats to political, economic, social, and environmental life are as equally important as threat to survival, which was conceived as the foremost value to be pursued by the traditional concept of security.

While diversification of referent objects and expansion of security sectors are among the most noticeable characteristics of the first generational of the Copenhagen school, it was still founded upon the

4. Michael Williams, "Words, Images, Enemies: Securitization and International Politics," *International Studies Quarterly* 47, no. 4 (2003), p. 513.
5. Richard H. Ulman, "Redefining Security," *International Security* 8, no. 1 (1983), pp. 133-134.

mainstream realist tradition in the sense that it accepts the idea that security refers to an *objective* condition. However, the recent modification of the theory highlights its turn to the constructivist tradition, which emphasizes the importance of inter-subjectivity and self-reflection. In the recently modified version of the theory, because security is conceived as an outcome of "speech-act," whatever issue that is regarded as threat by the members of the society should be treated as a security issue. In other words, security refers to the behavior that people perceive thereat and problematize it within a society, rather than an *objective* condition.

In this way the concept of "securitization" has emerged as a new way of understanding the discourse on how and why some particular issues, especially non-security issues to the eyes of the traditional security advocates, become security-relevant issues.[6] According to this perspective, because perception of threat is formed through discourse among members of a society, likewise security (or insecurity) is also created through discourse rather than given by objective condition. The concept of "securitization" makes it possible to treat security in a new perspective by emphasizing that in the post-Cold War era "threat" is selected and determined by "speech-act" by members of society instead of being given by *objective* condition.

In short, the new theory of securitization offers a new perspective in understanding security issues in the post-Cold War era by diversifying referent objects and expanding security sectors. In the process of securitization, certain issues that used to be considered non-security relevant are securitized through "speech-act" among the members of the society, especially policymakers or politicians. In other words, traditionally non-security issues such as environment, politics, economy, and societal issues, undergo transformation into security-relevant issues through the process of "securitization."

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6. Ole Waever, "Securitization and Desecuritization," Ronnie D. Lipschutz, ed., *On Security* (New York: Columbia University Press, 1995).

Literature Review: The Study of Securitization in South Korea

The study of securitization in South Korea is still in the initial stage. Most discussion on this topic is concerned about its theoretical perspectives, concentrating on its origin and implications. Not many empirical studies have investigated the process of securitization of non-security issues to date in South Korea, which indicates that most discussion in the security scholarship is limited to the traditional "national security" concept. This trend is understood by the security context that South Korea is still facing, represented by the presence of the actual threat by North Korea.

Among the few studies on securitization Min Byoung-won's theoretical discussion appears to be prominent.[7] Min can be considered as the first scholar who introduced the new concept of "securitization" and discussed its importance in the study of security in the post Cold War era. Introducing the theory to the security scholarship in South Korea, he succinctly summarizes the key idea of the theory and discusses its implications in the post Cold War period.[8] Especially, he expanded the theoretical discussion by providing critical evaluation of its strengths and weaknesses as a framework for empirical analysis. In the subsequent study he introduces a concept of a "new security dilemma" incorporating new types of threats in the post Cold War era.[9] Especially in this study, he argues that in order to better understand the complexity of the current security environment, it is essential to understand its network characteristics because security environment in the contemporary world is moving in the direction of greater uncertainty and complexity due to increasing interactions and networks among actors. Namely, Min's discussions opened the door for

7. Min Byoung-Won, "The Expansion of the Security Concept in the Post Cold War Era: the Copenhagen School, Securitization, and International Relations Theory," (in Korean) *World Politics* 5, no. 1 (2006), pp. 4-61; Min Byoung-Won, "The New Security Dilemma in Networked International Politics: A Theoretical Analysis," (in Korean) *Peace Studies* 20, no. 1 (2012), pp. 31-69.
8. Min, "The Expansion of the Security Concept."
9. Min, "The New Security Dilemma in Networked International Relations."

a new trend of study in the area of securitization in South Korea.

While the securitization studies are still in the initial stage, there are increasing efforts in the study of human security, which indicates that there is a good potential for future research in the study of securitization.[10] Yet it should be noted that most studies in human security are also focused on the discussion on its theoretical dimension. Matsukuma and Park investigate the relations between human security and economic sanctions by analyzing the humanitarian exemptions of sanctions and the right to minimum substances as a basic need.[11] In the conclusion they recommend the UN Security Council to make references to the concept of human security to improve the legitimacy of sanction regimes although they acknowledge that the concept of human security has not yet been regarded as a legal principle. Lee discusses human security in the context of East Asia. In particular, she explores the progresses and setbacks in resolving East Asian human security issues by identifying major problems in the region, as well as the specific threats facing individual countries in the region. She advocates the UN and international community intervention to promote human security in this area.[12] Another theoretical discussion in human security can be found in Bernaldez, who argues that human security should be the main focus of global governance. Like Lee, he discusses human security in the East Asian context, evaluating each country's efforts to promote human security. As to South Korea, he asserts, human security were main focus of the governments of Kim Dae-jung and Roh Moo-hyun governments but changed course when the Lee Myung-bak government was inaugurated.[13] Hwang

10. Securitization related studies and human security related studies have a lot in common in the sense that both of them are considered as main issues of non-traditional security studies, and therefore, they will be treated as such in this paper.
11. Jun Matsukuma and Park Bae-Keun, "Human Security and Economic Sanctions," (in Korean) *Legal Studies* 51, no. 1 (2010), pp. 357-394.
12. Shin-wha Lee, "Human Security in East Asia," *Korean Political Science Review* 37, no. 4 (2003), pp. 317-342.
13. Pedro B. Bernaldes, "Human Security in Global Governance," *Oughtopia* 26, no. 2 (2011), pp. 5-31.

discusses human security in the Southern African context. In particular, he explores whether or not and to what extent human security can be applied to analyze politics in the Southern Africa. He finds that state centric discourse has dominated the security related studies in this area even in the post-Cold War era. He concludes that multi-layered and more comprehensive analysis is necessary in understanding human security issues in this area.[14]

A pessimistic perspective as to studies on human security is also observed. While investigating the impact of human security on international relations theories, Kang evaluates that the current research on human security has not reached the point of a paradigmatic shift on the theorization of international relations. Although UN's advocacy of human security has taken root in the academic field in international studies, he argues, human security is an overstretched concept of security. He concludes that there is still long way to go for human security to take a central status in the study of international relations.[15]

The examination of previous studies reveals that the study on securitization in South Korea is still in the initial state. Few studies have been involved in the empirical investigation of securitization issues in South Korea. Instead, some meaningful studies have been conducted as to the development and refinement of its theoretical perspective. What is noteworthy is that more research efforts have been devoted to the study of human security, which is a positive indication for the future research potential for securitization. However, there is also similar limitation in the study of human security, which is that many of the studies deals with its theoretical perspective rather than being involved in the empirical analysis.

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14. Kyu-Deug Hwang, "Linking Human Security and Regionalism in Southern Africa: Some Conceptual Approach," (in Korean) *African Studies* 20 (2006), pp. 155-180.
15. Sung-Hack, Kang, "The Impact of Human Security upon Theories of International Relations," (in Korean) *Peace Studies* 16, no. 1 (2008), pp. 170-205.

Securitization of Democracy in South Korea

As a way to fill the vacuum in the previous studies, this study attempts to offer an empirical analysis on securitization in the South Korean context. More specifically, this study analyzes the authoritarian rulings before democratization of South Korea from the securitization perspective. In this analysis my argument is that democracy was securitized by the authoritarian leaders to justify their lack of legitimacy in the political process and it successfully worked until the threat from North Korea became was not perceived as "real threat."[16]

The Democratic Reform of South Korea

On June 29, 1987, Roh Tae-woo, the presidential candidate of the ruling Democratic Justice Party in South Korea declared an eight-point democratization package. This historic event, known as the "June 29 Declaration," is considered to be the first step in South Korea's democratic development effort since then. Following the June 29 Declaration, the National Assembly drafted and approved a new constitutional framework on October 12, 1987, which was ratified sixteen days later by 93 percent of the votes. Moreover, a variety of further reforms were adopted during the subsequent Roh Tae-woo administration to protect political rights and civil liberties of individuals and associations. Some examples of these reforms included the enactment of the Constitutional Court, the abolishment of the Basic Press Act and a comprehensive and sophisticated system of press censorship. In addition, the Korean Central Intelligence Agency (KCIA), which served the past authoritarian regimes by monitoring oppositional politicians and dissident movement, pledged to discontinue its anti-

16. Explaining the democratic development of South Korea with reference to its security environment is not totally new. For example, Suh's work can be understood in this context. Please see Suh Jae Jean, "Bound to Last? The U.S.-Korea Alliance and Analytical Eclecticism," in Suh Jae Jean, Peter J. Katzenstein, and Allen Carlson eds., *Security in East Asia: Identity, Power, and Efficiency* (Stanford: Stanford University Press, 2004) for more details.

democratic operations.

The politics of South Korea before the democratic reform can be characterized by the securitization of democracy by the authoritarian leaders who had to legitimize their dictatorship. I will present a brief history of the contemporary politics of South Korea before its democratization in 1987, focusing on describing how the security situation were utilized by the authoritarian leaders for the purpose of strengthening their rule, in other words, how democracy was securitized.

The Korean War and the Rhee Syngman Administration

In 1948, Rhee Syngman was elected as the first president of newly independent South Korea. In less than two years of his inauguration, the Korean War erupted with a full-scale invasion by Northern forces on June 25, 1950. The war had lasted for over three years until armistice was signed by the U.S., China, and North Korea in July 1953. It is suggested that the war had forced sacrifices of over one million civilian lives and USD 3 billion for both North and South Korea. The war turned the Korean peninsula into a social and economic ruin literally.

In addition to the social and economic impacts, the war brought significant political consequences as well, such as strengthening the autocracy of the Rhee administration. President Rhee took advantage of the unstable security environment associated with the war to extend his tenure as long as possible. An expert evaluates that "Rhee became absolutely powerful, his regime turned into a corrupt and arrogant clique that remained aloof from the people, whose lives had hardly improved during Rhee's twelve year rule."[17] In other words, Rhee was able to establish a strong autocratic regime, taking advantage of the national crisis with the communist North Korea. The Rhee government unceasingly infused the people with fear of a second war, and thus, the necessity of a powerful, united government. Those who had already experienced the devastating impact of war easily

17. John K. Oh, *Korean Politics: The Quest for Democratization and Economic Development* (Ithaca and London: Cornell University Press, 1999), p. 40.

succumbed to Rhee's persuasion. "Eradication of Communism" and "Reunification of the Koreas by Marching North" were the two most powerful slogans of the Rhee government. Furthermore, in December 1958, a new, strengthened National Security Law was passed in the name of investigating pro-communist activities. However, this law served only to suppress the oppositional party and control anti-government press. Another critical anti-communist measure by the Rhee administration was to execute Cho Bong-am, the head of the Progressive Party. The charge brought against Cho and the Progressive Party were collusion with North Korea and the undermining of national security. However, the Rhee government was not able to maintain the success previously achieved in the early 1950s anymore. In spite of the harsh anti-communist measures, anti-regime protests rapidly spread across the country and the autocratic Rhee administration was finally overthrown.

The "April 19 Student Uprising" and the Democratic Second Republic

The formidable Rhee administration was overthrown by the "April 19 Student Uprising" in 1960. In response to Rhee's fraudulent reelection efforts, on April 19, more than three thousand college students surged into the streets of Seoul, South Korea, demanding the resignation of President Rhee. This initial student uprising stimulated severe resentment among the general populace, who later joined in the demonstrations. Not surprisingly, the Rhee government declared martial law and heavily armed forces were brought into Seoul to quell the uprising. Rhee again attempted to employ the security rationale, blaming the uprising as an attempt by the communist North Korea to disrupt peaceful society in South Korea. Yet, the hostility of the people was too overwhelming to be appeased by security rhetoric. Rhee finally resigned on the evening of April 26, 1960 and the Second Republic of South Korea followed the sudden fall of the First Republic.

The April 19 Student Uprising was the first movement towards democratization from the populace in the political history of South

Korea. The succeeding Second Republic abandoned the presidential system of government and adopted an elaborate parliamentary system. The initial constitution was drastically amended in June 1960 to accommodate more democratic measures. The national assembly was changed to a bicameral institution with a newly established political office — Prime Minister. The Prime Minister was to be appointed by the President and confirmed by the lower house. This new office was expected to balance the power of the President. Furthermore, the new constitution significantly expanded the political rights of the people, stating "the people's press and publications freedom and the freedom of assembly and associations will not be restricted."

The only problem concerning the Second Republic was that it had little capacity to appropriately manage political, social and economic issues, contrary to the high expectations of the people following the April 19 Uprising. The newly established democratic government failed to channel adequately diverse demand from various sectors of the country and was unable to stabilize political processes. As with many cases of premature democracy, participatory politics ultimately led to the inflation of demands and resulted in destructive freedom during the Second Republic of South Korea.[18] The short-lived democratic Second Republic was finally overthrown by a military coup led by Major General Park Chung-hee, who later became the third President of South Korea.

The First Military Coup ("The May 16 Coup") and the Park Chung-hee Administration

The Park Chung-hee administration, which was initially founded upon a military coup, quickly attempted to compensate for its illegitimate power through economic success. Indeed, with an annual per capita income was as little as USD 82 in 1962, South Korea as facing severe poverty. Once again, the military coup, with its emphasis on economic

18. Yearn H. Choi, "Failure of Democracy in Legislative Process," *World Affairs* 140, no. 4 (1978), pp. 331-340.

success, easily gained popular approval. Park[19] started the state-led industrialization project with the slogan of "liberation from poverty." Thanks to the successful take-off, South Korea achieved remarkable economic growth during Park's tenure, and earned its name as one of the four "Asian Tigers."

Park's undeniable economic achievement did not come without cost. Civil liberties, which had been restored during the Second Republic, were severely restricted throughout his tenure. The military junta, which executed the coup, repeatedly arrested journalists on charges of publishing "false information" and/or writing stories "detrimental to the national security."[20] In particular, the Korean Central Intelligence Agency (KCIA), the body supposedly responsible for national security, served as a key instrument in manipulating domestic politics and keeping surveillance over all important aspects of Korean life.

Park's obsession with power brought another constitutional amendment and, eventually, the Fourth Republic in 1972. During his reign, presidential term limitations were removed and a new constitution was adopted which afforded President Park a blanket of power. Despite Park's now obvious ploy for power, the official reason for his new constitution was to emphasize unity facing threat from North Korea, in his words, "in order to consolidate national unity, to coalesce national opinion and to enable all people to prepare themselves thoroughly for an impregnable posture of national security."[21] In a word, President Park took advantage of the external security environment to justify the strengthening of his dictatorship. In January 1968, South Koreans were unsettled when 31 militants from North

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19. Not to be confused with the current President Park Geun-hye. The paper only refers to the former President Park Chung-hee when using the term "President Park."
20. Robert A. Scalapino, "Korea: Politics of Change," *Asian Survey* 3, no. 1 (1962), p. 32.
21. Special Statement by President Park Chung-hee on the Occasion of Promulgation of the Presidential Emergency Measures for Safeguarding National Security and Public Order, April 29, 1975. See Oh (1999), pp. 48-60.

Korea nearly succeeded in assassinating President Park. Three days later, the U.S. ship Pueblo was seized by North Korea, charging that the ship intruded its territorial waters with hostile military intensions. Furthermore, incessant infiltrations by the armed agencies of the North and frequent military collisions near the Demilitarized Zone (DMZ) strengthened the perception of a security threat among the people of South Korea.

The role of U.S. foreign policy in the 1970s also played a key role in the process. In 1977, United States President Jimmy Carter decided to withdraw American troops from South Korea. This new policy appears to have intensified the perceptions of a security threat in the minds of South Korean people. According to a poll in 1977, 64.8 percent of those interviewed stated that their greatest concern was the withdrawal of American troops, followed by inflation (44.4%), children's education (25.7%), and taxes (22.9%).[22] The projected withdrawal of the U.S. troops was especially disturbing to the South Korean people because the arms race between the two Koreas, at that time, evaluated to favor the North.

In sum, the authoritarian regime under President Park was the result of his obsession with the presidency and the uncertain international security milieu surrounding the Korean peninsula. Park took full advantage of the unstable security environment and successfully convinced the vulnerable people of South Korea to accept his autocratic rule. The interplay of these forces ultimately culminated in the politically repressive regime in South Korea.

The Second Military Coup ("The December 12 Coup") and the Chun Doo-hwan Administration

The dictatorial rule of President Park came to an end when he was shot and killed by his subordinate in October 1979. This sudden collapse of the Fourth Republic brought another chance for democratization in South Korea. There arose a strong desire among the people of South

22. "Social Perception Survey," (in Korean) *Joongang Ilbo*, September 23, 1977.

Korea for a return to democratic government. Immediately following the assassination of President Park, a survey indicated that the majority of the people (approximately 73% of those interviewed) clearly expressed their preference for wide political reforms and the institutions of democratic government. In particular, respondents favored a direct popular election of the President, enhanced authority for legislative and judiciary bodies to provide checks and balances of presidential power and a system of local autonomy.[23]

Despite the rising desire for democratic rule, all hope of such a government evaporated when the second military coup, led by Major General Chun Doo-hwan, took place on December 12 in 1979 (the so-called "December 12 Coup"). With the successful coup, General Chun quickly seized power and suppressed numerous attempts at opposition with brute military force. The Gwangju Massacre in May 1980, in which armed soldiers opened fire at thousands of unarmed demonstrators, was a most alarming signal that Chun had established a "new military regime." He was elected president by the National Conference of Unification in August 1980, replacing acting president Choi Kyu-hah.

It is widely accepted that the Fifth Republic, headed by Chun, was one of the harshest authoritarian regimes in contemporary Korean history. The greater protection of human rights established in the constitution of the Fifth were rendered nearly completely ineffective by a series of laws passed under the newly appointed Legislative Council for National Security. For example, "the Press Act" passed on December 26, 1980 effectively abolished freedom of the press, while "Basic Labor Act" passed on December 30, 1980 drastically curtailed workers' rights. Furthermore, torture and other excessive means of force were common practice in questioning of those thought to pose a threat to the government. Ultimately, the judicial system functioned

23. "The National Assembly should Lead the Amendment of the Constitution," (in Korean) *Dong-A Ilbo*, December 25, 1979; "Koreans Hope for Mental Satisfaction Rather than Material Affluence," (in Korean) *Dong-A Ilbo*, January 3, 1980; "Koreans Perception on the 1980s Outlook," (in Korean) *Dong-A Ilbo*, January 7, 1980.

to strengthen the authoritarian regime as opposed to enhancing democratic development.

As did his predecessors, President Chun justified his tight control of political activity and repression of dissent in the name of national security. The "Gwangju Uprising," an attempted democratic revolution, was characterized by the Chun government as a "turmoil engineered by dangerous revolutionaries sympathetic to the communist northern puppets."[24] Similarly, all movements toward democratization were quickly suppressed in the name of national security.

The national security rationale employed by the Chun regime was strengthened in part by a series of international instances surrounding the Korean peninsula at the time. In early September 1983 Korean Airline flight 007, on its way from Anchorage to Seoul, was shot down by a Soviet Jet Fighter near Sakhalin. All 269 persons aboard the aircraft were killed. Then, only one month later, during President Chun's 18-day, six nation trip abroad in October 1983, a powerful bomb exploded in the Martyr's Mausoleum in Rangoon, Burma. President Chun and his wife were scheduled to visit the Mausoleum for a wreath-laying ceremony and only narrowly escaped this attempted assassination. While President Chun himself escaped, many of his staff, including the Deputy Prime Minister, the Minister of Foreign Affairs, and the Presidential Secretary General, died in the attack. The South Korean armed forces and the U.S. troops stationed in South Korea were placed on full alert. The Burmese government ultimately concluded that the terrorist attack was executed by the North Korean army — further aggravating the already elevated military tension between the two Koreas.

Unlike the early years of President Chun's regime, some important changes were being made as he approached the end of his 7-year term. The demand for democratization among civil society was growing, and the middle class was beginning to emerge as a significant social force. Most importantly, inter-Korean relations and East-West confrontation was beginning to change. This combination of

24. Oh, *Korean Politics*, p. 83.

factors opened for the doors for democratization to be realized in South Korea.

The Crucial Scenes: Securitization of Democracy

From the examination of the political history before democratization, it is clear that democracy had been consistently securitized by the authoritarian leaders in South Korea. Rhee, followed by Park and Chun, frequently took advantage of 'threats to national security' to legitimize their dictatorial regimes and to suppress domestic opposition. The South Korean elite exploited the threats from the North to justify a strong military presence and martial law, stating that these measures were necessary to maintain national security and social order. The undemocratic leadership in South Korea received only limited protestation from the U.S., which had significant interest in political stability on the Korean peninsula during the Cold War.

The "April 19 Student Uprising," and "First Military Coup" of the late 1950s and early 1960s was a critical moment for democratization in South Korea. The Rhee administration, which was seriously threatened by decreasing electoral popularity, resorted to a series of anticommunist measures for the purpose of enhancing unity and support amongst the people. In December 1958, a new strengthened National Security Law was passed in the name of investigating pro-communist activities. However, this law served only to suppress the oppositional party and control antigovernment press. In May 1959, the government also ordered the shutdown of one of the major newspapers in Korea, *Kyunghyang Shinmun*, which was highly critical of the Rhee administration throughout the 1950s. The closing of this media source was deemed an act to enhance national security. Another critical anti-communist measure by the Rhee administration was to execute Cho Bong-am, the head of the Progressive Party. The charge brought against Cho and the Progressive Party were collusion with North Korea and the undermining of national security. However, the anti-communist measures by the Rhee regime failed to garner the

success previously achieved in the early 1950s. In spite of the harsh anti-communist measures, anti-regime protests rapidly spread across the country and the autocratic Rhee administrations was finally overthrown.

However, the sudden democratic transition was unable to survive the military coup and the democratic Second Republic was only short-lived. The new administration led by Park Chung-hee was also authoritarian in nature just like the Rhee regime. Park employed a set of institutional mechanisms to repress the expansion of anti-government groups in the name of strengthening national security. The powerful Korean Central Intelligence Agency (KCIA) was very effective in controlling the opposition by student groups and labor unions. Also, the anti-communist law and national security law were strengthened to allow severe punishment of anti-government movement for causing social unrest and undermining national security. The climax of Park's autocratic rule was his proclamation of an emergency decree called *October Yushin* (literally meaning "renewal") in 1972, in which the National Assembly was dissolved and replaced by an emergency cabinet, all political activities were prohibited, and the constitution was amended, to strengthen Park's rule. There is no denying that the KCIA, the Anti-communist Law, and the National Security Act were his major instruments in sustaining his dictatorship. In a word, his anti-communism campaign was as effective as the early 1950s in suppressing the opposition, as he was successful in converting economic growth into political popularity.

The second critical moment of democratization in South Korea was the period from the late 1970s to the early 1980 when the authoritarian system of *Yushin* collapsed. With the assassination of President Park in 1979, Chun Doo-hwan took power through the second military coup. Many Korean expected that Park's death would bring full democracy in South Korea. However, contrary to the expectation of many Koreans, authoritarian rule on the southern half of the Korean peninsula was extended through Chun's oppression of the national wide opposition, which included the "Gwangju Uprising." After taking power, Chun resorted to diverse anti-communist and national security campaign to silence opposition, just as his predecessors had.

In short, South Korea was unable to achieve solid democratization during these two critical moments. The first democratizing attempt represented by the "April 19 Student Uprising" was initially successful, yet later failed when the democratic Second Republic was immediately toppled by the first military coup. Likewise, the second chance for democratic development was squelched by Chun Doohwan's succession following the second military coup. The resulting autocratic regimes had undoubtedly taken advantage of the security rationale to justify their autocratic rule. The security rationale was a very successful strategy for each autocratic regime, because the people of South Korea were living in a volatile international environment. Although South Korea began to exceed the North Korean economic capability during the late 1970s, North Korea continued to pose a significant threat throughout the 1970s and beyond. Assessments of both North and South Korea's military power suggested some balance between the two countries in the late 1970s.[25] In fact, North Korea was found to dominate South Korea in terms of military power and economic capability well into the 1970s. Therefore, given the less stable economy and less powerful military, South Korea was exposed to considerable external threat throughout this period. Even if war seemed unlikely, the North Korean capability to initiate subversive operation created enough external threat for South Korean people to allow autocratic forms of government.

The international security environment of the period also intensified South Korea's external threat perception. Especially, the U.S. troops withdrawal plan announced by the Carter administration sig-

25. According to the comprehensive assessment of the military balance between the two Koreas published by the Congressional Budget Office in May 1978, North Korea had advantage in such areas as numbers of tank, artillery pieces, air defense system, number of tactical aircraft, and unconventional warfare forces, while South Korea was given the advantage in the areas like ground force manpower, technical capability, and defense positions on advantageous terrain. However, overall they were assessed quite even in military capability. See The US Congressional Budget Office, *Force Planning and Budgetary Implications of US Withdrawal from Korea*. Washington D.C., 1978.

nificantly strengthened the external perception of the South Korean people in the late 1970s. As mentioned earlier, a national poll performed in 1979 indicated that the withdrawal of the U.S. troops was the primary national concern to them. Although the plan was not implemented as announced, its discussion itself was serious enough to stimulate security concern among the people of South Korea, especially given the lack of superiority of the South over the North in military capability.

In sum, the political history of democratization in South Korea can be characterized as securitization of democracy. The examination of the two critical moments reveals that security issues hindered smooth democratization of the country. The unstable security condition was fully exploited by the succession of autocratic leaders in South Korea. High external threat perception, brought on by the Korean War and an unstable environment of international and regional security, allowed each of these regimes the opportunity to increase in power and authoritarian rule.

Conclusion

This paper explored the securitization of democracy in the modern politics of South Korea. In so doing, I also discussed the key idea of the new theoretical framework and examined the current state of the research on securitization in South Korea. Finding a hole in the current research, which is lack of empirical analyses, this study aims to offer a useful case study on the securitization of democracy.

This study finds that the authoritarian leaders of South Korea before its democratic transition in 1987 like Rhee Syngman, Park Chung-hee, and Chun Doo-hwan were all engaged in the activities of securitizing democracy to justify their authoritarian rules. In other words, democracy was securitized by the authoritarian leaders who needed to justify their lack of legitimacy and to oppress the oppositional party. Their assertion that facing the threat from the North South Korea needed to be united around the authoritarian leaders

effectively convinced the people to abandon the prospect for democracy. In a nutshell, securitization of democracy is one of the best ways to understand and describe the politics of South Korea before its democratic reform in 1987.

However, the strategy of securitizing democracy did not work anymore since the late 1980s because the threat from the North was not perceived as a real threat to the people in South Korea. South Korea began to predominate the North in terms of both economic and military capabilities since then. Therefore, while the securitization of democracy framework was a useful framework for understanding the modern politics of South Korea during the authoritarian rulings before 1987, it is not a very relevant analytical tool to explain the current politics of the country any longer.

This study originally intended to fill a hole in the current research on securitization by providing an empirical analysis. Therefore, the contribution by the study in the theoretical dimension will be confined to that extent. In other words, this study is believed to make a significant contribution to the current research by offering a case study that shows securitization is a useful framework to analyze domestic political outcome. When it comes to the practical implication, this study suggests from the analysis of South Korean case that when the threat is not perceived as a real threat by the people, securitization of democracy does not work to justify authoritarian rules.

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Informal Political System in North Korea: Systematic Corruption of "Power-Wealth Symbiosis"

Young-Ja Park

This paper takes note of the continuity and changes of the North Korea's suryong dictatorial system, and elucidates the informal political system of North Korea focusing on the systematic corruption of "power-wealth symbiosis." The following are the main outcomes of this study. First, the command economy of the North Korean *suryong* dictatorship brought about political clientelism. Second, the current North Korean clientelism operates by means of "power-wealth symbiosis" mechanism. Third, with the marketization and the changes in the political environment, the behaviors, relations, and interactions of the actors in North Korean regime became unstable. As a result, the necessity for protective mechanism of individual actors has surged, the informal network of "patron-client" has become an institution of day-to-day lives. Fourth, the North Korean market economy has evolved for more than twenty years. However, following the informal political system of dictatorship, the fissure within the patron sector has deepened, disrupting the formation of a civil society that is able to confront the state and the bureaucracy. Finally, the current corruption network of "power-wealth symbiosis" has positively acted for the continuity of the *suryong* dictatorship. But in the mid-to-long term, the change in rules of the game might instigate the network to act a rationalist one that leads the public opinion on social changes in times of sudden transformation. Also, the main actors of the informal political system that leads the clientelism are likely to emerge as a new capitalist class when the North Korean regime transition takes place.

Keywords: North Korea, informal political system, power-wealth symbiosis, systematic corruption, clientelism

Introduction

Why is the North Korean style of "*suryong* dictatorship" still persistent despite changes in people's lives resulting from the collapse of North Korea's planned economy and marketisation, leadership succession over three generations and the ensuing series of purge campaigns against power elites? Is it possible to maintain *suryong* dictatorship over 20 years up to the present 2015 simply through an authoritarian control system and ideology, military-first politics and Chinese protection? Is there a possibility for a different political system to take root? This research seeks to answer such questions. Existing literature on the topic has discussed issues such as the rising level of inequality and changes in class structure[1] and corruption[2] in North Korea. Each study puts forward notable outcomes in terms of status analysis. However, analysis of such topics in relation to the continuation of the *suryong* dictatorship is only in its embryonic stages.[3]

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1. Representative studies include Lee Seung-hoon, Hong Du-seung, *North Korea's Socio-economic Changes* (in Korean) (Seoul: Seoul National University Press, 2007); Choi Bong-dae "The Marketization of Urban Private Sector and Economic Stratification in North Korea after late 1990s: The Mediating Effect of Individual Household's Informal Network Resources on the Stratification System," (in Korean) *Contemporary North Korean Studies* 11, no. 2 (2008); Cho Jung-A, et al., *Average Life of North Koreans* (in Korean) (Seoul: Korea Institute for National Unification, 2008); Kim Soo-am, et al., *Quality of North Korean People's Lives* (in Korean) (Seoul: Korea Institute for National Unification, 2011); Park Young-Ja, "Cleavage by Class, by Generation, and by Region in the Changing times of North Korean Regime: Situation and Structure basing on Model of the Actor," (in Korean) *Korean Political Science Review* 46, no. 5 (2012).
2. Representative studies include Park Hyeong-jung et. al., *Status of North Korea's Corruption and Strategies for Anti-corruption* (in Korean) (Seoul: Korea Institute for National Unification, 2012); Kim Soo-am, et al., *Correlation between North Korea's Corruption and Human Rights* (in Korean) (Seoul: Korea Institute for National Unification, 2012).
3. The preceding studies that provided the idea for this research are Choi Bong-dae "The Effects of North Korea's Personal Dictatorship on Its Economic Cooperation in Northeast Asia: The Dictator's 'Informal Management System of Foreign Currency' and His Anti-Market External Policies," (in Korean) *Contemporary North Korean Studies* 14, no. 1 (2011); Park Hyeong-jung, "Towards

Due to the spread of "political market economy" within North Korea's *suryong* dictatorship system in the 2000s, systematic corruption has been institutionalized. Systematic corruption is an important mechanism on which a political community operates, and means that corruption led by political power is inherent within the socio-economic system.[4] In particular, in underdeveloped, hereditary dictatorship politics, corruption is structuralized into the state system. This can be observed in countries that hold low levels of responsibility toward its citizens, where rules of the market economy based on individual's needs, responsibility, labor, competence and competition take lead, or in countries that regulate individuals through a tight bureaucracy and maintain control over the market economy. This is because corruption where political and economic powers unite is institutionalized in the process of the dictator securing a financial base and gaining domination over bureaucrats by allocation of public goods and bureaucratic positions. In such society, behavioral interactions of actors that are involved in the corruption structure are closely knitted through the pursuit of benefits of protection and compensation. In other words, the informal network of patron-client ties and interest-based exchanges function on a daily basis.[5]

How can this phenomenon be interpreted? According to James

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a Political Analysis of Markets in North Korea," (in Korean) *Korean Political Science Review* 46, no. 5 (2012); Park Young-Ja, "North Korea's Class, Generational, Regional Cleavages in Periods of Systematic Transition," (in Korean) *Korean Political Science Review* 46, no. 5 (2012); Park Hyeong-jung et. al., *Status of North Korea's Corruption and Strategies for Anti-corruption* (in Korean) (Seoul: Korea Institute for National Unification, 2012); Park Hyeong-jung, "Political System and Three Models of Corruption," (in Korean) *Journal of National Defense Studies* 56, no. 2 (2013).

4. John Joseph Wallis, "The Concept of Systematic Corruption in American History," in *Corruption and Reform: Lessons from America's Economic History*. eds. Edward L. Glaeser and Claudia Goldin (Chicago: University of Chicago Press, 2006), pp. 23-62.
5. Oliver Schlumberger, "Structural Reform, Economic Order and Development: Patrimonial Capitalism," *Review of International Political Economy* 15, no. 4 (2008); Feisal Khan, "Understanding the Spread of Systemic Corruption in the Third World." *American Review of Political Economy* 6, no. 2 (2008).

C. Scott, corruption, the informal political system which has existed as a hidden political arena in numerous countries from the past to the present, plays a central role in the governance of a regime. Analysis that neglects such fact can invite inaccurate and even incorrect prescriptions. Ample experience and research outcomes establish that corruption shows similar causes, patterns and results even when political circumstances differ. Especially when looking at the history of underdeveloped countries, the cause of corruption must be found in the social structure and values regardless of whether it is a military or civil government. Also, as not a single country is free from corruption, the problem should not be about whether corruption exists or not but rather about how diverse aspects of corruption appear in different political systems, how corruption forms at different levels or how to assess the influence of corruption in different political systems.[6]

Thus, going beyond a simple status analysis, this research takes into account the continuity and change of the *suryong* dictatorship system and focuses on the systematic corruption of "power-wealth symbiosis" to investigate North Korea's informal political system of the 2000s. The second chapter outlines the relevant theory and method. It first looks into theories of rent seeking, clientelism and corruption as an informal political system which offer meaningful implications for analysis of the dictatorship of Kim Jong-un's regime. Then, the method of in-depth interview conducted on North Korean defectors is described. In Chapters 3 and 4, systematic corruption of "power-wealth symbiosis," presented from perspectives of both patron and client, is examined. By selecting paragon cases among over 300 in-depth interviews conducted on North Korean defectors by the Korea Institute for National Unification (KINU) between 2010 and 2014, this study analyzes the situation and structure of systematic corruption based on experiences and perceptions that appear in their statements. Chapter 5 concludes by investigating the comparative historical characteristics of North Korea's systematic corruption

6. James C. Scott, *Comparative Political Corruption* (Englewood Cliffs, NJ: Prentice-Hall, 1972), pp. 2-10.

which has evolved over the past 20 years and offers future outlooks based on comparison with China in the 1980s.

Theory and Method

Research Perspective

Scott diagnoses that Western prejudice and immaturity is the reason the majority of analysis on corruption in Asia or Africa focuses on "Why corruption is widespread in such countries." His alternative approach to the study of corruption in underdeveloped countries assumes the following perspective in terms of structure and value.[7] First, in order to explain market corruption related to organizational bribery or government goods/services trading, one must take a structure-level approach. By explaining the cause of corruption in underdeveloped countries with a focus on the structure, at the core is the government which supplies product, service and employment. Because the government is the most important actor (employer, regulator, producer, and consumer), at large, two forms of corruption structures develop. On one hand, as the bureaucracy is large, state bureaucratic sectors become easy preys of corruption. Bureaucratic factions increase due to conflict of interests among bureaucratic sectors or clienteles' sectors, and each faction becomes virtually feudalized. That is, they take advantage of their status to unjustifiably exploit or utilize their clienteles (or citizens) or certain sectors of the economy. On the other hand, the huge disparity in status, information, and education among officials and their clienteles which develop in underdeveloped countries, invites patron-client relation model corruption. In other words, bureaucrats (officials) become patrons and hold power to make decisions and receive bribes while powerless clients (citizens) form a clientele which bribes patrons in order to obtain their goals.

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7. James C. Scott, *Comparative Political Corruption*, pp. 10-15.

It is also useful to borrow from the field of anthropology when explaining the cause of corruption with a focus on values. This is because a large portion of what is perceived as corruption is the extension of the practice of gift giving. As customs and conventions of underdeveloped countries were interpreted from a western perspective, the act of gift giving was perceived as corruption. When importance is put on values, kinship and regional loyalty become important. The primary responsibility of humans in traditional societies is to protect relationships with families, descendents, households and race etc. Thus, when an individual becomes an official, it is difficult for them to ignore the requests of kins. It is important to note that such customs act to "strengthen the loyalty" to the regional community or the state. Another important observation is that these customs and regional ties appear as part of the corruption which exists in underdeveloped countries. In particular it occurs as a main form of corruption in countries where a bureaucratic structure has been added to the traditional order.

Connections or social networks can play both the positive role of social cohesion and safety net formation and the negative role of promoting corruption. This so-called Asian tradition, a tendency of prioritizing social network, appears frequently in developmental state models. Even in the case of South Korea, this tendency remains apparent up to the present 21st century.[8] Furthermore, systems such as North Korea, characterized by patrimonial capitalism resulting from the evolution of dictatorship and politically dominated marketization, incur unequal trade and high transaction costs due to compliance to the politically dominant order. Neoclassical economics or institutional economics is unable to provide accurate analysis tools for politically dominant economic order which thrive in non-democratic environments.[9] Rather, political economy theories of dictatorships are

8. Kim Woo-sik, "The Effects of Social Networks upon Conceptions of Bribery," (in Korean) *Korean Corruption Studies Review* 16, no. 2 (2011), pp. 25-49.
9. Oliver Schlumberger, "Structural Reform, Economic Order, and Development: Patrimonial Capitalism, *Review of International Political Economy* 15, no. 4 (2008), pp. 622-649.

useful. According to the survival logic of dictatorships based on game theory, the core mechanism through which dictatorships maintain power is the symbiosis of minority ruling coalition formed upon decision making rights on taxes and rents, disproportionate distribution of resources, opportunities and information and hierarchical patron-client systems.[10]

Thus, in order to interpret the systematic corruption of "power-wealth symbiosis," it is necessary to bring together not only theories of comparative politics which interpret the political economy of dictatorship continuity, but also theories of anthropology to yield a more comprehensive perspective.

Concepts and Theory

Corruption and clientelism, the core concepts of this study, are both deeply related to rent seeking. Rent seeking is a form of behavior which seeks to maximize private profit through public sector. Sociologically, societies where the need and desire to amass wealth through state power is apparent are defined as rent-seeking societies. They are societies in which the creation and allocation of rents led by state power[11] act as important mechanisms for wealth accumulation, and are often found in authoritarian dictatorships. In the case of China in the 1980s which has been most widely studied as an example of a rent-seeking society, bureaucrats and enterprisers established patron-client models on various rents and pursued common interests, portraying aspects of widespread corruption. This is symbolized as "*guanxi* (connection)," a Chinese term identical to clientelism.[12]

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10. Ronald Wintrobe, *The Political Economy of Dictatorship* (Cambridge: Cambridge University Press, 1998), pp. 20-39; Bruce Bueno de Mesquita and Alastair Smith, *The Dictator's Handbook* (New York: Public Affairs, 2011), pp. 4-15.
11. Rents are usually created when the state tries to control the market with a price that exceeds opportunity cost. Limitation of free trade or foreign currency distribution, monopolistic profit mechanisms etc. are representative.
12. Flora Sapio, "Rent Seeking, Corruption, and Clientelism," *Rent Seeking in China* edited by Tak-Wing Ngo and Yongping Wu, *Routledge Contemporary China Series* (New York: Routledge, 2009), p. 22.

Conceptually, corruption means deviation from general behavioral standards. Such standards are public interest, public opinion and legal norms. Vast parts of these three standards overlap but each has a different analytical focus and cause different problems. The most generally applied standard among the three is legal norms. According to legal norms, corruption means to use one's status to pursue individual interest or influence issues unjustly. That is, to diverge from one's public responsibility for the sake of the private interest of oneself and his/her family, friends etc. The usual corruption structure involves a transaction between two parties where one is a public official and the other belongs to the private sector.[13] Corruption operates through a "patron-client" or "public-private sector" network.

Thus, corruption is connected to clientelism. The term clientelism refers to the "patron-client tie model." It refers to unequal trade relationships such as material attraction, gift giving, and service provision which develop between the patron and the client. Clientelism is maintained for the sake of material and immaterial profits and benefits. The most important aspect of the transaction (trade) is political support. Through this relationship, the client can secure political protection, privileges, and social dignity. The patron utilizes the relationship to enhance his private power or wealth. The main function of clientelism which is generally accepted in the fields of anthropology, sociology, political science and Chinese studies is to acquire political interest or profit representation. Clientelism allows individuals who seek inclusion in the political system to achieve their goals of private profit pursuit outside the official channel. Environmental conditions for clientelism are mutual ties among individuals with unequal statuses and their proximity to one another. In other words, an adjacent network and difference in social status are important factors. In principle, the relationship forms between two individuals who are in different positions of the social ladder. Also, in order for utilitarian exploitation to be possible at all times, emotional factors are necessary. To sum up, to form an environment where clientelism can

13. James C. Scott, *Comparative Political Corruption*, pp. 3-5.

develop, structural hierarchy and cleavages are required, and in terms of the value aspect, loyalty, obedience, partnership and group consciousness is necessary.[14]

Therefore, clientelism and corruption play important roles in a dictatorship. Politically, corruption is a trading practice in which an individual utilizes "wealth" or ties with family, friends or acquaintances to change governmental decisions. Corruption is also a way through which an individual persuades or influences someone with public power to act in a way of his/her will. There are many ways to exert influence. Among them, corruption refers to cases when outcomes differ according to whether or not ties exist or whether or not bribery is involved. Meanwhile, factors such as whether there exists a voting system, whether "wealth" holding elites are systemized, and whether there are racial or religious barriers that hinder them from entering the public sector decide the type and amount of corruption within a political system. Each political system shows different aspects according to how "wealth" influences national policies.[15]

Unique characteristics of corruption exist according to the difference in political system and environment of each country, and clientelism operates as a political institution in relation to the nature of the system. In the case of China, which has been most frequently studied in relation to this topic, clientelism operated as an institution. It was institutionalized as the market economy which developed in the reform and opening process of the 1980s merged with the former controlled economy. The weapon of patrons was rents and clients adopted the strategy of maximal profit pursuit.[16] Despite continuing policies of exclusive dictatorship and reform repression, the developments in Chinese society in the 1980s appeared in the 2000s in North Korea in the process of marketization and trade development, pro-

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14. Flora Sapio, "Rent Seeking, Corruption, and Clientelism," pp. 27-28.
15. James C. Scott, *Comparative Political Corruption*, pp. 21-23.
16. For an institutional interpretation of the patron-client model which integrates anthropological findings, see David L. Wank, "Private Business, Bureaucracy, and Political Alliance in a Chinese City," *The Australian Journal of Chinese Affairs*, no. 33 (1995), pp. 67-69.

motion of foreign currency earning and expansion of exports and imports, and the development of the *suryong* economy which aimed to secure a financial basis for political rule. Further, as Kim Jong-un strengthens market exploitation while actively utilizing the market economy to secure a financial base for his regime, systematic corruption of "power-wealth symbiosis" is becoming an informal political system.

Method

The main research method of this study is analysis of oral text which has been acquired through in-depth interviews with North Korean defectors. Based on the recordings of more than 300 in-depth interviews conducted by the Korea Institute for National Unification between 2010 and 2014 for the purpose of status analysis on North Korea, paragon cases of patron and client which show the typical order of North Korea's "power-wealth symbiosis" were selected, and the situation and structure of systematic corruption was analyzed with a focus on their experiences and perceptions. The testimony of a speaker not only shows the situation of a society's system but also connotes the structure as well.[17] Furthermore, oral data is vivid experimental data of the actor which provides information not attainable in literary data.[18]

In order to select paragon cases, the oral text of the 300 defectors was analyzed, and among them, interviewees who provided information on systematic corruption of the Kim Jong-un regime and the operational mechanism of the *suryong* dictatorship system from perspectives of a patron or client were chosen for a 2nd in-depth interview. Four to five sessions of in-depth interviews, each 3 to 4 hours long, were conducted on those who lived as patrons or clients in North Korea in the 2000s. Their oral testimonies were recorded and

17. Erving Goffman, *Frame Analysis* (New York: Harper and Row, 1974), p. 463.
18. Paul Thompson, *The Voice of the Past: Oral History* (Oxford, Oxford University Press, 2000).

used as texts for analysis. Description of the situation is given through interpretation of experiences and perceptions of the interviewees or through direct quotation of oral texts. In order to enhance the reliability and validity of the testimonies, quotes are utilized after cross analysis with various preceding studies and information on North Korea.

The patron case is a soviet university educated man in his early 50s who was a mid-level cadre in Pyongyang with experience as a central bureaucrat in the cabinet. He defected in 2011. The client case is a university educated man from Pyongsong region in his mid-50s who was the head of a foreign currency earning company (head of a trading company) with background as a "*donju* (nouveau riche)" who worked as a wholesaler in the region of Shinuiju-Pyongsong-Pyongyang and with experience as a manager of a state-owned mining complex. He defected in 2010. Pyongyang is the center of North Korea's political system and Pyongsong in South Pyongan Province is the national center of wholesales and can be characterized as a satellite city of Pyongyang which logistically connects Shinuiju and Pyongyang. The two cases are of individuals who have directly experienced North Korea's systematic corruption in Pyongyang and Pyongsong which is at the heart of the *suryong* dictatorship. They are also actors who had directly experienced the history of change in North Korea over the past 30 years from the planned economy of the 1980s to the market economy of the 2000s at economic sites. Their interviews will contribute not only to dynamic research of North Korean politics but also to broadening interpretation on the operation of Kim Jong-un's *suryong* dictatorship.

Situation and Structure from the Patron Perspective

This chapter investigates the operation of North Korea's informal political system through the situation and structure of systematic corruption from the perspective of a patron. The first section is substantial status and discretionary power, the second is price generalization

and its decision factors, the third survival methods and symbiosis structure of patrons, and the fourth section is the clientelist structure of North Korean dictatorship.

Substantial Status and Discretionary Power

In order for clientelism to operate there must be a patron with the power to satisfy the requests of clients. That power is larger when the status of the patron is higher and when the patron holds a position that can serve the interest of clients. The fact that a majority of officials in North Korea live on and even amass wealth through their status, not through rations or paychecks, has been established through many channels. Their status and duties allow them to access rents and many people work hard to get in line for it. The testimony regarding the situation is as follows.

> "North Korean officials live off of their status and position. Even if you are in the central committee of the party, working in the Propaganda and Agitation Ministry alone is difficult to make a living. That is because there aren't any 'substance.' In North Korea, the core power of party is the Central Organization Department, and the Department is classified into Inspection, Administration and Cadre management. Even without requesting, those in the department can continually to receive bribes. If there is even a slight connection, people try hard to use that connection to establish relationships. If they do, they pour in bribes."

As described, the reason people try to establish relation with patrons is because they have discretionary powers. The authority of patrons to utilize their status and duties to meet the interests of clients is what makes clientelism possible. Especially, in a situation where the rule of law is not properly in practice, this authority of officials works as a greater power than laws. The authority of patrons makes patronage a network which operates through everyday relationships. Thus, an informal patron-client structure of mutual protection is formed. The testimony in relation to this is as follows.

> "Though criminal law exists in North Korea, there are many problems that are not legislated in criminal law. Therefore, proclamations are made under the name of each organization. The proclamation of the Ministry of People's Security, the proclamation of the Ministry of State Security and the Ministry of such and such etc. For example, the Ministry of People's Security proclaims that 'Those who cut electric wires will face severe punishment. Any organization or company that encourages such act will also face severe punishment.' This is not legislated in criminal law. But in courts, such proclamation has force. They sentence rulings on the basis of such proclamations, for instance, 'According to Proclamation 101 of the Ministry of People's Security, defendant 000 is sentenced to 10 years in prison camp.' North Korean citizens don't know well about criminal law so they just have to adhere to such sentences. If bureaucrats in Inspection Division or Regional Guidance Division or the Life Guidance Division of the Organization Department in the Central party take action, they can come up with many ways to kill or save a person. But wouldn't it be difficult to meet cadres after a sentence has been given? That's why people (clients) try to buy the favor of cadres (patrons) and regularly present them with gifts. And patrons like me help people that can take responsibility and maintain secrecy for me even if the bribery problem has been exposed."

Price Generalization and Decision Factors

As compensation for patronage has become institutionalized, price has also become generalized. In 2010 Pyongyang, a murder case was priced at over one hundred thousand dollars, drug dealing at one thousand dollars, house trading at ten thousand dollars, going overseas as laborers such as in the Russian forestry or mining sector five hundred dollars, going overseas as an instructor or manager twenty to thirty thousand dollars, going overseas as a restaurant waiter ten thousand dollars and matriculation into Kim Il-sung University twenty thousand dollars. Meanwhile, there are differences according to the severity of the case or the organization in charge and as the status of the patron is higher, the case is easier to take care of requiring less steps which leading to a lower price. The situation is described as follows.

> "The price changes according to the details of the request and the price differs depending on which organization is in charge. For instance, regarding cases of drug dealing, the price differs in relation to the rank of the organization that processes the case. Depending on whether it is the security agency of district, the security agency of province, Anti-socialist Investigation Group or Ministry of People's Security, the price is set differently. If the dealer is caught by Military security, a thousand dollars would do. And if it is a case involving more than 1kg of *Bingdu* (North Korean drug known as 'ice'), a thousand dollars won't do. If you actually trade 1kg of drugs in North Korea, that would amount to twenty thousand dollars. You have to put about five thousand (25 percent) of it aside for purposes of bribery."

The sector where bribery has been most active in North Korea in the 2000s is the housing sector. According to North Korean law, the trading of state issued residence permits[19] among individuals is a severely illegal act as it is regarded private utilization of national property. However, it has become the ordinary method of house trading after the 2000s through North Korea's marketization and its corruption structure. North Korea's "informal political system" which is entangled in corruption forms the foundation. The phenomenon owes to the "patron-client symbiosis" relationship which is tied to authorities and those with connections to them who live in Pyongyang.

> "Housing is the biggest sector for bribery. People used to live in houses designated by the government but after the 2000s, all of them are bought and sold except for organization apartments which belong to the most highly rated organizations (Party-Center, Ministry of State Security, Ministry of People's Security, and Ministry of the People's Armed Forces). In legal terms, the sole act of selling or buying a house is illegal. That is why a lot of bribery takes place in the process of receiving state issued residence permits or selling and buying them. First, the official in charge of housing receives a hundred dollars for each residence permit. Then, officials who mediate the transaction

19. It is a housing residence certificate which shows the individual has been allocated residence by the state. It is similar to South Korea's permanent rental housing residence contract.

> receive one thousand five hundred dollars from the owner who is selling a ten thousand dollar worth house. They also receive two thousand dollars from the person that is buying the house. If it is a three bedroom house, they usually take about three thousand and if it is a two bedroom house, about one thousand five hundred dollars. School and work assignment and overseas dispatch are areas that are also heavily bribed following housing."

Corruption has become part of the everyday lives of citizens and not only bribes concerning crimes or inspections but also in various other sectors bribery has become institutionalized in ways akin to the setting of a market price. The cost is formed around 25 percent of the price. But this is lowered as the status of the patron gets higher or familial ties of the client get stronger.

Survival Methods and Structure of Patrons

In order to prevent widespread bureaucratic corruption from invading the dictatorship regime, central authorities have created institutions to control it. Politically, dictator driven bureaucratic inspections and a so called "loyal reporting" system which fosters internal mutual checks are used. Socially, "appeal system,"[20] a reporting system which has long been in place to maintain *suryong* dictatorship, and anti-socialist inspections which have expanded after marketization are used. In addition to exposure through inspections, when a bribed patron fails to keep his/her promise with the client, it is possible to appeal to higher level central authorities through the "Appeals Office." In this case, however, clients who are aware of the possibility of a punishment that exceeds removal of the patron from his/her a position try to find solutions that will help maintain relations with higher ranking patrons while minimizing trouble in case they themselves are reported. The testimony in relation to this is as following.

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20. Refers to a system through which North Korean citizens can directly notify the *suryong* of injustice and report cadres which is managed directly by the Appeals Office.

> "For instance, if I have received a thousand dollars to free someone who was caught by the Ministry of People's Security, I give five hundred dollars to a higher ranked patron, and keep the other five hundred. I don't give it to lower ranked cadres. I would just buy them a meal and grant them some of their small requests. If there is a problem later on, I give two hundred dollars to my patron to handle the case. However, even if I am a higher ranked cadre, I would not directly order my subordinates to 'release the person.' I would rather say 'This is a case I know of. Make sure to take good care of it. There many different kinds of laws so take care of it according to the law.' I try not to provide any words they can pick on. I don't leave any records. There has to be an escape. Also, if the person who bribed me reports the case to another inspection organization, I use all my ties to ostracize that person. Secrecy is the basis for making a request."

Though there is a difference in the severity of the case and the proceedings, a symbiosis system generally operates among officials. There are two ways officials guarantee security in this informal political system. The first is conspiracy following the patronage ladder which exists among officials of different ranks. The second is a symbiosis structure on the promise of secrecy which the client uses to protect the patron-client relationship. There are also symbiotic rules that are in place to protect such relationships within the bureaucracy, and there is an implicit but public patron rule of returning the bribe if the patron fails to meet the request of a client. The testimony in relation to this is as following.

> "There are business principles. If a person called A and I are in the same department, and if a client makes a request to both A and me (meaning that he/she is using two lines in the same rank), this causes trouble. In order to protect the relationship, a request must be made one-on-one. But if, for instance, someone has made a request to A and another person to me regarding personnel designation, we ignore what we know and do not interfere with each other. The final decision is made according to the power and connections that A and I have. And if I fail to meet the request of my client, I have to return the money. If I don't, my status is in danger because that person can appeal. Only low ranking petty officials engage in acts of fraud. We,

> who are above the mid level, always return the bribe if the request cannot be accepted. If I keep my status and duties and continue to be promoted to higher ranks, I can receive tens of hundreds of times that money. So if I can't handle a small case and lose my position, the only thing I can be called is a fool."

The survival and methods of relationship protection among patrons are diverse depending on conditions such as the status of the patron, the relationship between the patron and the client, the severity of the case as well as the organization in charge of the case.[21]

Clientelist Structure of the Dictatorship

The first rule of a dictatorship is that the dictator guarantees economic privileges of a small ruling coalition which is comprised of his/her closest advisers.[22] Therefore, in response to corruption that threatens the regime, measures such as reporting and purge campaigns that were discussed above are used. However, corruption which does not cause notable harm to the rule of the regime and which is controllable by the central authority is used as a mechanism to foster the loyalty of officials. After the economic crisis and marketization, the North Korean regime institutionalized this survival rule of dictatorship. The related testimony is as follows.

> "Kim Jong-il knew about the corrupt situation and Kim Jong-un probably knows it as well. The reason they turn a blind eye is because it is clear that they cannot maintain their regime if they don't protect the

21. For a notable case study on China which offers important implications for the analysis of North Korea's informal political system, see David L. Wank, "Bureaucratic Patronage and Private Business: Changing Networks of Power in Urban China," in Andrew G. Walder (ed.), *The Waning of the Communist State: Economic Origins of Political Change in China and Hungary* (Berkeley: University of California Press, 1995); Flora Sapio, "Rent Seeking, Corruption, and Clientelism," in Tak-Wing Ngo and Yongping Wu (eds.), *Rent Seeking in China* (New York: Routledge, 2009).
22. Bruce Bueno de Mesquita and Alastair Smith, *The Dictator's Handbook* (New York: Public Affairs, 2011).

> patrons. In the current political system, the regime only punishes a few mid-level cadres as an example and the rest must be given protection. If not, the regime cannot function. The regime cannot offer them a living through rations or paychecks. Instead, they allow them to make a living through informal rights or the status of a cadre. And if they don't keep loyal, they are exposed and punished. That is how the regime manages them."

As described, clientelism which exists under the protection and check of the dictatorship acts as a contributing factor to the continuity of the dictatorship. When North Korea's market economy began to operate in the *suryong* dictatorship in the early 2000s is when the clientelist order of "power and wealth" symbiosis began to properly function under North Korea's dictatorship. The related testimony is as follows.

> "I didn't know about money or bribes until 1995. Bribes were usually small gifts such as ten packs of cigarettes, 2-3 kilograms of meat or several bottles of liquor. After 2000, money exchange between cadres suddenly surged. From 2001 and 2002, mid-level cadres would say to each other 'let's accrue just three hundred thousand dollars.' So the 'three hundred thousand dollars campaign' started to spread. If I can garner just three hundred thousand dollars through bribes while I am in office, it is not too excessive and I can maintain my position in office receiving food and money for gas from the state while being able to take care of my children and live a comfortable life."

Furthermore, as the "connection between power and wealth" further developed with marketization of the North Korean economy after 2000, a new upper class (nouveau riche) was formed. This class was able to amassed personal wealth in amounts none could have imagined. As the informal political system evolved, in the case of Pyongyang in 2010, new powers who were called "new chaebols" who had an average of a million dollars emerged. Through their economic support, patrons carry out the orders of Kim Jong-un which is called "offering of loyalty." Thus, they form a financial ruling base for Kim Jong-un.

Situation and Structure from the Client Perspective

This chapter investigates North Korea's systematic corruption of "power-wealth symbiosis" from the perspective of the client. The first section is political protection and economic need, the second is methods of establishing relationships and the scale of bribes, third the situation after the currency reform, and fourth rent allocation and structure of dictatorship continuity.

Political Protection and Economic Need

The main reason power-led clientelism has been institutionalized in North Korea is because there are a great number of clients who are in need of political protection and economic profit making mechanisms. The main reason they need political protection is due to the North Korean *suryong* dictatorship system which experiences frequent policy changes due to numerous instructions and alterations in such instructions as well as political and anti-socialist inspections according to one's background. Economic need is not only to secure a living but also due to the desire to amass wealth and enhance social status. Thus, a large number of clients try to find a patron for purposes such as protection and punishment relief from regulations of the dictatorship, manipulation of official documents such as evaluation reports and the issuance of various certificates to secure privileges and opportunities as well as mediation for promotion, employment and matriculation opportunities.

This chapter focuses on manipulation of official documents and issuance of inspection evasion certificates to look into the situation of corruption from the client perspective. In relation to the manipulation of evaluation reports through which the party and the state evaluate and manage individuals, traditional and modern methods coexist. The reason the client in our case was able to enter a prestigious university and become a manager at the state-owned complex despite his familial background of having a South Korean lineage, is because his father changed certain parts of the resident registration through bribery. He

says that nowadays, it is possible to drastically forge public documents and become even a high ranking official. The related testimony is as follows.

> "People who have money use connections to create a case that shows that their grandfather or father was loyal to Kim Il-sung or Kim Jong-il. It is also possible to buy a cadre position. You just have to give a thousand dollars to the person who manages residence registrations or someone who is the Cadres Department, or ten thousand in case of the military. People who manage the documents can't live off the salary the state gives them. They can't live without bribes. The bribes are their salary."

Meanwhile, the reason why bribery has been structuralized in the 2000s is due to everyday wide ranging inspections. Bribery for protection from inspections has become a routine in not only markets or foreign currency earning companies (trading companies) but also company sites. The related testimony is as follows.

> "If you are a manager, you are subject to a lot of inspections. They come from the Party Organization Department, the Prosecutors Office and even the Hygiene and Quarantine Office. The Departments in the People's Committee each come as well as the military. Also, anti-socialist inspection is a comprehensive one. Once, they even came 17 times in a month. Every time, you buy them meals and drinks and offer them presents or even money. That's how you keep trouble away. The reason I could keep my manager position is because I served the cadres well."

> "In North Korea, everyone must be affiliated with an official organization. Even foreign currency earning is an informal economic activity which takes place through affiliation with an official organization. When I was the head of a foreign currency earning company, I had to give dollars to people like school presidents in the military that my company belonged to. If you ask them (heads of organizations) for help (asking them for affiliation with their organization) to become the head of a company, you have to give them at least five thousand dollars. In North Korea, five thousand dollars is a great amount of money. That's what you have to pay to become the head of a company.[23] Also,

> on national holidays, birthdays or other personal occasions, you have to give them presents or money on a regular basis. That's about four times a year at most."

The next testimony is about corruption regarding travel permits. The development of the market economy as well as the need political protection has increased the prevalence of traveling, hence increasing the need for travel permits.

> "On Chosun[North Korean] territory, you can only move around if you have a travel permit. I learned how the North Korean system works and how cadres act during the three years of my experience as a head of company. I got an active military travel permit for two hundred dollars in 2006 when I was the head of company. I dressed as real soldier and wore an insignia to use the permit. Ordinary citizens in North Korea have to register with the police, be investigated and wait a long time in order to receive a travel permit. But if you have money, it is delivered to your home. When I left North Korea, I had two ordinary permits as well as two military issued ones. But I was still nervous and traveled through deep mountains. In North Korea, if you have money and competence you can do anything."

Methods for Establishing Relationships and the Scale of Bribes

In North Korea, they call establishing relationships with patrons "*jultagi* (balancing, literally, walking on a rope)." Methods of establishing such relationships and the scale of bribes to do so are very diverse but after 2000, a certain pattern was formed and the scale of bribes also began occur systematically. It is necessary to give special attention to *jultagi* for the purpose of securing a living and *jultagi* within complexes for purposes of political protection or promotion to the cadre level. The first case will look into the foreign currency earning business.

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23. Depending on the business of the foreign currency earning company and characteristics of products traded, the head of a company could have hundreds of subordinates or may have only three.

> "When I was a manager of a state-owned enterprise, I received two thousand dollars from a relative in South Korea whom I got to know through a broker, and bought a car under the name of the enterprise and started a transportation business. But the reason I became a head in a military complex is because I was caught by the Ministry of State Security for meeting my South Korean relative in China. I was dismissed from my position and when I came back from prison no one would take me. And the Ministry of State Security assigned me to a very harsh job. Friends (regional cadres) tried to employ me in their organization but the Ministry of State Security kept on interrupting. That's why I started to look into the military. Because of military first politics, it was most advantageous for me to join the military. The State Ministry of State Security can't mess with the military. It's the characteristic of the society. That's why I became the head of foreign currency earning company in the military."

> "When I started my position of manager of the company, I bought meals and presents for the chief in charge of the organization's foreign currency earning. Then, he introduced me to cadres telling them that 'I know someone with great competencies.' Then, I give the cadres presents or bribes, and that's how you walk lines and establish relationships. 30 percent of whatever I earn goes to them. I have to pay all the different ranks. I can get over low ranked cadres with a truck of coal and to higher ranked cadres I have to offer dollars. But now dollars are used for mostly all occasions."

The following describes the *jultagi* situation of the interviewee when he was the manager of company.

> "Money and relationships for promotion or entry into the cadre level is important even when you are a manager. I also engaged in a lot of *jultagi*. You also have to be competent. *Jultagi* requires skills. I used about one to two thousand dollars every year on higher ranking political cadres in order to keep my position as manager. If I wanted a promotion, I used about five thousand. I continued to socialize with them in everyday life; lunar New Years, Chuseok, birthdays of Kim Il-sung and Kim Jong-il, Independence day of North Korea,[24] birthdays of cadres

24. September 9 Day (September 9, 1948, Official Foundation Day of North Korea).

> etc. I usually give them money but if they refuse to receive the money, I offer presents in the same amount. That's how we give them gifts on a regular basis. But it's also worth about a thousand dollars in money. So eventually, money or gift, it is all material."

The Situation after the Currency Reform

Due to the sudden announcement of currency reforms on November 30, 2009, small and medium merchants who only held North Korean currency suffered a huge blow.[25] But for heads of companies or *donjus* who accumulated money in dollars or *renminbi* (Chinese currency) to prepare for later times after being subject to extensive state inspection in 2007, currency reform was an opportunity. It was also an opportunity for clients who knew ahead about the currency reform through their patrons to accumulate wealth. Thus, after the currency reform the structure of clientelism became more sophisticated. The situation is described in the following testimony.

> "After the reform, heads of companies or *donjus* seemed to have suffered a lot but they all quickly recuperated. Do you know why? They already held all their money in foreign currencies. They usually would have about half their money in dollars or *renminbi*. So they only suffered damages on domestic currency and their wealth was safe in foreign currencies. So they used it to trade with Chinese merchants to bring in products and that's how the market was vitalized in North Korea. These heads of companies were the main powers behind the market. If they moved, products moved in markets. Thus, this market power made currency exchange meaningless."

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25. The North Korea announced that the currency will be reformed, thus between the seven days of November 30-December 6, 2009, all citizens must exchange the old currency for the new currency. However, the state devaluated the value of the currency at 100 (old currency) to 1 (new currency), and limited the amount one household can exchange to a hundred thousand won. As a result, a dollar before the currency reform was worth 100 won but its value surged to 8,000 won afterwards and North Korean currency became useless. Also, the dollar started to play the role of key currency in the North Korean economy. A dollar price became the standard in trading transactions, market transactions as well as bribery.

> "People all know. They know who to bribe and what to do. Even the amount of money is all set out. Chief secretary of military, chief secretary of city, if I want to tell them that I want to start a trading company, I give the chief secretary of city about three thousand dollars. The price is set like the market price that is set naturally, and it begin in 2000 and developed even more after the currency reform. Bribery is mutual help. Money is all connected. Heads of companies all know."

As described above, the currency reform carried out by the North Korean regime for the purpose of controlling the market economy and collective foreign currency failed due to the market force and the connection of power-wealth symbiosis. Rather, it led to unintended consequences of deepening wealth inequality, the pricing of patrons and the worsening of systematic corruption of "power-wealth symbiosis."

Rent Allocation and the Structure of Dictatorship Continuity

In a dictatorship, the dictator and his closest aides are in charge of the resources available for state use. Thus, in order to maintain power, they give various organizations and ruling systems finances and privileges in exchange for continued loyalty. Through this dictatorial rule, allocations of rents regarding the authority to regulate people and run institutions are made, and mutual reporting and loyalty competitions take place between political factions. This ruling strategy which constitutes the main factor of dictatorial continuity is closely related to systematic corruption. The testimony on the detailed situation is as follows.

> "They give the right to process drug dealing cases to the Ministry of State Security for them to run a drug crackdown squad. Then all bribes related to drug cases belong to the Ministry of State Security. The Ministry of the People's Armed Forces is in charge of car dealing. Drug dealing which involves a lot of bribery belongs to the Ministry of State Security; so instead, they let the Ministry of the People's Armed Forces have authority over car dealing. This is how they allocate rights."

The relation to the continuity of the *suryong* dictatorship is seen in areas of both informal and formal systems. On the one hand, each organization is allowed to engage in informal bribery to live off patron-client relationships. On the other hand, loyalty competition based on mutual checks among organizations that compete for such rights is induced through reporting systems and briefings to the dictator. The following quotes the oral testimony on this matter.

> "The person in charge of each organization presents offerings to Kim Jong-il or even Kim Jong-un in order to secure such benefits. There is fierce competition. Also, there is a line of information which is formed according to the *suryong*'s guards. These people separately brief Kim Jong-il or Kim Jong-un. So in order to maintain benefits you have to be loyal to the regime."

It is necessary to note that for each organization, there are allocated rents for the operation of the *suryong* dictatorship, but it can be seen that the military and certain special organizations indiscriminately exploit such rents. Thus, there is room for irregular behavior and the importance of lines and connections is further accentuated.

Conclusion: Comparative Historical Characteristics and Future Prospects

The findings on North Korea's systematic corruption, which has been operating as an informal political system in the post-2000 *suryong* dictatorship, has been analyzed with consideration to the past 20 years of North Korea's marketization as well as China's increase in market economy of the 1980s. The historical characteristics drawn from this study and future prospects are as follows.

First, the command economy of North Korean *suryong* dictatorship resulted in political clientelism. Clientelism in North Korea is rooted in bureaucracy, which derives from a planned economy, and has become a generalized informal political system through the *suryong* dictatorship and marketization of the 2000s as well as the self-reliant

process of survival rule establishment among the citizens. Thus, it is a historical characteristic of a command economy. In a command economy, officials hold monopoly rights over allocation of resources that citizens need. Officials have vast discretionary powers regarding not only goods and job allocation but also punishment. In North Korea, this right acts as a symbiosis mechanism between the *suryong* and officials. It is the survival mechanism of the dictatorship and contributes to the political legitimacy of the socialist state.

Individuals can access such resources through special relationships with officials. Thus, patron-client relationships are formed between the state and society and this relationship becomes institutionalized over time. This was possible owing to the closed environment and was strengthened through emotional ties of loyalty and responsibility.[26] However, that relationship is characterized by a hierarchy that is led by a patron who holds power and the submission of a client. This power dependent clientelism is based on "infrastructure power," the system ability of the state to penetrate and control the society, conceptualized by historical sociologist Michael Mann.[27]

In a society where the state holds power to penetrate and control the society the client usually accommodates central policies and commands and cooperates with the official.[28] Meanwhile, clientelism creates social cleavages between groups that are patronized and groups that are not. It also functions to suppress structural opposition toward state power.[29] Business and citizen groups that represent the society

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26. Zevedei Barbu, *Democracy and Dictatorship: Their Psychology and Patterns of Life* (London: Routledge, 1998); T. H. Rigby and Ferenc Fehér, *Political Legitimation in Communist States* (New York: St. Martin's Press, 1982).
27. Michael Mann, "The Autonomous Power of the State: its Origins, Mechanisms, and Results," *European Journal of Sociology* 25, no. 2 (1984), pp. 185-213.
28. Clientelism between bureaucrats and private enterprises which appeared in China in the 1980s depicts the situation well. David L. Wank, "Bureaucratic Patronage and Private Business: Changing Networks of Power in Urban China" in *The Waning of the Communist State*, edited by Andrew G. Walder (Berkeley: University of California Press, 1995), p. 153.
29. Ronald Wintrobe, *The Political Economy of Dictatorship* (Cambridge: Cambridge University Press, 1998).

are ruptured according to interests and relationships and this make collective resistance against the state and state officials difficult.

Second, North Korea's clientelism currently operates on a "power-wealth symbiosis" mechanism. In comparison to China in the 1980s, there are similarities and differences owing to the political system, the underdevelopment of reform and openness policies, the commercialization process and the principal agents of action.

The "power-wealth symbiosis" structure of North Korea in the 2000s shows aspects of a power driven clientelist corruption system of patron-client connection. It is possible to find similarities with the clientelist political order of China in the 1980s. Meanwhile, in China, the bureaucratic control function weakened in the process of commercialization. This is because commercialization limited bureaucratic monopoly and weakened the state dependent clientelist base in the process of allocation of resources and opportunities. This is an important point to note considering that the reemergence of private businesses operated outside the command economy.[30]

In the case of North Korea, commercialization progressed over the past 20 years, yet even up to the present 2015, it still remains under the influence of the "dictator's rent distribution" within the command economy. Thus, the reemergence of private companies is not occurring at the same level of China in the 1980s. Rather, from the perspective of medium and long term change in North Korea, the profit structure of trading companies, *donjus*, managers and merchants is continuing to change in the marketization process. Considering the possibility of patron-client interest conflict which occurs because the interest of patrons and clients do not necessarily conform and the conflict mechanism of power-wealth network operation, it is possible to predict the weakening of bureaucratic control mechanisms and state infrastructure power.

Third, due to marketization situations and rapid changes in the political environment, instability in actions, relationships, and mutual interactions among *suryong* and officials who are key agents of the

30. David L. Wank, "Bureaucratic Patronage and Private Business," pp. 153-154.

North Korean system in the State sector, heads of foreign currency earning companies, *donjus* and merchants in the market sector, and citizens of the social sector increased. As a result, the need for a protection mechanism among individual actors increased and the patron-client informal network became a mechanism of life.

The political economic situations and policy trends that appear in North Korea in 1995, 1998, 2000, 2002-3, 2005, 2007, 2009, 2010 and 2013 lay grounds for this argument. This change can also be inferred from "political behaviors of the *suryong* and officials that can be seen in economic policy decision-making processes"[31] up to 2015. Over the past 20 years, North Korea's regime attempted policy change in the direction of "planned → market → planned → market." This caused dynamic changes in behavior and interaction among actors. As a result, in order to protect their status and profits, North Korean authorities (patrons) vowed loyalty to the *suryong* while developing the informal political system, and clients routinized contacts with the patron sector for safer *jultagi*.

Fourth, for the past 20 years, the market economy has been evolving in North Korea. However, unlike the Western experience of business alliance or citizen solidarity, cleavages worsened in the client sector owing to the dictatorial informal political system which makes it difficult for a civil society capable of confronting the state and bureaucrats to form.

According to international level empirical research on the formation of a market or civil society capable of confronting state power, an economic system in which state enterprises and private enterprises coexist fosters horizontal integration. Entrepreneurship was the most reliable resistance strategy against state control and entrepreneurs eventually sought to form horizontal alliances with other subordinate groups such as intellectuals or laborers. Thus, civil society attains the

31. In relation to this, see Han Ki-beom, "Bureaucratic Policies and Organizational Behavior in North Korea's Policy-making Process: Focus on the expansion and withdrawal of economic reforms (2000-2009)," (in Korean) PhD Dissertation, Kyungnam University, 2009; Park Hyeong-jung "Changes in North Korea's Political System in the 1990s," (in Korean) *Policy Studies* 168 (2011), pp. 103-130.

ability to receive more concessions from the state. This is a widely accepted interpretation for socialist transition countries such as the USSR and eastern European countries.[32] Such interpretation also exists for China.

However, after the mid 1990s, anthropological and sociological studies based on participant observation shed light on a different route for China. According to the results of a participant study through in-depth interviews on "entrepreneurs, bureaucrats and political coalitions which appeared in Xiamen" in the late 1980s, it is possible to identify a configuration of state (party), society and private enterprises which clearly deviates from the eastern European case. For instance, Chinese entrepreneurs had no consistent identity as an interest group which is a fact that is generally assumed. That is because their wealth was created in the structuralization process of the market economy which was created in a command economy. Differences in social background, business size and clientelist bureaucratic support set entrepreneurs apart into different groups that each faced different opportunities and limitations.[33]

This phenomenon is evident in the case of North Korea as well. As wealth inequality increased social cleavages appeared, and the lives of those who engaged in *jultagi* and those who did not changed. In the client sector, an internal profit conflict structure was formed which made it difficult for them to unite. As a result, it has become difficult for clients to take collective action to express their interests against officials or to form a civil society capable of confronting the state.

Lastly, based on the situation and structure of systematic corrup-

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32. Gil Eyal, Ivan Szelenyi, and Eleanor Townsley, *Making Capitalism without Capitalists: Class Formation and Elites Struggles in Post-Communist Central Europe* (London: Verso, 1998); Grzegorz W. Kolodko, *From Shock to Therapy: The Political Economy of Postsocialist Transformation* (Oxford: Oxford University Press, 2000); Bernard Chavance, *The Transformation of Communist Systems: Economic Reform Since the 1950s* (Boulder, CO: Westview Press, 1994).
33. David L. Wank, "Private business, Bureaucracy, and Political Alliance in a Chinese City," *The Australian Journal of Chinese Affairs*, no. 33 (1995), pp. 55-71.

tion, currently, "power-wealth symbiosis" clientelism is contributing to the continuation of the *suryong* dictatorship. However, there is also a possibility for it to have an adverse effect in the medium and long term.

Currently in North Korea, from the *suryong* and ruling collation, each regional unit and party · military · political power organization is leading and engaging in clientelism with lower level officials, heads of foreign currency earning companies, *donjus* and merchants as well as citizens that have interest. On the one hand, it is the result of interaction between the *suryong* system's "wak (trading right, a kind of rents) allocation" (which moves the largest amount of finances) and commercialization of rents by state authority, marketization that expanded around the retail market, and the economic survival structure of citizens through markets. On the other hand, it is the result of the North Korean regime, which failed to return the national economy to the planned system of the 80s despite efforts to shut down markets, exchange currency, ban the use of foreign currency, and ban organizations and individuals to participate in market trade, turning the market economy into a beneficial force for the maintenance of power through political management after the 2000s.

In this process, the informal political system of North Korea which has evolved up to 2015, rather than forming anti-dictatorship forces which threatens the dictatorship, seems to be contributing to the continuity of the Kim Jong-un regime and the complex evolution of hereditary rule along with various control systems and the *suryong*'s rent allocations. Also, the new wealthy class which has developed along with marketization, or "red capitalists," form a symbiotic relationship with the *suryong* and ruling coalition for their own benefit and safety. Thus, in the recent situation of systematic corruption, it can be assessed that power authorities and the wealthy class are seeking an "exploitative conspiracy" against the people's economy.[34]

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34. Park, Young-Ja, "Evolutionary Peculiarity between 'the Market System and the Dictatorship" in North Korea," Presented at the *2012 Korean Political Science Association Autumn Conference* on August 31, 2012.

Meanwhile, from a medium and long term perspective in relation to outlooks for change in North Korea, especially from the client perspective, due to fluctuations in the power structure of the Kim Jong-un regime and frequent changes in national policies, clientelist networks can become unstable and it can become difficult to endure a "price that exceeds utility (excessive bribes)." Also, entrepreneurs can notice that it is difficult to continue to accumulate wealth in the North Korean economic situation marked by excess distribution and an absence of self-production.

In sum, in the short term, North Korea's informal political system, the systematic corruption of "power-wealth symbiosis," contribute to the continuity of the *suryong* dictatorship. However, in the medium and long term, there is a possibility that it can act as a rationalist force network that can create public opinion for social change in a time of rapid fluctuation during which the rules of the game change. Also, it is possible that principal actors of the informal political system which has led clientelism can become a new capitalist class in a situation where systematic transition occurs in North Korea.

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