



Don't Expect a Pyongyang Spring Sometime Soon

By Hazel Smith

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Walking the streets of Pyongyang after an absence of eight years it's easy to be seduced by a superficial optimism that things have changed for the better. Apartment blocks and streets are lit at night. New shops and restaurants catering for local people are thriving. Traffic, including private cars, though hardly at the level of Seoul or Beijing, is a constant on Pyongyang's streets which at last have a traffic light system that works.

The pyramid-shaped 'Rugyong' hotel, the long-neglected and still tallest concrete building in the world, whose 330-meter spire disappears into overhanging rain clouds, built in the late 1980s but left for 20 years to decay, is being clad with glass imported from China. The temporary fence of the building site surrounding the structure is covered with Socialist Realism depictions of women workers with fists held high proclaiming progress toward completion.

Even 10 years ago the shops available to the city's 3 million inhabitants could be counted on one hand; the city streets were almost silent and usually pitch black at night, with apartment blocks seldom displaying more than flickering and muted light from torches or candles after dark. Construction had all but stopped in every part of the city.

Other positive signs that North Korea is transforming itself are evident in the behavior of young children in the streets. I saw one young boy take his life in his hands by dribbling a football across a main street with cars and lorries hurtling toward him while others yelled out hello, goodbye, say cheese, to foreigners taking pictures in the park by the river. No longer do you see the robotic behavior of very young children dressed in identical but clean school uniforms who were trained to be fearful from a very young age of authority figures and to avoid foreigners.

These changes have not come about because of government decisions to loosen political control. They are instead the product of the laws of unintended consequences.

Since the famine of the 1990s that killed up to a million out of a population of 23 million, the North Korean state has only provided food for key workers like miners and the military and very occasionally welfare food to vulnerable groups like the elderly and children. As a result the population has been forced to fend for itself through engaging in non-state

directed and controlled buying and selling of food and goods. Shops use dollars, euros, Japanese yen and Chinese yuan (but not British pounds) and shun the almost worthless North Korean *won* which trades at over 2,000 to the dollar, compared to the official rate of just under 100 to the US dollar.

North Korea's population is a couple of million more than Australia's at 24 million – and 70 percent live in urban areas; most have no means to grow their own food. This means that the vast majority of the educated including the hundreds of thousands of government, Party, and security officials, including the high-level bureaucrats whose wages at the very most amount to no more than \$300 a month in real terms, must hustle for a living. They do so by selling personal goods and swapping and bartering services, such as the use of government transport, in return for food and hard currency, and, if they are very lucky enough to have access to foreigners, arbitrage these contacts to solicit hard currency.

For most, including very many in Pyongyang, access to hard currency is not possible and the degree of poverty is plainly evident. The backstreets in Pyongyang are unpaved, with new construction of four – or five-story apartments appearing to be constructed without mechanization so that these blocks look obsolete before they are finished. People still walk everywhere, despite the increased number of buses in the city. Along with poverty, what is apparent in Pyongyang is the inequality.

Private traders are doing well and are very visible as consumers and purchasers of food, drink, and goods in the new restaurants and shops, providing new role models for North Korea's young. Also highly visible are the hunched-back elderly, the poorly dressed children and adults who throng the streets, coming and going to markets, schools, and work.

In most societies, the use of government resources for personal use is characterized as corruption. In North Korea the alternative to engaging in the nation-wide semi-licit market activity is starvation. Food and fuel costs are not subsidized by the government and North Korea's population pay world market prices, albeit without consumer taxes. A liter of petrol costs \$1.30 – about the same as is paid by US automobile drivers. In today's North Korea, everyone who can engage in trade will do so – as there are still chronic food shortages and so there is a real threat of starvation and hunger – but, at the same time, all must pretend to each other that they are not reliant on the market for survival.

The government advertises in its national and international propaganda that it continues to provide for the population yet it has not done so for the best part of two decades. It continues to treat the market in which every single North Korean has been embedded for over a generation as if it were a temporary, ancillary, and unwelcome phenomena that will in some future

scenario be eradicated, when North Korea resumes its rightful place in the world as a 'prosperous and strong nation.'

North Koreans are still politically surveilled and although the security apparatus is nowhere near as efficient or as interested in political ideology as in the pre-famine era, there is still the ever-present personal risk that some arbitrary charge could be used to prosecute an individual who appears to be doing too well or to have pushed the boundaries of private gain a little too blatantly.

In North Korea the market economy is irreversible but it is a market economy that is institutionalized within a culture of simulation, surveillance, and endemic cynicism. A future integrated or unified Korea, led presumably by South Korean democrats, will inherit a society framed by market dynamics but without an understanding of ethical market behavior or market regulation. This could be a toxic heritage as detrimental to the future united Korea as the unregulated and unsafe development of nuclear power also taking place in the North right now.

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