



North Korea: a year into the reign of Kim Jong-un

A year after the death of Kim Jong-il and the ascension of his son Kim Jong-un, the Democratic People's Republic of Korea appears to be more stable than many had predicted. The new leader has consolidated his authority and rebalanced power among key institutions, but his reforms have not gone nearly far enough if North Korea is to escape its poverty trap.

While the nation remains impoverished as a whole, the capital shows some signs of prosperity, and a successful rocket launch on 12 December further strengthened Kim Jong-un's hand. Yet internal contradictions and increasing isolation could portend trouble. External assistance will be further out of reach if he doubles down on the missile launch by conducting a third nuclear test.

Succession

The death on 17 December 2011 of North Korea's second leader, Kim Jong-il, triggered an immediate transfer of authority to his third son, then aged 28–29. When the death was announced two days later, Kim Jong-un was immediately appointed 'supreme commander of the armed forces'. Within four months he held the *de jure* titles of head of the army, party and state. This pace of succession was much faster than when Kim Jong-il inherited the mantle from DPRK founding father Kim Il-sung in 1994, with no formal titles passed on until three years later.

Many analysts predicted a rough ride for the inexperienced Kim Jong-un, who had a far shorter time to prepare than the 20-year grooming period enjoyed by his father. A continuing shuffle of senior military officials might be an indication of unrest among their ranks. The newfound prominence of leaders of the state security services suggests an unusual need for muscle. Further evidence of muttering in the ranks may be found in an [October speech](#) in which Kim Jong-un declared that the nation did not need soldiers who could not be absolutely loyal to the party.

Yet for now the succession has to be ruled a success. In consolidating his power, Kim Jong-un has replaced the top tier of the military officials who were in place at the time of his father's death. He purged [Ri Yong-ho](#), chief of the Korean People's Army (KPA) General Staff, in July, and elevated a family crony, the civilian Chae Ryong-hae, to lead the KPA's political branch. In late November, Armed Forces Minister Kim Jong-gak was replaced by Kim Kyong-sik, who had commanded forces responsible for attacks on South Korea in 2010. Kim Jong-gak had taken up his post only seven months earlier. What he did to displease in that short time is unknown. Two other top military officers have gone unseen, for months in one case, and have probably also been purged.

To what extent the young leader has singular authority is unclear. On the one hand, he is unquestionably the face of the regime, having made [many more public appearances](#) in one year than his father made in his first three years in office. Yet despite Kim Jong-un's aura of confidence, he does not have the acquired wisdom or expertise to manage the country on his own. It is widely presumed that the power behind the throne lies with his uncle Jang Song-taek, who received a royal welcome during an August trip to China, and Jang's wife (Kim Jong-il's sister) Kim Kyong-hui, who is said to be ailing.

Kim Jong-un has hastened a rebalancing of power among the key pillars of the regime that had already been under way in the last years of his father's reign, by bringing the formerly dominant military into a position of greater equity with the Korean Workers' Party and state governance institutions. During Kim's public appearances this year, he has been accompanied much more frequently by party officials than by military officers, a reversal of the practice seen during his father's reign. Meanwhile, at least two military enterprises that had brought hard currency to the KPA by selling bituminous coal and gold to China have been [placed under state control](#).

Satellite launch

The rebalancing of power is only relative, however. 'Military first' remains the guiding principle of the nation. More than a slogan, 'military first' sets the direction of both the economy and foreign policy. The military, with the world's fourth-largest standing army at 1.2 million personnel, commands about 23% of North Korea's GDP. Talk about the ['people's economy'](#) has yet to produce any significant shift away from military-centred production.

A militaristic orientation was evidenced in Kim Jong-un's decision to hazard another space launch on 12 December, eight months after a failed lift-off on 13 April and in the face of stern warnings by China and every other state of note. It was a clear violation of United Nations Security Council resolutions, adopted

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With the Asia-Pacific region set to become the fulcrum of international security affairs in the twenty-first century, regional defence budgets are rising and navies are expanding and modernising.

This Adelphi, by Professor Geoffrey Till, analyses the naval expansion of the four major Asia-Pacific

after previous missile and nuclear tests in 2006 and 2009, that prohibit North Korea from any activity related to its ballistic-missile programme. Whether or not the satellite is [wobbling in orbit](#), the successful launch and three-stage separation of the *Unha-3* missile demonstrated power and resolve to a jubilant population. The launch also signalled a strong deterrence posture to a watching world; North Korea now has something that can hit American shores, though any functioning nuclear-tipped intercontinental ballistic missile is still at least several years away.

The launch had to be carried out this year to meet the goal set by Kim Jong-il that 2012 would herald North Korea's coming of age as a 'strong and prosperous nation'. The timing also served to commemorate Kim Jong-il's death and to cap Kim Jong-un's successful first year at the helm. State media credited him personally with issuing the launch order. If the rocket also serves to influence the outcome of the South Korean presidential election on 19 December, this would be the icing on the cake. To the extent that the election was a factor in the launch timing, DPRK leaders might have calculated that nervous South Korean voters would now have more reason to choose the North's favoured candidate, opposition party standard-bearer Moon Jae-in, who was seen as more likely to resume South–North engagement with vigour. But the provocation might have the opposite effect and tilt South Korean voters towards the right.

As much as the rocket launch was a political success, it represented a defeat for economic and diplomatic rationality. North Korea's missile and nuclear programmes are a massive misallocation of resources. According to the South Korean government, the missile programme has cost about \$3 billion since 1998, [enough to feed the country for three years](#). The nuclear programme is said to have cost \$6.5bn. After the space launch, Kim Jong-un claimed that North Korea [needed more satellites](#) to boost the economy. However, the economy seems most unlikely to benefit. In fact, by going ahead with the launch, Kim Jong-un ensured that North Korea will remain isolated and bereft of the economic assistance and investment that would flow from rapprochement. The United States will instead tighten sanctions on North Korea, if not through the UN then surely unilaterally, as it did in 2005 by effectively freezing DPRK assets in the Macao-based [Banco Delta Asia](#).

Through its actions, North Korea has effectively rejected the call by US President Barack Obama at a [speech](#) at Yangon University in Myanmar last month for North Korea to follow the Myanmar model and escape the 'prisons of the past'. If Pyongyang abandoned its nuclear weapons, he said, it would 'find an extended hand from the United States of America'.

The Myanmar model is relevant in that the formerly isolated, autocratic and paranoid military regime in Naypyidaw has given way to an ostensibly civilian government intent on rebuilding ties with the West so as to escape Chinese dominance. The Myanmar model is imperfect, however, and not just with regard to political reforms. Though Myanmar's president declared an intention to accept intrusive IAEA inspections and its defence minister declared earlier this year that military ties with North Korea had been cut, the flow of military shipments from North Korea, which are prohibited by the UNSC, has not yet dried up. In August, Japan [interdicted](#) metal pipes and specialised aluminium-alloy bars en route to Myanmar from North Korea that could be connected with missile or even [nuclear programmes](#). (In May, South Korea similarly [seized](#) a shipment of North Korean ballistic-missile parts bound for Syria.)

Economy

The opportunity costs incurred by the *Unha-3* launch may have been easier for Kim Jong-un to ignore in light of positive economic signs. Although reliable figures are hard to come by (the Kim regime releases no economic data), North Korea's estimated per capita income stands at less than 1/20th of that of South Korea. Pictures of [malnourished young people](#) and [soldiers](#) reflect the nation's desolation. Yet the economic downside was reversed last year, according to the [Bank of Korea](#) in Seoul, and things look far better in the capital, as is typically the case with authoritarian countries. As described by North Korea-watcher [Ruediger Frank](#), the widening gap between Pyongyang and the countryside reflects a two-speed economy. On a visit this autumn, he reported a blossoming of stores, kiosks and taxis. A growing segment of the urban population was clearly enjoying discretionary income. An Egyptian cell phone joint venture in February recorded one million subscribers after three years in the market.

For Pyongyang's elite, life is not dreary. The ebullient Kim Jong-un has promoted funfairs, pop music and stylish fashions popularised by new first lady Ri Sol-ju. So far, however, these changes in leadership style have not heralded changes in substance. There is little evidence that [minor agricultural reforms](#) formulated on 28 June have been implemented in practice. Collective farms were to have been broken into family-sized plots (though they would still be state-owned) and farmers were to have been allowed to keep a portion of what they chose to grow. To the surprise of North Korea-watchers, the Supreme People's Assembly, which had been expected to rubber-stamp the measures, did not endorse them. According to one [report](#), the reforms have been postponed until next year. This is not the first time that North Korea has announced economic reforms, only to reverse them later. Such was the case with reforms of 1 July 2002

powers – the US, China, India and Japan. It looks at recent and planned procurement, and analyses the underlying tensions and the potential for competition.

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[Kevin Rudd delivers latest IISS Oberoi Lecture](#)



Kevin Rudd, the former prime minister of Australia, examined the political, economic and foreign policy priorities of China's new leadership in the latest [IISS Oberoi lecture](#) in Mumbai.

Calling the rise of China an 'extraordinary event', he predicted further reform of the Chinese economy by the new leadership. He also called for increased regional security cooperation in Asia and for the US and China to establish a 'strategic roadmap' to ensure a 'pax pacifica'.

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that legalised private markets. Three years later, market activities were constrained and the public distribution system reinstated, although markets continue to flourish with a quasi-legal status.

Kim Jong-un's pledge in his debut speech in April that the North Korean people should never have to 'tighten their belts again' might prove to hold true for the classes upon whom he depends for survival. Yet fundamental contradictions in an economy that cannot provide for the rural destitute and a society that increasingly runs on corruption rather than ideology look likely to deepen fissures. Meanwhile, North Korea's isolation will become more pronounced if, following the pattern of 2006 and 2009, it reacts to UN Security Council censure of its missile launches by conducting another nuclear test. If so, Kim Jong-un will further destroy any hope of attracting the foreign aid and investment that will be required to turn the economy around. Popular though he appears to be at home, Kim Jong-un is winning no friends in the rest of the world.

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