

EMBARGO UNTIL 09:00 SEPT. 26 (KOR)

9.26일 오전 9시 이후 보도 가능합니다

It seems that in the short to medium term that North Korea will remain stable. We have seen consolidation of the central control which seemingly faced no challenges from below or from within the leadership. The military endured a large-scale purge with little signs of discontent. The power shifted back to the party/state civilian bureaucracy. Kim Jong Un appears to be quite popular with the North Korean populace, though this political honeymoon is unlikely to last.

Nonetheless, the regime seems to be unsustainable in the long run. The major problem is inability of its anachronistic centrally planned economy to generate an economic growth which would be equal to the growth rates of North Korea's neighbors. The North Korean economy has partially recovered from the disaster of the 1990s – largely thanks to the growth of the informal market economy and the skillful application of blackmail diplomacy. Nonetheless, the North Korean informal market economy cannot grow substantially because it lacks infrastructure and legal protections and remains in a legal limbo, barely tolerated by the government.

The gap between North Korea and its neighbors therefore continues to widen. This large and growing gap is the reason why North Korea clearly needs to reform, and yet paradoxically it is also the reason why reforms are politically risky. Attempted reforms will expose the North Korean populace to information about the outside world, and above all about South Korea – a country whose population speaks same language and officially is considered a part of the same nation, but lives unmeasurably better material lives (the per capita income gap between the two Korean states is estimated to be between 1:15 and 1:30).

If North Korean populace learn about the gap, they are likely to become restive, and an outbreak of German-style 'unification revolution' is clearly possible. One cannot rule out that the government will find the right balance of fear, economic incentives and persuasion to keep the situation under control, but this will not be easy. While reforms are almost certain to revive the North Korean economy, they are also likely to trigger a revolution, so it is understandable why North Korean leaders have been so reluctant to embark on this path.

However, in spite of all the government's efforts, control is slowly slipping away. The government's continued refusal to initiate reforms does not mean that North Korea is not changing. Actually, these changes are considerable and their direction does not bode well for the future of the North Korean regime. Younger North Koreans are less afraid of the government, better aware of the outside world, less eager to work in the official bureaucracy, more skeptical of the official ideology. What this means is that sooner or later, the North Korean regime is likely to face internal political discontent. If Kim Jong Un takes risks and discard his father's prudent conservatism, he has some chances of succeeding, but it is still more likely that attempted change will trigger collapse. If he does not, he might stay in control longer, but collapse will come on even grander scale.