



## Succession and Confusion in North Korea

*Marcus Noland assesses the impact and implications of the apparent arrival of the third generation in the Kim family to rule in North Korea.*

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Steve Weisman: More political upheaval and confusion in the most mysterious country on Earth, North Korea. Here to discuss that is Marcus Noland, deputy director at the Peterson Institute for International Economics and senior fellow here. This is Steve Weisman at the Institute. Thanks, Marc.

Marcus Noland: Thank you, my pleasure.

Steve Weisman: The line of succession in North Korea became a little clearer this week. Explain what is going on.

Marcus Noland: The country was founded in 1948 by Kim Il-Sung. Upon his death in 1994, power transferred to his son, Kim Jong-il, who has been sick for the last several years. There has been a lot of speculation that one of his children would essentially emerge as the next leader and at a party conference—the first held in 30 years—his third son, Kim Jong-un, was promoted to four-star general, signaling that he is apparently the one.

Steve Weisman: To succeed in what must be the only Communist dynasty in the world.

Marcus Noland: [Romanian President Nicolae] Ceaușescu tried it but did not succeed. The Kim family is now appearing to try to engineer a third generation succession, which would be absolutely unprecedented.

Steve Weisman: Kim Jong-un is not only unknown to the West and Asia but also within North Korea. Are there going to be any problems to anointing him?

Marcus Noland: Oh, absolutely. His father began to be designated as the successor back in the 1970s and formally so in 1980. People who follow this more closely than I tell me that he was effectively acting as the prime minister running the government on a day-to-day basis for 10 years before his father's death. So there was a long period of time both for him to gain experience and build political coalitions, and for both the elites and the masses to get used to the idea that Kim Jong-il would take power.

This process appears to be telescoped in a very, very abrupt way as a function of Kim Jong-il's failing health.

Steve Weisman: There is going to be some kind of a regency to oversee his coming into office.

Marcus Noland: The whole process has been quite curious. A moment ago, I accidentally referred to this as a party congress. It's actually a party conference. A congress is a bigger, more theatrical affair and in the past, has been associated with a lot of gift-giving. There is speculation that the fact that this is the smaller, less formal conference is an indication of the failing economy.

The second thing that's interesting is the first big announcement to come out of the party conference was not an announcement about the party, it was military promotions. I think the single thing we can take away from this is the centrality of the military in governing North Korea. [For] Kim Jong-un, the first announcement is not that he's getting some party position; it's that he is a four-star general.

The other thing that's quite curious is that his aunt, Kim Jong-il's sister, Kim Kyong-hui, was also made a four-star general, which is really quite extraordinary. In addition, her husband, Chang Sung-taek, is thought to be in effect the number two man in North Korea.

So you have a situation in which Kim Jong-il appears to be designating his son as the future leader but also giving [power to] his sister, who's allied with the son in stature, as well as bolstering the brother-in-law, Chang Sung-taek. The conference appears to be continuing today [September 28] and I would not be at all surprised if sometime today or tomorrow there is an announcement that Chang Sung-taek has been appointed to the Politburo of the party. This would kind of complete the structure for this transition.

Steve Weisman: I've seen reports to this effect, that the only real rival power base for the party of course is the army and that any succession battle is likely to fall along those lines. Is this a move to co-opt one against the other?

Marcus Noland: Really, there are three centers of power in North Korea: the Kim family and its associated clique, the party, and the military. Each of those groupings is driven by rivalry and there is evidence of coalitions across those three groupings. What has happened in the last couple of years is the rise of an organization called the National Defense Commission. Kim Jong-il actually governs the country as chairman of the National Defense Commission.

In the old days, this was a collection of old generals and it didn't mean much. But that group has been expanded to bring in party people like Chang Sung-taek, people from the military industrial complex. They now have buildings, they now have a staff. And it appears that the National Defense Commission is emerging as the steering committee that's going to manage the succession process.

Steve Weisman: You've written about the economic policies that created a furor when there was a confiscation of currency last year. What do we learn about that episode, which led to the execution of a finance minister, in terms of this succession?

Marcus Noland: The honest answer is we really don't know much about the policy preferences of Kim Jong-un or Kim Kyong-hui or Chang Sung-taek or any of these people. And we don't really know how able they would be to translate their preferences into real policy once Kim Jong-il dies. So it's all a bit speculative.

What we can say is that Kim Kyong-hui wrote an essay in the party's theoretical journal in August of last year that was truly reactionary, attacking not only the market and capitalism but even going so far to attack giving greater managerial autonomy to state-owned enterprise managers in the context of a socialist system. Her essay in effect foreshadowed the disastrous currency reform that was undertaken on November 30.

So I would not exaggerate what we can say about likely future policy based on these personnel moves. But if anything, it appears to suggest the ascendancy of people who hold really antediluvian, anti-reform sort of views.

Steve Weisman: I think you've said that something like 60 percent of the economy has migrated over to the underground private sector.

Marcus Noland: Right, the basic issue is there's this ongoing struggle within North Korea for the state to regain control over this emergent informal economy. And the November 30 currency reform was an attempt at doing that. And if anything, the rise of this particular coalition suggests that those attempts at repressing the market and controlling people may be more likely in the future than policies in a direction of greater reform and openness.

Steve Weisman: What's the state of cooperation between the United States and China on dealing with North Korea?

Marcus Noland: Very, very poor. China is frankly unwilling to discuss the possibilities of significant instability in the northern part of Korea. And it appears that if anything, China probably is increasing its influence in North Korea and its willingness to intervene at least politically if not militarily to maintain the status quo, to maintain this Kim Il-Sung regime in an independent North Korean state.

Steve Weisman: Do you think that's why Kim Jong-il went to China before this conference and succession, apparent succession, got underway? Did the Chinese know the thinking of North Korea better than we do?

Marcus Noland: It must be the case that the Chinese are better informed than we are, though it's not clear that they have any real greater degree of influence.

China is North Korea's number one patron in both trade and aid. A recent American group that just came back from Pyongyang was reporting that at the recent mass games festivals, there was a special segment devoted to how great China is, with dancing panda bears and so on. And there are billboards and posters around Pyongyang extolling China and the relationship between China and North Korea; whether this is because the North Koreans really like China or they're simply desperate to maintain the Chinese economic lifeline in the face of UN sanctions, that's for anybody to know.

Steve Weisman: Marc, thank you very much.

Marcus Noland: Thank you.

