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## NORTH KOREA AGAIN HEADED TOWARD OUTRIGHT FAMINE

Washington—North Korea is once again headed toward widespread food shortage, hunger, and risk of outright famine. According to Peterson Institute Senior Fellow Marcus Noland, “The country is in its most precarious situation since the end of the famine a decade ago.”

Calculations by Noland and Stephan Haggard, University of California, San Diego, indicate that the country’s margin of error has virtually disappeared. For technical reasons, estimates produced by the United Nations’ World Food Program and Food and Agriculture Organization (total demand) probably overstate demand implying recurrent shortages year after year (figure 1). Noland and Haggard argue that in recent years available supply has exceeded more appropriately calculated grain requirements (adjusted total demand) but that this gap has virtually disappeared. “This is a yellow light about to turn red,” says Noland.

Food prices have almost tripled in the last year, skyrocketing at a rate faster than either the overall rate of inflation or global food prices (figure 2). Anecdotal reports describe a breakdown in institutions and increasingly repressive internal behavior. Noland and Haggard forecast that the North Korean regime will ultimately weather this challenge politically by ratcheting up repression and scrambling, albeit belatedly, for foreign assistance.

The North Korean food crisis, now well into its second decade, presents a difficult set of ethical choices. North Korea is critically dependent on food aid, but the government has recklessly soured its relations with the donor community. Yet in the absence of vigorous international action, the victims of this disaster will not be the culpable but the innocent. As of this writing, it already may be too late to avoid at least some deaths from hunger, and shortages of crucial agricultural inputs such as fertilizer are setting the stage for continuing food problems well into 2009.

Noland will discuss two recent papers, written with Haggard and Yoonok Chang, Hansei University, which are based on a pathbreaking survey of more than 1,300 North Korean refugees in China, at a Peterson Institute event at 10am on April 30. The event will also include three North Korean refugees (detailed below). The survey provides rare and

extraordinary insight into both life in North Korea and the experiences of the refugees in China. The work that Noland will present is part of a larger study that they are completing on North Korea's political economy, human rights, and refugee situations.

### **A Survey of North Korean Refugees in China**

The famine of the 1990s killed up to one million North Koreans, or about 5 percent of the population, roughly equivalent to 15 million deaths in the United States were a similar event to happen here.

One of the safety valves during the famine was the large-scale movement of between 20,000 and 400,000 North Koreans into China. Thirty percent of the refugees report having lost family members to hunger. Nearly ten percent report having been incarcerated in political detention facilities, where they witnessed forced starvation, deaths due to torture, and even infanticide and forced abortions. A significant number of respondents were unaware of the long-standing international humanitarian aid program and the ones who knew of it almost universally did not believe that they were beneficiaries. This group's evaluation of the North Korean regime, its intentions, and accomplishments is overwhelmingly negative—even more so than that of respondents who report having experienced incarceration in political detention facilities—and attests to the famine's enduring impact.

Many of the refugees suffer severe psychological stress akin to post-traumatic stress disorder caused both by their experiences in North Korea and their fears of arrest and repatriation from China. These traumas, in turn, affect the ability of the refugees to hold jobs in China and accumulate resources for on-migration to third countries—necessitated by China's insistence that they are mere economic migrants and its unwillingness to allow the United Nations High Commissioner for Refugees access to evaluate asylum claims. Most of the refugees want to permanently resettle in South Korea, though younger, better-educated refugees tend to prefer the United States as a final destination.

### **About the North Koreans Participating in the Event**

**KIM Seung Min:** Founder and Director of Free North Korea Radio, the broadcasting program providing news and information to North and South Korea and China. Kim

attended both elementary and high school in Pyongyang before serving in the North Korean Army. He escaped from North Korea to China in 1996 but was arrested and repatriated. While traveling from Onseong to Pyongyang to face punishment for leaving the country without government permission, he jumped from a moving train to escape to China again and eventually made his way to South Korea. He worked as a laborer at a coal factory in Yenji, China, until his uncle in South Korea helped him to escape to South Korea. He attended Yonsei University and Graduate School at Joong Ang University, where he received a Master of Arts degree. After serving in leadership roles in the North Korean defector groups, he founded Free North Korea Radio, which was available on the internet beginning April 2004 and began broadcasting on shortwave in December 2005 with regular daily broadcasting beginning in April 2006. (Born 5/6/62 in Jangang Do, North Korea)

**KANG Su Jin:** Founder and Representative of the Coalition for North Korean Women's Rights, the only organization focused specifically on increasing awareness of the horrors facing North Korean women in China, the role of women in democratizing North Korea, empowering and encouraging North Korean women who have resettled in South Korea, and building cooperation with other organizations. Kang was a member of the elites from Pyongyang and was the Manager of Supply from 1991 to 1998 of the Bonghwasan Hotel in Pyongyang, the biggest hotel in Pyongyang, which catered to high-ranking party and army officials and was used for special events. When food distribution stopped in Pyongyang in 1996, the regime announced that all hotels had to operate on their own, and conditions became very difficult for the workers. Kang visited China and saw how much better off the people were and decided to defect to South Korea. (Born 10/23/66 in Pyongyang, North Korea)

**KIM Young-il:** President and Founder of People for Successful Korean Reunification (P-SCORE), an organization founded in the fall of 2006, specifically to ensure the successful reunification of the Koreas would not adversely affect the South Korean economy. To that end, PSCORE, chiefly composed of young people, studies other reunification models, informs about the human rights conditions in North Korea, and prepares and educates young North Koreans to be ready to help lead a reunified Korea. Because Kim was not

born into an elite family in North Korea, he was not allowed to attend university and was destined to become a coal miner after serving his mandatory military service. While in the military he witnessed many people including soldiers dying of starvation. His own uncle died of starvation and his cousins were left to wander the streets. His family made the decision to defect to China in August of 1996 instead of starving to death in North Korea. They survived there for five years bribing the police not to turn them in until they safely defected to South Korea in January 2001. Lim received a BA in Chinese from Hankook University of Foreign Studies in August 2006. (Born 4/10/78 in Hamheung, North Korea)

### **About the Speaker**

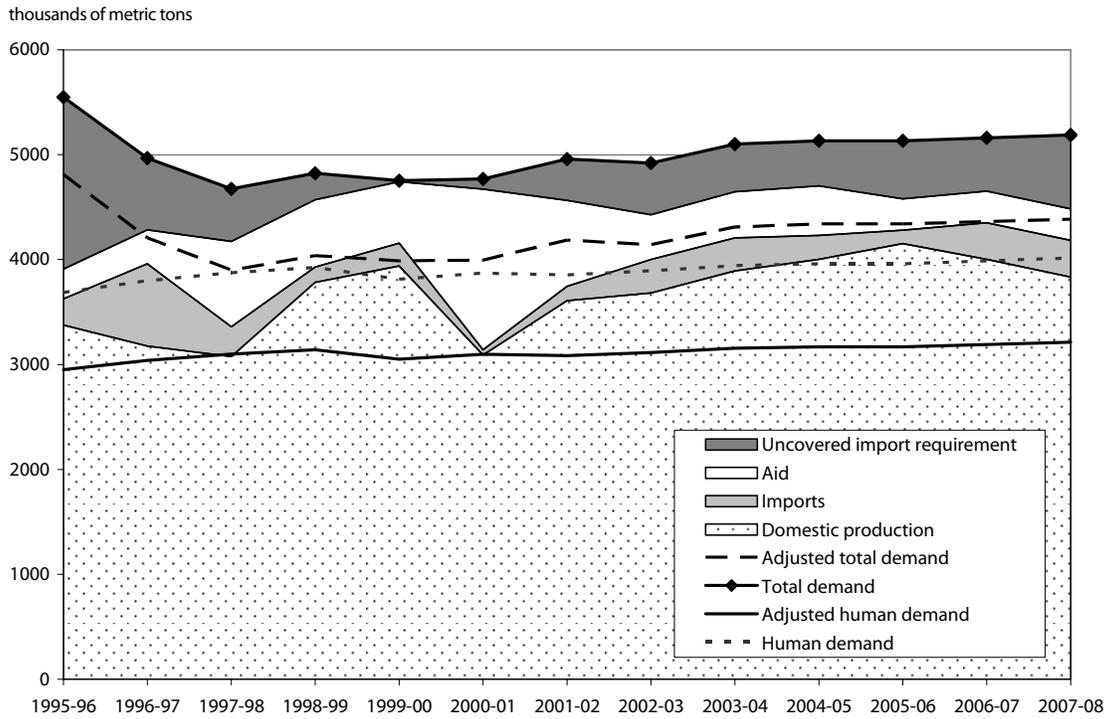
**Marcus Noland**, senior fellow, has been associated with the Peterson Institute for International Economics since 1985. His work encompasses a wide range of topics including the political economy of US trade policy and the Asian financial crisis. His areas of geographical knowledge and interest include Asia and Africa, where he has lived and worked. In the past he has written extensively on the economies of Japan, Korea, and China and is unique among American economists in having devoted serious scholarly effort to the problems of North Korea and the prospects for Korean unification. He won the 2000–01 Ohira Masayoshi Award for his book *Avoiding the Apocalypse: The Future of the Two Koreas*. Noland is the author of a number of other books on Korea, including *Korea after Kim Jong-il* (2004), *Pacific Basin Developing Countries: Prospects for the Future* (1990); coauthor of *Famine in North Korea: Markets, Aid, and Reform* (Columbia University Press, 2007), *Industrial Policy in an Era of Globalization: Lessons from Asia* (2003), and editor of *Economic Integration of the Korean Peninsula* (1998).

### **About the Peterson Institute**

The Peterson Institute for International Economics is the only major research center in the United States that is primarily devoted to global economic policy issues. Founded by its Director, C. Fred Bergsten, in 1981, its staff includes more than two dozen experts who focus on macroeconomic topics, international finance and exchange rates, trade and

related social issues, energy, the environment, global investment, and domestic adjustment measures. Its expertise covers all key regions of the global economy—especially Asia, Europe, and Latin America. The Institute is private and nonprofit, it is one of the only think tanks widely regarded as nonpartisan by both the press and Congress, and its scholars are cited by the quality media more than any other such institution. Support is provided by a wide range of charitable foundations, private corporations, individual donors, and from earnings on the Institute’s publications and capital fund. It celebrated its 25th anniversary in 2006 and adopted its new name at that time, having previously been the Institute for International Economics.

**Figure 1 North Korea food balances, 1995–96 to 2007–08**



**Figure 2 North Korea nominal food prices, October 2004–April 2008**

