Contents:

Ploughshares into Swords: Economic Implications of South Korean Military Spending

Global Financial Crisis and Systemic Risks in the Korean Banking Sector

The Bank of Korea in Historical and Comparative Perspective

South Korea’s National Identity Sensitivity: Evolution, Manifestations, Prospects

Broadcasting Deregulation in South Korea

Repositioning the Korea Brand to a Global Audience: Challenges, Pitfalls, and Current Strategy

Academic Science Engagement with North Korea

Maintaining a Rogue Regime: Kim Jong-Il and the North Korea Succession Process

Trust Building through Institutions: European Lessons for Korean Unification

Korea Economic Institute
# Table of Contents

Preface .......................................................................................................................... vii

**South Korea: Economic Issues and Policies**

Ploughshares into Swords: Economic Implications of South Korean Military Spending  
*John Feffer* ................................................................. 1

Global Financial Crisis and Systemic Risks in the Korean Banking Sector  
*Myung-koo Kang* ........................................................... 23

The Bank of Korea in Historical and Comparative Perspective  
*Thomas Cargill* ............................................................ 49

**South Korea: Government and Society**

South Korea’s National Identity Sensitivity: Evolution, Manifestations, Prospects  
*Gilbert Rozman* ............................................................ 67

Broadcasting Deregulation in South Korea  
*Ki-sung Kwak* .............................................................. 81

Repositioning the Korea Brand to a Global Audience: Challenges, Pitfalls, and Current Strategy  
*Keith Dinnie* ............................................................... 95

**North Korea**

Academic Science Engagement with North Korea  
*Hyunjin Seo & Stuart Thorson* ........................................ 105

Maintaining a Rogue Regime: Kim Jong-il and the North Korean Succession Process  
*Bruce E. Bechtol Jr.* ..................................................... 123

Trust Building through Institutions: European Lessons for Korean Unification  
*Sangmin Bae & Martyn de Bruyn* .................................... 149
Maintaining a Rogue Regime: Kim Jong-il and the North Korean Succession Process

by Bruce E. Bechtol Jr.

In Northeast Asia and the United States during the later months of 2008 a great deal of attention was paid to the health of Kim Jong-il. Rumors of a stroke, possible partial incapacitation, and even coma were rampant in both policy and press circles.¹ The issue of Kim’s health is extremely important because Pyongyang’s reclusive leader has ruled the country since 1994 with a unique blend of Confucian “divide and conquer,” a reliance on the military, and a larger-than-life persona among his people that can reasonably be called contrived hero worship.² This style of rule has thus far left no definitive succession process in place designating who will rule the country should Kim pass from the scene. The future of North Korea has thus become a matter of concern to analysts and policymakers in both the United States and key nations in Northeast Asia. Thus, this paper will review important events that occurred during 2008 and the first half of 2009, analyze the North Korean government in light of how the governmental setup might affect the succession process, and then will outline some possible scenarios for what may occur in the future.

Concerns about a Physically Weakened Kim Jong-il: Who Has Been Filling the Void?

After the plethora of reports relating to North Korea that led to assessments of deep troubles with Kim Jong-il’s health, the next question that arose was how well he was able to effectively govern his country given the obvious physical weakness a stroke would cause. That leads to the next question: Who stepped in during this critical time to fill the void?

According to diplomatic sources, prior to his reported stroke Kim personally read reports from each major organization within the government and provided detailed instructions. But, beginning as early as August 2008, Kim was bedridden and unable to continue this practice. It has been reported that, from that time period on, Chang Sung-taek, Kim’s brother-in-law, began to receive reports on Kim’s behalf, and that he made decisions on all but the highest-priority issues. On those issues Kim was said to be still providing the final decision.³

Dr. Bechtol is a Professor of International Relations at the Marine Corps Command and Staff College in Quantico, VA.
If true, this is significant, as it has been widely reported in the past that Kim Jong-il is a micromanager or, as Joseph Bermudez of Jane’s Information Group articulates, “He prefers to manage everything directly, down to the most minor of details.” In an interview with the Japanese press on 9 February 2009, Paek Sung-chu, head of the Defense Policy Studies Division of the Korean Institute for Defense Analysis, stated, “It is believed that he delegated political powers to his close aides temporarily after he fell ill, but has recovered around mid-December and has taken these powers back. However, it is thought that it will be difficult for him to handle all the details of national administration.” It was reported that Kim recovered by February of 2009, but it is likely that he was nevertheless left weakened physically by the experience.

The interesting case of Chang Sung-taek has become even more interesting as details about Kim Jong-il’s poor health begin to seep out. The formerly “purged” brother-in-law of Kim Jong-il was seen as a de facto stand-in for the “Dear Leader” by November 2008. Cheong Seoung-chang, an analyst at the Sejong Institute in South Korea, remarked that the influence of Chang Sung-taek had become enhanced because of the stroke suffered by North Korea’s leader: “Chang is apparently in charge of receiving orders from Kim and channeling them (to state agencies).” A senior South Korean intelligence official who declined to be identified said that Chang was acting as a stand-in during daily state affairs. Baek Seung-joo of the Korean Institute for Defense Analysis has remarked that Chang’s influence was likely to grow as Kim continues to age and his health continues to deteriorate, as relatives would limit access of others to Kim Jong-il.

Professor Yang Moo-jin of the University of North Korean Studies (in South Korea) put a slightly different spin on Chang’s increased power during Kim Jong-il’s recovery period, saying, “At most, Chang is being used to keep the state stable until one of Kim’s sons is able to take over.” According to reports in the Japanese press, Chang and his wife (Kim’s sister), Kim Kyong-hee, visited Kim Jong-il in the hospital almost every day following his stroke.

Analysts in both South Korea and the United States reportedly believe Chang Sung-taek would be a key player in a succession process, and he is seen as a heavy hitter because of the fact that he is said to oversee the State Security Department (SSD) and Ministry of Peoples Security (MPS). Other reports have suggested that when Kim Jong-il had health problems he was indirectly running North Korea through Chang along with Kim Ok, the de facto “first lady” of North Korea. This is a status some expect to continue as long as Kim Jong-il still possesses his mental faculties. The South Korean press reported that an unidentified diplomat assessed that Chang Sung-taek and Kim Ok “. . .will take over if Kim Jong-il has only physical disabilities.” Because of her closeness to Kim, it is likely she played a key role in gov-
ernment policies following his stroke. As U.S. scholar Marcus Noland has said, “In some ways, she’s the one guarding the bedroom or hospital door. She would be in a position to convey his preferences.” Many analysts agree, however, that, in the case of Kim’s death, Kim Ok’s power would disappear. Koh Yu-hwan, a specialist at Dongguk University in South Korea, has said her influence comes from her personal relationship with Kim Jong-il. He states, “Should he die, she risks losing it.” In a rather shocking report, a South Korean newspaper disclosed in November of 2009 that Kim Ok may have married another (unidentified) member of the KWP. If true, this would likely take her out of the inner power circle. Nevertheless, she probably played a major role in the initial months of Kim Jong-il’s illness and recovery. To date, the press report remains unconfirmed.

Although the assessment that both Chang Sung-taek and Kim Ok filled a power vacuum that came into existence because of Kim Jong-il’s stroke may be accurate, the role of the military in this power sphere cannot be discounted. General Hyon Chol-hae (a key player in the powerful General Political Bureau [GPB]) was reported to have assumed a powerful role following the medical emergency as well. Given his closeness to Kim, this should not come as a surprise. According to Suh Jae-jean of the Korea Institute for National Unification, “It seems that Hyon Chol-hae is currently running North Korea behind the scenes. He is expected to play a leading role in laying the foundation for the post–Kim Jong-il era according to Kim’s wishes.”

Ri Myong-su of the even more powerful National Defense Commission (NDC) has also been mentioned. According to Ryu Dong-ryeol of the Police Science Institute in South Korea, “Hyon and Ri report directly to Kim Jong-il.” In an interview with the Japanese press, Arthur Brown, a former senior U.S. intelligence officer, has said that members of the Korean Workers’ Party (KWP) and the North Korean army have boosted their clout because of Kim’s physical condition. In addition to Chang and Kim Ok, Brown singled out Hyon Chol-hae, Ri Myong-su, and Kim Yang-gon. Kim Yang-gon is in charge of the United Front Department of the KWP.

By December of 2008 analysts in the United States and South Korea (among other countries) were saying that they were seeing a significant shift in the North Korean power structure. Although no fundamental changes in the Kim regime were readily apparent, for those who watch North Korea, analysis reportedly indicated real change in those supporting Kim and the North Korean government. Chang Sung-taek seemed to be involved in the change, but his role remained murky. While South Korean and U.S. officials reported Kim’s condition had somewhat improved, he still appeared to be
in a weakened state. These officials also reported that some senior military and party officials in North Korea have been replaced since Kim’s stroke in August of 2008—again adding to the assessment that there has been a shift in the power structure. In recent months the power of those in Kim’s inner circle has come under close scrutiny, and many analysts are of the assessment that the party and the military have consolidated power in the wake of Kim Jong-il’s health issues. Following Kim’s stroke, a combination of senior military officials and party members began to fill the power vacuum, according to officials quoted in the U.S. press. One official was quoted as saying, “He doesn’t have a clear successor, and it’s entirely possible that there is some infighting with the North Korean elite.”

On 10 February 2009, the North Korean state-run media announced that Vice Marshal Kim Yong-chun would replace Vice Marshal Kim Il-chol as the minister of the People’s Armed Forces. It also announced that General Ri Yong-ho would replace General Kim Kyok-sik as the chief of the General Staff. Kim Il-chol, a classmate of Kim Jong-il’s at the Mangyongdae School, was commander of the navy before assuming his post as minister. Kim Yong-chun is interesting because he is the former commander of VI Corps (which formerly was located in the northeastern section of the country). A graduate of the Soviet Frunze military academy, he was commander of VI Corps when its senior officers mutinied against Kim Jong-il in early 1995. The mutiny was brutally suppressed by bringing up (by train) a crack infantry division from the forward corps. The VI Corps was disbanded and eventually moved, and Kim Yong-chun, who informed on his senior corps staff, was rewarded with the job of chief of the General Staff because of his loyalty. His senior corps staff escaped to China where they remain to this day. Kim Il-chol has reportedly been in poor health for some time.

Little is known of General Ri Yong-ho, but he was the former commander of the Pyongyang Defense Command, which protects the city and ultimately Kim Jong-il. Both new appointees appear to have been picked because of their absolute loyalty to the Dear Leader. The general that he replaced, Kim Kyok-sik, was reassigned to command of IV Corps, which sits astride the Northern Limit Line (NLL) and would likely provide the forces that would create any provocation with South Korea along the border between the two Koreas. Thus, he may have been put in this position because of the trust that Kim Jong-il placed in him—and not as a demotion.

On 20 February 2009, North Korea made an official announcement that General O Kuk-ryol, a renowned hawk, was being appointed vice chairman of the NDC. O is reportedly a close confidant of Kim Jong-il who has advocated a hard-line stance against the South. O also played a role in helping the Dear Leader to consolidate his power when Kim Il-sung was
still alive. Finally, an unidentified defector told the South Korean press that O Kuk-ryol is a close friend of Kim’s youngest son, Kim Jong-un. Yang Moo-jin, a professor at the University of North Korean Studies in Seoul, told the French press that “his promotion is seen as another strong message toward South Korea. It is also aimed at enhancing stability in the military by appointing Kim’s trusted old guard to a key post.”

To truly understand how power works within the North Korean government, one cannot look at it from the viewpoint of a line and block chart. Thus the structure shown in Figure 1 is probably the best illustration of the way things actually work within Pyongyang’s power structure. Members of Kim’s family—since the founding of the Democratic People’s Republic of Korea—have traditionally been given favorable positions within North Korea’s government. Kim Jong-il also draws his power from a base that his father helped build for him in both the military and the party. It is from this base that members of the NDC have been chosen, and it is also the source for those who sit in the powerful Organization and Guidance Department.
(OGD) of the KWP. Finally, the security services monitor each other, the military, and the party.

Nobody—Nobody—Circles the Wagons Like the North Koreans

In the wake of reports that Kim Jong-il suffered a stroke in August of 2008 and the resulting rumors that began to surface even in a closed society like the one that exists in North Korea, Pyongyang decidedly began to take several measures. As North Korea always has done in times of possible internal instability or turmoil, it cracked down on the populace. Since Kim’s reported stroke, those fleeing the country have undergone stiffer punishments as a result of new measures that were apparently put into effect. As Tim Peters, director of the Christian aid group, Helping Hands, put it, “The penalties are getting stronger and they have increased after Kim Jong-il’s stroke.” United Nations official Vitit Muntarbhorn told the international press in December of 2008 that fewer North Koreans seem to be escaping across the border into China.

After the stories regarding Kim’s health began to circulate, North Korea stopped issuing passports to those wishing to leave the country to visit relatives and even made it more difficult for those conducting business, according to a North Korean businessman interviewed in China. The country mobilized “inquisition squads,” women were not allowed to ride bicycles, and “ideology sessions” were stepped up. Since September of 2008, these measures were apparently increased. Japanese reporter Jiro Ishimaru opines, “...the storm of control measures blowing over that country now was started by the power people in North Korea who are doing everything they can to tighten social order because they see a crisis looming in the maintenance of the system.” Purges have also reportedly occurred as well. An example of this is Choe Sung-chol, the former vice chairman of the Asia Pacific Peace Committee (the organization that handles inter-Korean affairs on behalf of Pyongyang): Choe was reportedly languishing on a chicken farm in early January 2009 as he underwent “revolutionary training.” Choe was reportedly later executed.

Perhaps one of the more telling signs that the North Korean government decided to crack down on its citizens and keep the information flow about its leader at a mere trickle is the effort that was made to ensure leaflets sent from South Korea did not get distributed. The leaflets (often articulating rumors about Kim Jong-il’s health), were sent over on balloons by South Korean nongovernmental organizations (NGOs) and were obviously considered to be an affront to control by the elite. The government mobilized soldiers to confiscate the leaflets and sweep the countryside to ensure none
was available for the general populace. Residents were ordered not to read the leaflets and to report them to the state security offices. Failure to comply was met with harsh punishment. But the North Korean regime’s paranoia regarding the information coming across the border went even further. Pyongyang threatened to shut down or drastically cut operations at the Kaesong industrial complex, a facility where South Korean firms have employed up to 33,000 (or more) North Korean workers. North Korea also threatened “grave consequences” if the leaflets did not stop, and the North even threatened military action against the South.

In November of 2008 Pyongyang announced that it planned to shut down a South Korean tourist operation that had been established in the city of Kaesong. The North Koreans also announced that they would “selectively expel” South Koreans working in the Kaesong industrial complex and severely curtail the number of cross-border trips allowed for the freight train that had been making daily trips between Kaesong and Seoul. The industrial complex at Kaesong had been generating tens of millions of dollars a year for the North Korean government. The tourist operation had generated 110,000 visits, with each person paying $100 in entrance fees.

Those on the left in South Korea blamed the conservative policies of Lee Myung-bak for the hard-line moves by the North Koreans. But an analysis of events in North Korea deems it far more likely that Pyongyang was circling the wagons in an attempt to show it would take whatever measures necessary to ensure that information from the South was closed off to its population as much as possible. During October of 2008 North Korea had threatened to reduce Seoul to rubble unless the South Korean government forced the NGOs to stop releasing the leaflets into their country.

On 1 December 2008, border crossings slowed to a trickle. On the eastern corridor of the border, only groups of 150 or fewer were allowed to cross. Time slots for entering North Korea were also severely restricted, and the number of South Korean employees working at another tourist complex at Mt. Kumgang were to be reduced from 190 to 100, according to announcements that Unification Ministry officials in South Korea made to the press. The most important personnel move was at the Kaesong industrial complex, where the number of South Korean nationals allowed was reduced from 1,700 to 880. In addition, the number of South Koreans allowed in the North per day was reduced from 6,000 to 750. Any South Korean newspapers that criticized North Korea were banned, and anyone attempting to bring in South Korean reporters would be expelled. By January of 2009, South Korean companies that had interests at the complex had already reported many problems related to slowing business.
Pyongyang’s hostile behavior toward South Korea continued into December of 2008, as at a meeting held on 17 December in North Korea when Lt. Gen. Kim Yong-chul suddenly stood up and yelled, “All of the nonmilitary officials are to leave.”\textsuperscript{40} And in January 2009 a representative of the North Korean military went on state-run television to “demand” South Korea stop its “hostile posture” in the NLL area that forms the de facto sea border on the west coast of the divided peninsula. The spokesman said that the North would “preserve” the sea border—implying possible use of military force. In reaction the South Korean military went on full alert for the first time since North Korea conducted a nuclear test in 2006.\textsuperscript{41} North Korea threatened an “all-out confrontational posture” against the South because of what it called violations of the sea border.\textsuperscript{42}

North Korea further intensified tensions with the South in late January 2009 when Pyongyang announced it was rendering null and void all of the agreements growing out of a nonaggression pact signed in 1991. North Korea’s Committee for the Peaceful Reunification of Korea accused Seoul of bringing the North and South “to the brink of war.”\textsuperscript{43} While some analysts viewed the confrontational posture as brinkmanship designated for the incoming Obama administration (although the rhetoric was directed at South Korea), others have assessed that because of Kim Jong-il’s feeble health the government opted to further tighten regime control by taking an intensified confrontational stance against its neighbor to the South.\textsuperscript{44}

North Korea continued to ratchet up tensions on the peninsula in early March 2009, when for the first time in several years it called for general-level talks with the U.S.-led UN command at Panmunjom. Representatives from Pyongyang essentially used the talks to rant about the annual ROK-U.S. military exercise that was about to occur.\textsuperscript{45} During early March, as the annual ROK-U.S. military exercise was beginning and then as it continued, the North cut its military hotline to the South. The North then on two separate occasions temporarily closed the border for workers coming to and from Kaesong, leaving workers briefly stranded there.\textsuperscript{46} The moves to temporarily close the border angered many South Koreans and may have been designed to raise the stakes as thousands of South Korean and U.S. troops (including those from many units off the peninsula) engaged in a large-scale military exercise.

The continued and escalating moves that affected activities at the Kaesong industrial complex and other places frequented by visitors from the South had the potential to hurt financially both North and South Korea. South Korean companies had $304 million invested in production facilities and labor at the complex as of 2008. South Korea invested $443 million in building roads, rail lines, and logistics support for the complex (and elsewhere in North
Maintaining a Rogue Regime

Korea) and $210 million to build the complex and the supporting power and communications facilities. The North Korean government is paid more than $32 million annually for the workers at the complex, and South Korean tourists who visit the city of Kaesong and the Mt. Kumgang site generated $12 million and $18 million, respectively, for Pyongyang's coffers.47

Thus, Pyongyang knowingly put financially lucrative operations in peril in order to raise tensions and put pressure on Lee Myung-bak's government in Seoul. As spring moved into summer in 2009, North Korea made new demands about the Kaesong industrial complex, including higher wages for workers and more “rent” for the facilities (built by South Korea), which some felt could force the government in Seoul to eventually actually shut down the controversial facilities.48

By late May 2009, North Korea had significantly stepped up the tension—not only with its southern neighbor but also with the outside world—as it carried out another long-range missile test in April followed by an underground nuclear test in May. A key South Korean response to these two provocative events was to formally join the U.S.-led Proliferation Security Initiative as a full member. Following this response from Seoul, North Korea immediately stated that the DPRK would no longer be bound by the Korean War armistice and would respond militarily to any foreign attempt to inspect its ships, calling the South Korean move a “declaration of war.”49 North Korea also reportedly stepped up its military drills during April and May of 2009, to include Special Forces exercises (reportedly observed by Kim Jong-il) and navy drills possibly simulating attacks in the NLL. According to South Korean military officials, the air force also doubled the number of jet fighter missions near the NLL and the demilitarized zone during this same time period. Pyongyang also continued to raise tensions and make hugely increased funding demands for “rent” and workers’ wages at the Kaesong industrial complex during June and July of 2009.50 It appears that raising tensions on the Korean peninsula was a priority for Pyongyang following Kim Jong-il’s stroke and the following recovery period—truly a circling of the wagons for the region and the world to see.51

Many analysts have assessed that North Korea's provocative actions were influenced by the succession intrigue, but in my view, although this was an important reason, an equally important reason was because North Korea was attempting to gain economic and political concessions from South Korea and the United States—particularly South Korea. Statistics released by the South Korean government show that, if cash and material aid are combined, $6.96 billion was given to North Korea during the 10-year period that encompassed the Kim Dae-jung and Roh Moo-hyun presidencies. According to the statistics released by Seoul and reported in the South
Korean press, roughly $2.5 billion in aid and money was given during the Kim administration, and approximately $4.5 billion was given during the Roh presidency. This largely unreciprocated aid (which resulted in no change to North Korea’s rogue nation-state behavior) ended in 2008 when the Lee Myung-bak administration took a more realistic stance toward its brethren to the North.

**North Korea’s Succession Process: Choosing Who Will Follow Kim Jong-il**

The various issues and events described thus far ultimately lead to only one question: What type of leadership will succeed Kim Jong-il when he dies or when he is rendered medically incapacitated? Some have suggested that a form of collective leadership could emerge, perhaps with one of Kim’s sons as a purely titular figurehead. Two of the primary security services, the SSD and the MPS, could keep the lid on things because they are overseen by Chang Sung-taek. Other analysts have opined that a different sort of collective leadership could emerge, and that this one would be focused on the military, with a base in the NDC, again perhaps with a member of the Kim family as a titular head of government in order to maintain legitimacy. In fact, various theories and scenarios predicting a collective leadership to follow the Dear Leader have been reported.

Another school of thought says Kim will pick one of his sons to run the country before he steps down or dies. Kim Jong-nam, the oldest son, would be traditionally thought of as the top candidate, but, although he has been given duties in the government, he spends the majority of his time out of the country and often travels by himself—sometimes even in taxis. This is not the behavior one would expect from a “crown prince.” Kim Jong-nam’s chances of being the heir apparent may have also been hurt by his debacle in Japan when he tried to enter the country on a fake Dominican passport to visit Disneyland (with a child and two women in tow), was caught, and was quickly deported. Kim Jong-il reportedly was not pleased.

Kim Jong-nam was educated partly in Switzerland and, according to Merrily Baird, a retired U.S. Central Intelligence Agency analyst who now tracks North Korean politics through open sources, his time there overlapped with Ambassador Yi Chol. Yi reportedly has managed Kim Jong-il’s secret funds overseas (at least in Europe). The connection to Yi may have been helpful in the oldest son’s later activities working within Office Number 39, which is well known for its secret and illicit activities involving North Korea’s overseas funds. Kim Jong-nam reportedly “inspected” facilities and factories during the fall of 2008 (approved by his father), accompanied by Chang Sung-taek.
Kim Jong-chol is the second son and has been given a position within the OGD in the KWP. But it is reported that he is thought of as “delicate” by his father. He is also rather well known for being a big Eric Clapton fan and has even followed Clapton’s band around Europe on a concert tour a few years ago. Kim Jong-chol has also reportedly conducted inspections within both the party and the security apparatus, although the nature and scope of these activities remain murky, as does his status within Kim’s inner circle. There have been some reports in recent years that Kim Jong-chol was under consideration to be the successor to Kim Jong-il when he dies. The second son’s position in the party is similar to the position Kim Jong-il occupied as he began his grooming process.

The youngest son, Kim Jong-un, has had little reported on him but is thought to get along well with his father. Until very recently he was not known to be holding a position in the party. The youngest Kim son is said to suffer from high blood pressure and diabetes and to be the son who physically looks the most like his father. Kim Jong-il is reported to favor Kim Jong-un over Kim Jong-chol because Kim Jong-un likes sports and is said to be more aggressive than his older brother—who is more interested in computers and music. On 15 January 2009, press reports attributed to unnamed intelligence officials stated that Kim Jong-il had picked his third and youngest son as his successor and around 8 January had delivered a directive regarding this to the powerful OGD leadership of the party.

If Kim Jong-un is to be the successor, it does not guarantee a smooth transition to power or even guarantee that the transition will be successful. As Baek Seung-joo of the Korea Institute for Defense Analyses said, “A successor must have a power base, personal qualities, and abilities. Despite his selection as the successor by his father, if he lacks these capabilities, he [Jong-un] is likely to be ousted when his father’s political life ends.” Another unnamed government official in Seoul said: “Rather than paying attention to Kim Jong-il’s possible successor, we should prepare for the inevitable instability the post–Kim Jong-il regime will bring.”

In February 2009, a source close to the North Korean government told the Japanese press that there was an internal memo circulating in North Korean military headquarters saying that Kim Jong-il had designated Kim Jong-un as his heir, although the source also provided the caveat regarding the report that it could have been a propaganda ploy by senior military officers. In May 2009, Lee Young-hwa, the head of an Osaka-based activist organization concerned with North Korean affairs, told the Japanese press that a collaborator had told him that schoolchildren in Pyongyang were singing songs praising Kim Jong-un.
On 12 June 2009, FOX News reporter James Rosen published a report that stated that both military and diplomatic officials had been informed that Kim Jong-un was the heir apparent. Mr. Rosen stated, “Intelligence sources say North Korean military commanders were determined via signals intelligence on 3 June to be relaying to subordinate officers a set of six talking points about the younger Kim intended to shore up support for him among the army and other key military institutions.” Mr. Rosen further stated, “Sources also told FOX News that on the same day, U.S. intelligence intercepted congratulatory messages sent back to Pyongyang by North Korean diplomats stationed overseas, in which the officials swore allegiance to Kim Jong-un as the country’s next supreme leader.”

Also in June 2009, the South Korean intelligence services briefed members of the National Assembly that the North Korean government had informed the army, the presidium of the Supreme People’s Assembly (SPA), the cabinet, and diplomatic missions abroad that Kim Jong-un was the designated successor to Kim Jong-il. In late June of 2009, Kim Jong-il reportedly took Kim Jong-un with him to visit one of the key intelligence–internal security services in North Korea. The Dear Leader is said to have told agency officials that they should consider “Kim Jong-un their boss and to defend him with their lives.” The “agency chief” for this agency (and most others) is officially Kim Jong-il, but the man actually running the agency at the time (the chief deputy director) was U Tong-chuk, a newly named member of the powerful NDC. Thus, he may have been designated to play a role in mentoring the younger Kim in building a power base in the security services.

Several issues came to the forefront when North Korea held its 12th SPA meeting beginning 9 April 2009. First of all, North Korea expanded NDC membership from 9 members to 13. This is its largest size since its inception in 1972. Also of significance regarding the NDC, Chang Sung-taek was named as a formal member, which now gives him a seat in both the party and military apparatus. Chu Kyu-chang was also one of the new members named, and he is considered one of the chief developers of North Korea’s Taepo-dong programs. Three generals were also named to the NDC: Chu Sang-son (former commander of IV Corps), Kim Jong-kak (first vice director
of the GPB, under Cho Myong-rok), and U Tong-chuk (little is referenced in North Korean media regarding U).\textsuperscript{75}

The results of the SPA meeting may indicate two important things. First, the fact that Chang now has a key seat in both the party and the military means he may be one of the most important individuals Kim has chosen to mentor his son. Chang could even serve as a temporary regent in the case of Kim Jong-il’s sudden death. Of importance, Chang will still need to build a power base in the military (to date this has not been accomplished). The second important development that came out of the SPA is that the increase in the number of members in the NDC likely also means that Pyongyang wishes to continue the focus on the power of the military within the government. Kim’s presence at the SPA also served to bolster his authority and show the nation that he was healthy, although in the film of the events he appeared thin and frail and his left arm appeared to be stiff when he raised his hands for applause.\textsuperscript{76}

The same month the SPA was held in North Korea, several developments became public that may shed some light on power within Pyongyang’s seat of government and ultimately the Kim Jong-il succession process. The highly secretive Operations Department, an organization that runs clandestine operations overseas and in South Korea (and reportedly has more than 2,000 agents), was transferred from its headquarters in the KWP to the NDC. This means that the organization that conducts many of the most important clandestine and intelligence collection missions for North Korea both overseas and in South Korea is now controlled by the military.

The Operations Department has always been an organization that had both civilian and military agents—but has also in the past always come under the umbrella of the party. O Kuk-ryol formerly commanded the Operations Department, and the move may have come because Kim Jong-il trusts his old friend and confidant to continue monitoring the activities of the organization that conducts important secret operations (from his new post within the NDC).\textsuperscript{77} The scope and focus of the activities the Operations Department conducts can probably best be described as a model that resembles a combination of the KGB and the GRU from the Soviet Union during the Cold War days.

Another important development is the disclosure that Kim Jong-un was appointed to a low-level post within the NDC.\textsuperscript{78} This may have an impact on the succession process, and if it does both O Kuk-ryol and Chang Sung-taeck would be likely be among those who would mentor the youngest son in the Kim clan. Of course it should not be forgotten that Kim Jong-un’s older brother, Kim Jong-chol, also has a low-level post—in the party.
Chang Sung-taek will likely play an important role in mentoring Kim Jong-il’s successor, but the moves regarding O Kuk-ryol are also important for the process. O is an active-duty general and, as such, will be able to help Kim’s son build a power base within the military. Perhaps the movement of the secretive Operations Department into the military apparatus will also help to enable this process. O is noted for his involvement in a variety of clandestine activities from his position at the head of the Operations Department, among them the now infamous counterfeiting of U.S. dollars. He has likely become a wealthy man as a result of these activities. But O is also noted for being a proponent of a strong, asymmetrically equipped North Korean military. Thus, from his new position he will not only be able to help mentor Kim’s son but will also help in the process of maintaining and honing Pyongyang’s national security goals.79

Several issues need to be considered as one ponders the succession process in North Korea. First, it should be noted that Kim Jong-il does not accrue his power from only the military. He also does not accrue his power from only the party. Finally, in a country where literally everyone is being watched, he does not accrue his power from only the security services. He accrues his power from all of them—and from placing his trust in a few close relatives who have proven absolutely loyal to him. When it comes to the KWP, that means the successor would eventually have to be put in charge of the powerful OGD within the KWP—the position Kim Jong-il currently holds.80 When it comes to the military, Kim’s successor would need to eventually also become the chairman of the NDC. If Kim’s successor—or successor in waiting—were to be given both of these positions (or positions that would lead to such appointments), this would prepare him for leadership of the country, as was done for Kim Jong-il by his father. The individual in these positions would also be able to control the security services—both civilian and military.

The evidence as I see it suggests that Kim Jong-il has picked his third son as the heir apparent. In February 2009, Won Sei-hoon, head of the South Korean National Intelligence Service (NIS), reportedly told a closed session of the National Assembly that a “three-generation succession appears to be possible” in North Korea and that, although Kim Jong-il was in charge, he had not fully recovered from his from his medical setbacks.81 One thing that has been mentioned (including by the North Korean government itself) is the date 2012. Kim Jong-il will be 70 then, and that could be an important date for the successor process—if Kim lives that long.82 If Kim were to live long enough to make great pronouncements in 2012 about succession, it is likely the process would involve positions in both the party and the military as Kim Il-sung did with Kim Jong-il.83
More evidence that Kim Chong-un is the most likely successor to Kim Chong-il was revealed on 25 September, 2009, when it was reported that a poster was spotted by a Taiwanese photographer near a collective farm outside of Wonsan (Wonsan is on North Korea’s east coast). The poster read, “Kim Jong-eun, a young leader who succeeds the lineage of Mangyondae and Mt. Paektu,” and also included the lyrics of a song related to the succession process. The poster also caused some controversy because it spelled the youngest son’s name as “Kim Jong-eun,” vice “Kim Chong-un,” a slightly different pronunciation, and one that the South Korean government acknowledged was correct. For the purposes of this paper I will continue to refer to the youngest son as Kim Chong-un—though it appears it may still be roughly the same in the English transliteration.

If Kim dies and his successor has not built a power base in the party, the military, and the security services, several scenarios are possible. The first is that there would be a violent power struggle within the inner circle that surrounds him. Each side would attempt to gain the support of the military because in a time of crisis this would be the most logical power base. It is known that certain powerful members of the military favor different members of the Kim clan. The potential for several splits and resultant violence is high in such a scenario.

Another scenario could be that the military itself would attempt to seize power. Despite the analysis and conjecture regarding powerful individuals in the military that I have described, there is no clear evidence as to which individual or group would be the most likely to attempt a power grab. Because Kim has wielded absolute power and because North Korea’s security services maintain a constant web of reporting, counter-reporting, and purges, the fear that has resulted from this (as generated by Kim’s government) has made it extremely difficult for factions to form within the military—and the reporting on any factions that may exist is all guesswork. What has held the generals together since the inception of the Kim family regime has been their absolute loyalty to Kim Il-sung and then to his son. Without this bond, a number of factions could form very quickly or, worse, confusion within the military could ensue.

Still another scenario that is possible is that members of the military might seize power in the existing vacuum following Kim’s death, after first overthrowing his named successor, and would then sue for peace and unification with the South. Although this scenario may seem far fetched (and is rarely if ever mentioned by analysts who watch North Korea), there is reason to believe it is possible. There are rumors among scholars and members of NGOs who follow North Korea that several of the generals in North Korea are on the payroll of the NIS (the largest South Korean intelligence agency).
Given the well-documented corruption that exists within the North Korean government, this should not be a surprise. Such a scenario could be to Seoul’s advantage as it would actually open a window for ending the division of the peninsula and finally bring an end to the misery of most North Koreans.

Another scenario that many analysts have discussed and that seems as likely as any is that, if the named successor is unable to hold his power base together, if the party (and the OGD) cannot unite, and if the army becomes factionalized, the country could fall into violent civil war. This would also be a window of opportunity for the South (should circumstances permit) as the possibility of stepping in and taking over—with the ultimate goal of unifying the peninsula—would be available, perhaps even without having to take large-scale military measures.

Conclusions

Despite Kim Jong-il’s apparent efforts to put forward his youngest son, it is clear that no leader has yet emerged who can immediately take control of the party, the army, the security services, and Kim’s family. Loyalties appear to be mixed, with the only overriding loyalty being to Kim Jong-il—and to no one else. Kim’s health continues to be called into question as rumors of pancreatic cancer emerged in the press during early July 2009. If true (and it is still unconfirmed as of the writing of this paper), this situation makes the succession process all the more urgent for the North Korean regime. Thus, if Kim lives long enough to “officially” name a successor and if the successor is able to build a base of support in the important institutions in North Korea as Kim Jong-il was able to do under his father, he will face three key challenges:

First, it will be necessary to prevent political turbulence within the regime caused by division of loyalty between Kim Jong-il and his successor—whoever that successor turns out to be, and whenever he is formally announced (if ever). Secondly, the goal is to ensure that the propaganda and political mythology process adequately indoctrinates the North Korean populace. Finally, it is of the utmost importance to ensure that competition between Kim family members does not impact regime security (it may have been this competition that was at least partially responsible for Chang’s two-year purge). Kim will continue to be concerned with these issues as long as he remains in power.

The fact that no succession process has been put into place openly makes one thing certain: the potential for anarchy within North Korea following Kim’s death is very real. Because of Kim’s health problems, continued purges, crackdowns on the populace, and renewed suspicion regarding
outsiders—particularly South Koreans—are likely. The struggle for Kim’s approval—or for actual power—may intensify among members of the OGD (and those in the Kim family whom they favor) as well as among the military. Indications are that some purges relating to intrafamily competition among the Kim brothers have already occurred—and that Kim Jong-un has risen to the forefront. Former schoolmates and confidants of Kim Jong-nam, the oldest of the three sons, who held positions within the government were reportedly purged during June 2009. And Kim Jong-nam himself was reportedly also the victim of an assassination attempt in China—attempted by aides close to Kim Jong-un.\(^88\)

Should Kim Jong-il not live long enough to build a strong power base for his youngest son, many analysts suggest that Kim Jong-un would be vulnerable to the old guard among the power brokers within the party and the military.\(^89\) North Koreans place great emphasis on age and experience, and these are two things the youngest Kim certainly will not have. Any collective leadership that would emerge following Kim Jong-il’s rule would likely be weak and unable to hold the country together for an extended period of time. Since Kim Il-sung took over, all of the power has centered around one leader, and all institutions and organizations have fed into that leader. To attempt to radically disrupt this system as it has existed in the monolithic communist government of North Korea would mean the likelihood of confusion, power struggles, and possibly even armed conflict among factionalized members of the party, the military, and the security services. In the situation as it exists today, everybody has few natural allies and is compelled to compete with rivals for power.

Thus, if no clear succession process is in place and no clearly powerful leader is in the wings who has a strong base in both the party and the military, “what could easily ensue would be no-holds-barred grab for power between the military, the party, and the security agencies. If so, there is no way to predict the potentiality for implosion or explosion—or both.”\(^90\)

If North Korea collapses it will mean a blow to the national security strategy of the communist government in China. Beijing’s autocratic leadership probably feels that an unstable or collapsed North Korea on their border would be a problem for their border stability. Indeed, a collapsed North Korea could easily lead to Korean unification, and this would end the strategic and operational depth from U.S. forces on the Korean peninsula that began with the armistice in 1953 at the end of the Korean War.\(^91\) As Paul B. Stares and Joel S. Wit remark about China in a Council on Foreign Relations report, “Foremost would be the desire to prevent the United States from establishing military bases in the North or stationing troops, if only temporarily, near its border.”\(^92\) Russia would not want to see a collapsed North Korea because of
economic and political interests that Moscow continues to maintain there as a holdover from the Cold War. A unified peninsula also has the potential to greatly decrease Russia’s influence there.\textsuperscript{93}

South Korea’s government would be faced with overwhelming economic difficulties as it adjusted to a unified nation with fully half of its landmass a former relic of a monolithic communist regime.\textsuperscript{94} In the short run Japan could be faced with an exploding North Korea that may lash out with weapons of mass destruction or an imploding North Korea with economic implications that would be likely to affect Japan in a profound manner. In the long run, Japan would be faced with a unified Korea that would potentially be both a political and economic rival after its recovery from the overwhelming task of recovering from the years of communist rule in the North. For the United States, the biggest immediate policy concern is likely to be North Korea’s weapons of mass destruction. When asked about North Korea in 2009, the chairman of the Joint Chiefs of Staff, Admiral Mike Mullen, said, “. . .the possibility of instability—and pretty severe instability—with those weapons—and certainly, if you listen to some of the rhetoric, is a big concern.”\textsuperscript{95} As I have written in the past: “There are no benign scenarios in an imploding country with a million man army, and nuclear weapons and missiles, whose control are unknown.”\textsuperscript{96}

Endnotes


35. For an analysis of the details surrounding the politics involving the Kaesong industrial complex in both North and South Korea, see Andrei Lankov, “Pyongyang Puts Politics above Dollars,” Asia Times, 26 November 2008, http://www.atimes.com/atimes/Korea/JK26Dg01.html.


55. For yet another example of analysis that predicts a collective leadership following the demise of Kim Jong-il, see Rudiger Frank, “Has the Next Great Leader of North Korea Been Announced?” Policy Forum Online, 08-080A, Nautilus Institute, 21 October 2008, http://www.nautilus.org/fora/security/08080Frank.html.


58. Merrily Baird, e-mail interview by author, 13 February 2009.


90. Bechtol, Red Rogue, 128.


96. Bechtol, Red Rogue, 129.
On Korea was born in December 2006 with the initiation of KEI’s Academic Paper Series. KEI commissions roughly ten papers per year with diverse perspectives on original subjects of current interest to Korea watchers. Each paper is distributed individually as a KEI Academic Paper to over 2,000 government officials, think tank experts, and scholars around the United States and the world and subsequently collated into On Korea.

The third volume of On Korea includes nine papers written by some of the leading scholars working on Korea today. To learn more about submitting a paper proposal to KEI for the Academic Paper Series, visit www.keia.org.

Authors:
John Feffer
Myung-koo Kang
Thomas Cargill
Gilbert Rozman
Ki-sung Kwak
Keith Dinnie
Hyunjin Seo & Stuart Thorson
Bruce E. Bechtol, Jr.
Martyn de Bruyn & Sangmin Bae

Korea Economic Institute of America
1800 K St. NW, Suite 1010, Washington, DC 20006