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국제학석사학위논문

**Reassessing North Korea's Sustainability through the
Lenses of Path Dependency**

August 2015

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Abstract

The main objective of this dissertation is to gain a better understanding of North Korea's regime resilience. This dissertation examines the sustainability of the Kim regime through the lenses of Path Dependency. Specifically, the dissertation conducts comparative case studies to compare and contrast the Ceausescu regime of Romania and the Kim regime. The comparison is particularly useful for identifying key variables that helped the Kim regime survive while the Ceausescu regime collapsed. The dissertation identifies reform decisions and geopolitical environment as the key variables that determined the different fates of the regimes. The dissertation argues that Ceausescu's decision to implement an isolationist policy and its unfavorable geopolitical environment led to the collapse of the regime. On the other hand, the Kim regime's decision to initiate limited reforms and its favorable geopolitical environment during its critical juncture helped sustain the regime.

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**Keywords: Path Dependency Theory, North Korea, Romania,
Case-oriented comparative research, Favorable external
environment**

Student ID: 2012-24096

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CHAPTER 1

Introduction

The imminent collapse of North Korea¹ has been speculated since the 1990s by scholars, politicians, and experts. Internally, massive death tolls and wide spread malnutrition caused by natural disasters, disintegration of social meetings, economic turmoil, and the death of Kim Il-sung caused severe internal pressure on the Kim regime. Externally, North Korea lost its major allies and trade partners as the Soviet bloc collapsed. China also normalized its relations with South Korea the next year. To make matters worse, the world's only remaining superpower threatened to take military action against the regime in 1994.

The combination of internal and external pressures caused crisis escalation that signaled North Korea would surely collapse. Many argued that a rapid German-style like absorption of North Korea by South Korea was bound to happen. General Gary Luck, the commander of U.S. forces in South Korea, declared in 1997 that North Korea would “disintegrate.” That same year, a U.S. government and outside team of experts predicted regime collapse within five

¹ The countries will be called in generally used names such as North Korea, South Korea, US, Romania rather than their official names.

years.² U.S. Deputy Secretary of Defense Paul Wolfowitz confirmed their message and said that North Korea was “teetering on the edge of economic collapse.”³ Many believed that North Korea would either carry out reforms or collapse like many other communist states. However, two decades has passed and the Kim regime still remains in power.

I. The Romanian Puzzle

Specifically, the case of Romania during Nicolae Ceausescu’s rule from 1965 to 1989 creates a puzzle that stimulates further investigation on regime sustainability. The comparison between the two countries is particularly valuable because the two shared key similarities. Cheng Chen and Ji Yong Lee argue that “the North Korean regime under Kil Il-Sung and later Kim Jong-Il shared a number of key institutional similarities with communist Romania under Ceausescu.”⁴ For example, the *Securitate*, Romania’s secret police had similar functions with North Korea’s State Security Department (*Guka An-jeon Bo-wi-bu*) as they were both used to transform their countries into complete police states. Marcus Noland also points out that Romania and North Korea were

² Byman, Daniel, and Jennifer Lind. "Pyongyang's Survival Strategy: Tools of Authoritarian Control in North Korea." *International Security* (2010): 44-74. Print.

³ *Ibid.*, 2.

⁴ Chen, Cheng and Ji-Yong Lee. Making Sense of North Korea: National Stalinism in Comparative Historical Perspective. *Communist and Post-Communist Studies* (2007): 459-475. Print.

“similar in population, per capital income, social indicators, and sectorial distribution of labor, as well as central planning and attendant maladies. Both combined rigid internal orthodoxy with symbolic independence in external affairs. Both experienced with socialism in one family, Nicolae Ceausescu’s inspiration of the development of a cult of personality is said to have been after his visit to Pyongyang in 1971.”⁵

Under the leadership of Nicolae Ceausescu, Romania replicated all of the internal measures made by Kim Il-sung. As mentioned by Noland, Ceausescu was deeply inspired by the ruling style of Kim Il-sung when he visited North Korea in 1971. Since his visit, he created his own cult of personality in Romania. Free speech was limited and opinions against the regime were absolutely repressed. Information flow was controlled and people were unable to access outside information. However, despite these internal measures the Ceausescu regime collapsed in 1989 by a violent mass revolution. Thus, the divergent outcomes of the two regimes, which had instilled the same internal measures, intrigued the author to pose the following questions.

What factors or variables were different between the Kim regime and the Ceausescu regime that determined their survival? Specifically, from this comparison what key variable(s) can be identified as the main reason(s) the

⁵ Noland, Marcus. “Why North Korea Will Muddle Through,” *Foreign Affairs* 76 (1997): 113-115. Print.

Kim regime survived in the 1990s?

Identifying and understanding the differences from the comparison can be the key to further understand the Kim regime's longevity. In an attempt to answer these questions, the dissertation proposes the following propositions:

P1: The Kim regime survived during the 1990s because it initiated limited reforms and had a favorable geopolitical environment.

P2: The Ceausescu regime collapsed because it did not initiate any reform and had an unfavorable geopolitical environment in 1989.

II. Literature Review

Before testing the propositions, it is vital to understand previous explanations on authoritarian regime resilience. First off, the literature review observes explanations on traditional authoritarian regime resilience. Traditional explanations of authoritarian sustainability stems back to Brzezinski's argument, which emphasizes that communist regimes are able to secure their power because they are autocratic single-party states that enjoy a monopoly on the use of force, control the flow of information, proscribe opposition parties, and exercise substantial control over the economy.⁶ Many studies on authoritarian regimes'

⁶ Carl J. Friedrich and Zbigniew K. Brzezinski, *Totalitarian Dictatorship and Autocracy*,

resilience conduct domestic-level analysis and argue that internal mechanisms can successfully manage and alleviate internal and external pressures. Gerschewski summarizes the current literature on authoritarian regimes into three main pillars: legitimacy, repression, and co-optation.⁷

Second, most of the current literature on North Korea's regime survival also puts an over-emphasis on internal explanations that rely on domestic-level analysis. Scholars such as Lankov argue that North Korea's complete control of outside information prevents North Koreans from rebelling as they are completely

2nd rev. ed. Cambridge: Harvard University Press, 1965. 22; Other classic works on revolution include Theda Skocpol, *States and Social Revolutions: A Comparative Analysis of France, Russia, and China* New York: Cambridge University Press, 1979; James C. Scott, *Weapons of the Weak: Everyday Forms of Peasant Resistance* New Haven: Yale University Press, 1987; Charles Tilly, *From Mobilization to Revolution* Reading: Addison-Wesley, 1978; and Ted Robert Gurr, *Why Men Rebel* Princeton: Princeton University Press, 1971

⁷ Gerschewski, Johannes. The three pillars of stability: legitimation, repression, and co-optation in autocratic regimes, *Democratization*, 20:1 2013,13-38; For studies on legitimacy read, Burnell, Peter. "Autocratic Opening to Democracy. Why Legitimacy Matters." *Third World Quarterly* 27 (2006): 545–562. Gandhi, Jennifer, and Ellen Lust-Okar. "Elections under Authoritarianism." *Annual Review of Political Science* 14 (2009): 403–422; White, Stephen. "Economic Performance and Communist Legitimacy." *World Politics* 38 (1986): 462–482; Acemoglu, Daron, and James A. Robinson. *Economic Origins of Dictatorship and Democracy*. Cambridge: Cambridge University Press, 2005; Beetham, David. *The Legitimation of Power*. Houndmills: Palgrave, 1991. For studies on repression read, Davenport, Christian. "State Repression and Political Order." *Annual Review of Political Science* 10 (2007): 1–23. Gause, Ken E. *Coercion, Control, Surveillance, and Punishment: An Examination of the North Korean Police State*. Washington, DC: Committee for Human Rights in North Korea, 2012 Armstrong, C. K. "Surveillance and Punishment in Postliberation North Korea." *Positions: East Asia Cultures Critique*: 695-722; For studies on co-optation read Gandhi and Przeworski, "Cooperation, Cooptation and Rebellion; Magaloni, "Credible Power-Sharing"; Svobik, "Power Sharing" Gandhi, Jennifer. *Political Institutions under Dictatorship*. Cambridge: Cambridge University Press, 2008. Bertocchi, Graziella, and Michal Spagat. "Politics of Co-optation." *Journal of Comparative Economics* 29 (2001): 591–607. Gandhi, Jennifer, and Adam Przeworski. "Cooperation, Cooptation, and Rebellion under Dictatorships." *Economics & Politics* 18 (2006): 1–26. Svobik, Milan W. "Power Sharing and Leadership Dynamics in Authoritarian Regimes." *American Journal of Political Science* 53 (2009): 477–494.

vulnerable to the lies fed by the communist party.⁸ The lack of information from foreign sources prevents people from judging the validity of the Kim regime's negative propaganda about the outside world.⁹ Others focus on North Korea's *Juche* ideology, which can be loosely interpreted as self-reliance, as the driving force that secures the legitimacy of the Kim regime.¹⁰ The *Juche* ideology is based on anti-imperialist struggle, which has a significant meaning to North Koreans because of their past experience of hardship caused by foreign powers. The *Juche* ideology helps withstand external pressure as it encourages North Koreans to persevere during hardship and rally under the Kim regime to fight the common enemy. Other scholars argue that limited reforms launched by the Kim regime helped overcome the crisis in the 1990s. For example, Kim Jin-hwan argues that the combination of military first policies and limited economic reforms sustained

⁸ For studies on North Korea's information control read Lankov, A. N. *North of the DMZ: Essays on Daily Life in North Korea*. Jefferson, N.C.: McFarland, 2007; Marcus Noland, "Why North Korea Will Muddle Through," *Foreign Affairs* 76 (1997): 113.

⁹ Oh, Kong Dan, and Ralph C. Hassig. *North Korea through the Looking Glass*. Washington, D.C.: Brookings Institution, 2000. 28.

¹⁰ For studies on *Juche* ideology read Chung, Young-chul. *Research on Kim Jong-il's Leadership*. II ed. Vol. 1. Seoul: Sunin, 2008. 1-425; Suh, Jae-Jung. "Introduction: Making Sense of North Korea: Institutionalizing *Juche* at the Nexus of Self and Other." *Journal of Korean Studies*: 1-13; Cumings, Bruce. *Korea's Place in the Sun: A Modern History*. New York: W.W. Norton, 1997; Dimitrov, Martin K. *Why Communism Did Not Collapse: Understanding Authoritarian Regime Resilience in Asia and Europe*. Cambridge: Cambridge UP, 2013. 1-300; Park, Han-Shik. "The Nature and Evolution of *Juche* Ideology." In *North Korea. Ideology, Politics, Economy*, edited by Han-Shik Park, 9-18. Englewood Cliffs, NJ: Prentice Hall, 1996 Suh, Leadership and Political Culture in North Korea, 31-53; Suh, Dae-Sook. *Leadership and Political Culture in North Korea*. Seoul: Yonsei University Press, 2000.

the regime.¹¹ Ken E. Gause states that the internal security apparatus ensured the survival of the Kim family. Coercion, control, surveillance, and punishment created North Korea into a complete police state.¹² Horowitz claims that North Korea's dynastic communism, which the party is mainly dominated by a family network, is the hardest to uproot because of its organic intimacy that makes it impervious to ordinary forms of pressure and protest.¹³ In this form of rule, everyone fully understands that their fate is unavoidably linked to the survival of their respective political patrons. Another major argument is that the nuclear program internally creates legitimacy for the Kim regime's rule, and externally functions as security deterrence and a useful tool for brinkmanship diplomacy.¹⁴ Finally, one of the most

¹¹ For studies on North Korea's reform efforts read Jin-hwan, Kim. *North Korea's Crisis Theory: Overcoming the Myths and Cynics*. II ed. Seoul: Sunin, 2011. 1-631; Han S. Park, "Military-First Politics (*Sungung*): Understanding Kim Jong-Il's North Korea," *2008 Academic Paper Series on Korea* 1 (2009): 118-130; Kihl, Young Whan. *North Korea the Politics of Regime Survival*. Armonk, N.Y.: M.E. Sharpe, 2006; Vorontsov, Alexander. "North Korea's Military-First Policy: A Curse or a Blessing." *North Korean Review* (2006): 100-02.

¹² For studies on the use of coercion in North Korea read Gause, Ken E. *Coercion, Control, Surveillance, and Punishment: An Examination of the North Korean Police State*. Washington, DC: Committee for Human Rights in North Korea, 2012; Lankov, A. N. *North of the DMZ: Essays on Daily Life in North Korea*. Jefferson, N.C.: McFarland, 2007; Armstrong, C. K. "Surveillance and Punishment in Postliberation North Korea." *Positions: East Asia Cultures Critique*: 695-722; Harden, Blaine. *Escape from Camp 14: One Man's Remarkable Odyssey from North Korea to Freedom in the West*. New York: Viking, 2012.

¹³ For studies on dynastic communism read Horowitz, "Revolution, Longevity, and Legitimacy," 68; Lankov, Andrei. "Staying Alive: Why North Korea Will Not Change." *Foreign Affairs* 87.2 (2008); Cumings, Bruce. *Korea's Place in the Sun: A Modern History*. New York: W.W. Norton, 1997

¹⁴ For studies on nuclear brinkmanship and blackmail read Gilberto J. Algar-Faria (2013), 'Bargaining for Survival: The Rationale Behind North Korea's Nuclear Weapons Programme', *algarfaria.com*, 17 May, available from: <http://wp.me/p3vp0t-B>; Paul Bracken

recent comprehensive approach argued by Daniel Byman and Jennifer Lind states that restrictive social policies, manipulation of ideas and information, use of force, co-optation, manipulation of foreign governments, and institutional coup-proofing prevent communist regimes from collapsing.¹⁵

Despite their merits, these previous literatures fail to fully explain the resilience of authoritarian regimes and the Kim regime. A general agreement of these arguments is that a combination of these internal measures will prevent the collapse of authoritarian regimes including the Ceausescu regime. However, the Romanian case defies these explanations and suggests that internal measures alone cannot secure the survival of an authoritarian regime. It is also limited in scope because it does not analyze the geopolitical environment, which will later be proven as one of the key determinants in the different fates of the Ceausescu regime and the Kim regime.

III. Purpose and Significance of Research

The main purpose of this dissertation is to examine the sustainability of the Kim regime by conducting a comparative case study between Romania's Ceausescu regime and North Korea's Kim regime through the lenses of the Path Dependency analytical framework. Another objective of this dissertation is to add

(1993) Nuclear Weapons and State Survival in North Korea, *Survival: Global Politics and Strategy*, 35:3, 137-153; Pollack, Jonathan D. *No Exit: North Korea, Nuclear Weapons, and International Security*. London: International Institute for Strategic Studies, 2011.

¹⁵ Byman and Lind, 3-4.

on to the current literature by providing a different angle to view the Kim regime's sustainability. While many scholars pointed to internal measures as the key factor to the Kim regime's survival, the comparison between the Kim regime and the Ceausescu regime will show the limitation of this explanation. Thus, by analyzing North Korea's reform decisions and its geopolitical environment, the dissertation provides a better balanced explanation to the phenomenon.

Currently many articles, papers, and research are focused on North Korea's nuclearization and humanitarian violations. There is no doubt that these subjects are important topics that must be investigated. However, to truly moderate North Korea's misbehavior it is vital to understand the roots of the regime's sustainability. With this understanding, policy makers will be able to create better informed policies that would more effectively moderate North Korea's behavior.

IV. Overview of Chapters

Once again, this dissertation finds through the lenses of Path Dependency analytical framework that reform decisions and geopolitical environment were the key variables that determined the different fate of the two regimes. In the case of Romania, the Ceausescu regime decided to strengthen its isolation policies and had an unfavorable geopolitical environment.¹⁶ In the case of North Korea, the Kim

¹⁶ Romania's neighbors such as Hungary, Poland, and Bulgaria experienced political revolution and reformed into democracies. The Soviet Union also continuously pressured Romania to initiate economic and political reform. Lastly, because the Soviet Union was willing to reform, the US, who was one of Romania's main allies, abandoned the Ceausescu

regime initiated reforms and had a favorable geopolitical environment.¹⁷

To prove these propositions, the dissertation first specifies the details of the Path Dependency analytical framework and methodology in Chapter 2. The dissertation then presents the Romanian case under the rule of Nicolae Ceausescu from 1971 to 1989 in Chapter 3. This chapter specifically shows the key similarities that Romania shared with North Korea. It also shows how the regime's decision to strengthen its isolationist policies and its unfavorable geopolitical environment led to its final demise. For this chapter, studies regarding the collapse of the Romanian government are used to show how the external geopolitical environment played a critical role in the collapse of the regime. After firmly establishing that external geopolitical environment played a critical role in the collapse, the dissertation then explains the North Korean case. This chapter conducts the same process as in Chapter 3 and proves how North Korea's decision to initiate reforms and its favorable geopolitical environment during its critical juncture, were the keys to its survival. Ultimately, the comparison between the two regimes will prove that reform decisions and geopolitical environment were the key factors that determined the different outcomes.

regime because it lost its strategic importance.

¹⁷ China and South Korea share borders with North Korea. Both countries did not want the status quo to change and thus were willing to shift their policies toward North Korea. Their new policies provided North Korea with tremendous amounts of aid to maintain the status quo. These arguments will further be developed in the following chapters.

CHAPTER 2

Analytical Framework

Using Path Dependency as an analytical framework to compare Romania and North Korea is a new attempt in understanding regime resilience. The theory is appropriate for this dissertation because it helps identify specific variables that caused the divergent regime outcomes of two very similar regimes. The dissertation argues that the different policy options selected during the critical junctures and the different geopolitical environments determined the fates of the two regimes. Specifically, the analytical framework analyzes and shows how the combination of Romania's isolationist policies and its unfavorable geopolitical environment caused the collapse of the regime. On the other hand, for the Kim regime, the analytical framework portrays how the Kim regime's decision to conduct limited reforms and its favorable geopolitical environment during the critical juncture led to regime survival. This section outlines the Path Dependency theory, defines important terminology, and provides the research methodology the dissertation adopts.

I. Path Dependency

Path Dependency was first developed as an economic theory. It is most often

associated with the writings of W. Brian Arthur on positive feedback and increasing returns where he comes to the conclusion that “once chance economic forces select a particular path, it may become locked in regardless of the advantages of other paths.¹⁸ The theory was later adopted into political science and developed by scholars such as Bennett, Elman, Thelen, Pierson, and Mahoney.¹⁹ This dissertation adopts Pierson’s definition of Path Dependence, which is defined as courses of action almost or completely impossible to reverse once they have been introduced.²⁰

The regime outcome can be explained by examining a series of sequential stages. The starting point of these sequential events is the antecedent conditions, which are the factors that define and limit the range of policy options available to actors during the critical juncture. A particular option including policy, institution,

¹⁸ Arthur, W. Brian. “Positive Feedbacks in the Economy”, *Scientific American* (1990): 92-99

¹⁹ For more Path Dependency Theory read Bermeo, Nancy. “Rethinking Regime Change.” *Comparative Politics* (1990): 359-77. Mahoney, James. “Path Dependence in Historical Sociology.” *Theory and Society* 2000: 507-548. Mahoney, James. *The Legacies of Liberalism: Path Dependence and Political Regimes in Central America*. Baltimore: The Johns Hopkins University Press 2001.. Pierson, Paul. “Increasing Returns, Path Dependence, and the Study of Politics.” *American Political Science Review* (2000): 251-67. Thelen, Kathleen. 1999. “Historical Institutionalism and Comparative Politics.” *Annual Review of Political Science* 2: 369-404. Allen, Daniel. 2010 “New direction in the Study of Nation-Building: Views through the Lenses of Path Dependence”, *International Studies Review* (2010): 413-429 Greener, Ian, “The Potential of Path Dependence in Political Studies”, *Politics* (2000): 62-72; Mahoney, James, “Path Dependence in Historical Sociology”, *Theory and Society*, (2000): 507-548; Peters, B. Guy ; Pierre, Jon ; King, Desmond S., “The Politics of Path Dependency: Political Conflict in Historical Institutionalism”, *The Journal of Politics* (2005) : 1275-1300

²⁰ Pierson, Paul. “Increasing Returns, Path Dependence, and the Study of Politics.” *American Political Science Review* (2000): 251-67.

or government is selected from among two or more alternatives at this period. Specifically, the decision made during a critical juncture has enduring consequences because it leads to the creation of institutional patterns. These institutions are either strengthened and trigger counter responses, which are called reactive sequences. Eventually, these conflicts are resolved and lead to a final outcome. The following section provides a detailed explanation of critical junctures, structural persistence and reactive sequences.²¹

Critical Junctures

The critical juncture comes after the antecedent conditions and has two components. First, there are two or more policy alternatives to choose from during the critical juncture. Second, once a particular option is selected, it becomes progressively more difficult to return to the initial point where multiple choices were available. Collier also argues that critical junctures are often moments characterized by contingency in which unforeseen events may have an important impact. To explain critical junctures, therefore, path-dependent analysts often must focus on small events, human agency, or historical peculiarities that lie outside of available theoretical frameworks.²²

Another key aspect that needs to be assessed during the critical juncture is

²¹ The terminology used in this dissertation is retrieved from Mahoney, James. "Path Dependence in Historical Sociology", *Theory and Society*, (2000): 507-548

²² Ibid., 253.

whether there was external intervention by foreign states or institutions. Mahoney's research on different outcomes of regimes in Central America shows that a key factor that changed the fate of regimes was whether foreign intervention intersected with the critical juncture.²³ This dissertation will also show how "foreign intervention" or foreign assistance during the critical juncture played a key role in determining the different fate of the two regimes.

Structural Persistence

Institutions are naturally reproduced and strengthened after a critical juncture. The term institution is not only limited to the general definition, but also includes actions taken during the critical juncture. These stable reproductive mechanisms lock in a given institutional pattern, making it extremely difficult to transform or reverse. As stated before, Pierson adopts Arthurs's idea of "increasing returns" and states that "the probability of further steps along the same path increases with each move down that path." Pierson specifically emphasizes that actors are willing to maintain the status quo by producing institutions due to the benefits of learning effects, coordination effects, and adaptive expectations, as well as the costs imposed by irretrievable investments.²⁴

²³ Mahoney, James. "Path-Dependent Explanations of Regime Change: Central America in Comparative Perspective" *Studies in Comparative International Development*, 36, (2001): 111-141.

²⁴ Pierson, Paul. "Increasing Returns, Path Dependence, and the Study of Politics" *American Political Science Review* (2000): 251-67.

Reactive Sequences

After structural persistence, reactive sequences occur. Reactive sequences are chains of temporally ordered and causally connected events. This sequence of events, while ultimately linked to a critical juncture period, can culminate in an outcome that is far removed from the original critical juncture. Institutional reproduction and reactive sequences are distinguishable by differing mechanism. Institutional reproduction relies on self-reinforcing and positive feedback processes, while reactive sequences rely on transformative and backlash mechanisms. During this stage, actors challenge or support institutional patterns established during the critical juncture. Even if such actor resistance does not actually transform these institutions, it can set into motion an autonomous process that encompasses events leading to a final outcome of interest. The conflicts of a reactive sequence typically give way to more stable final outcomes. These final outcomes entail the formation of new institutional patterns, such as national regimes or party systems.²⁵

²⁵ Ibid., 113-115.

Figure 1: Path-Dependent Analytical Framework

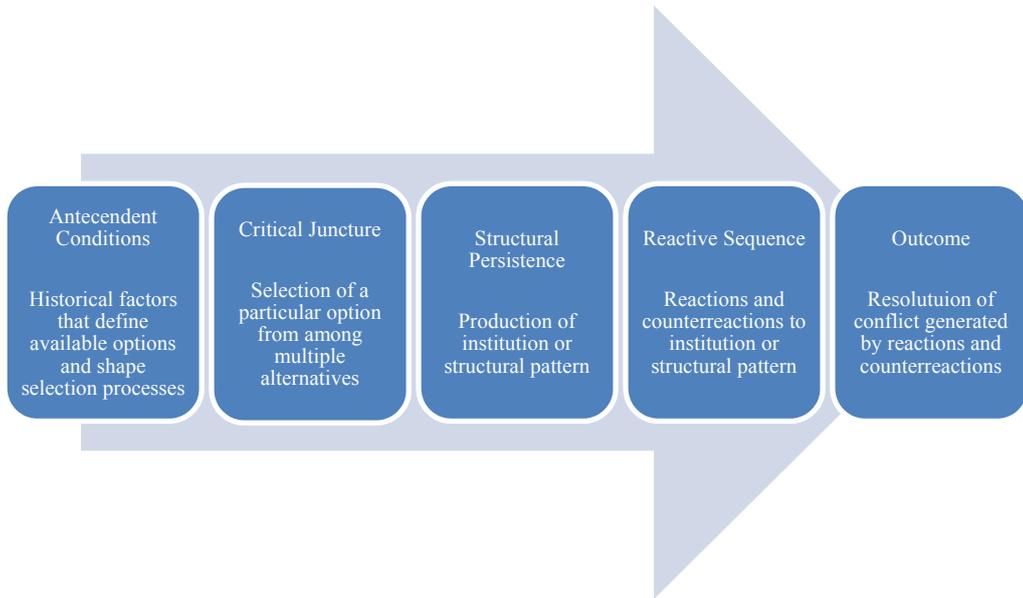


Figure 2: Path-Dependent Explanation of Regime Outcome of Romania

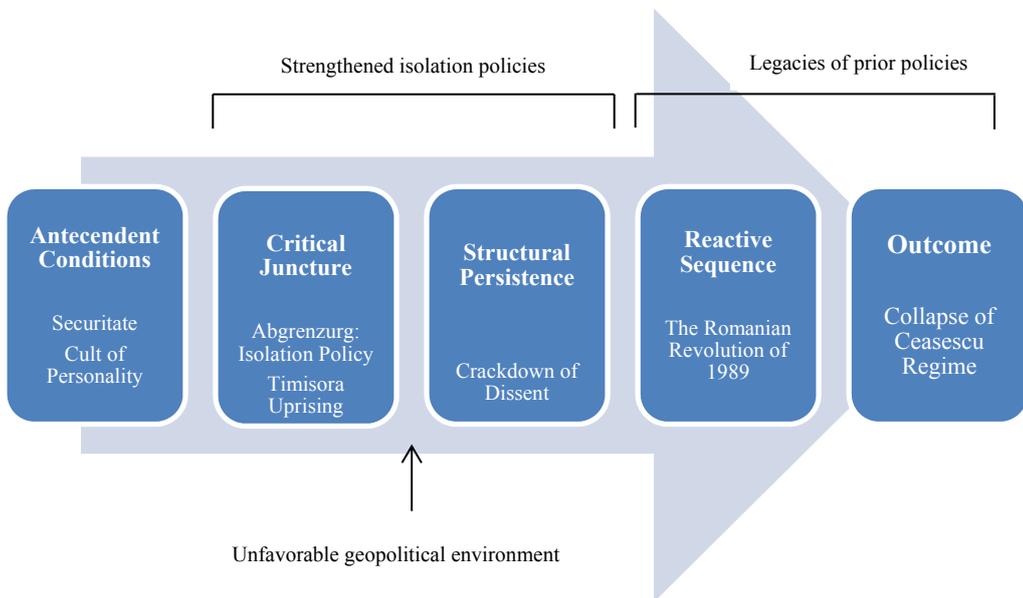
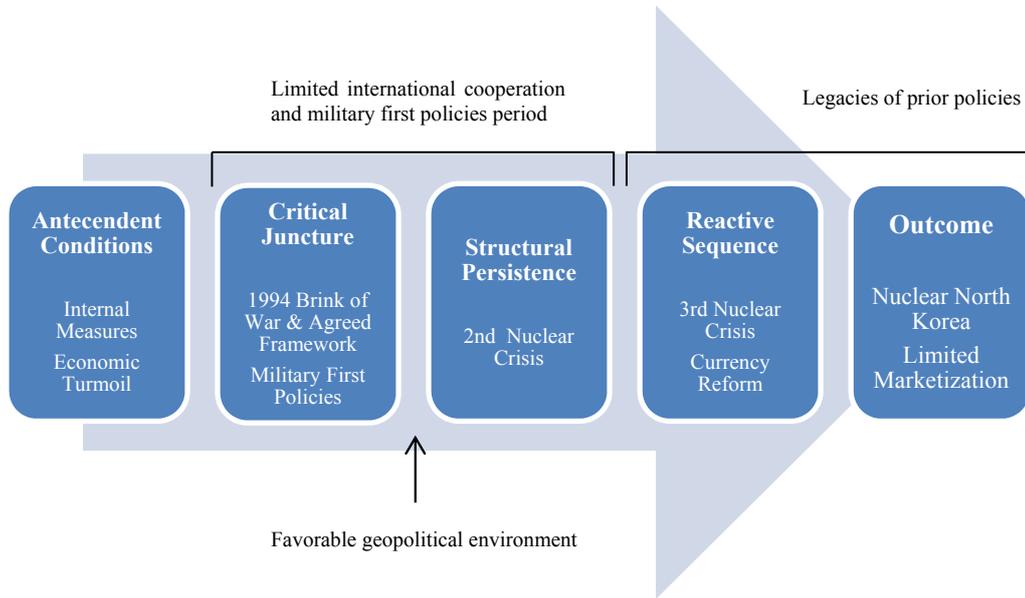


Figure 3: Path-Dependent Explanation of Regime Outcome of North Korea



II. Methodology

The dissertation conducts comparative case studies using the most similar design to compare and contrast the case of Romania and North Korea. Comparative case studies cover two or more cases to examine, analyze, and synthesize similarities, differences and patterns across two or more cases that share commonalities. In the most similar system design, actors or political systems have as many similar variables as possible with the exception of the outcome of the phenomenon to be examined.²⁶ Thus, Romania and North Korea are perfect subjects for the dissertation.

²⁶ Sprinz, Detlef F. *Models, Numbers, and Cases: Methods for Studying International Relations*. Ann Arbor: U of Michigan, 2004.

Process tracing is used to provide historical narratives of the two cases. Process tracing focuses on whether the intervening variables between a hypothesized cause and observed effect move as predicted by the theories under investigation. Specifically, analytical explanation is used to provide an analytical causal explanation and theoretical understanding of a case. The dissertation uses process tracing because it provides a holistic view of each case and a detailed understanding of the events, which is useful to compare the path dependent process of each case.²⁷

Additionally, Figure 4 shows the relations between the variables for both cases. The analytical framework argues that when a state faces either severe internal pressure or external pressure the country is in a crisis. Crisis is defined as a time of social and political instability, which can be off-set by proper management by the state. Crisis escalation occurs when the state faces a combination of both severe external and internal pressure. Crisis escalation is defined as a period when the state no longer has the ability to alleviate the pressures on its own and faces the possibility of imminent collapse.²⁸

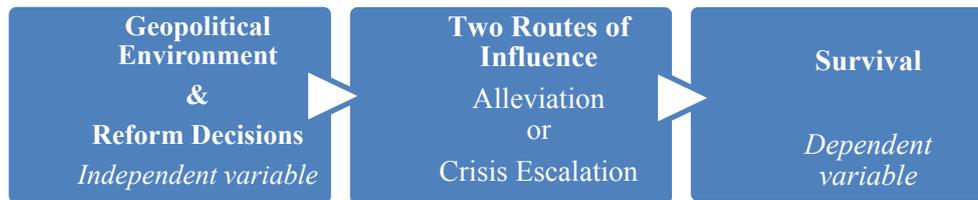
During this period the regime goes into two different paths. First it can conduct political, economic, social reforms, and attempt to foster a favorable geopolitical environment. These efforts eventually alleviate the crisis. Second it

²⁷ Ibid., 31.

²⁸ These definitions are adopted from Kim *North Korea's Crisis Theory: Overcoming the Myths and Cynics*.

could continue to resist reform and isolate itself from the world. These measures cannot alleviate the pressures and eventually the regime collapses.

Figure 4: Geopolitical Environment in the Case of Crisis Escalation/Critical Juncture



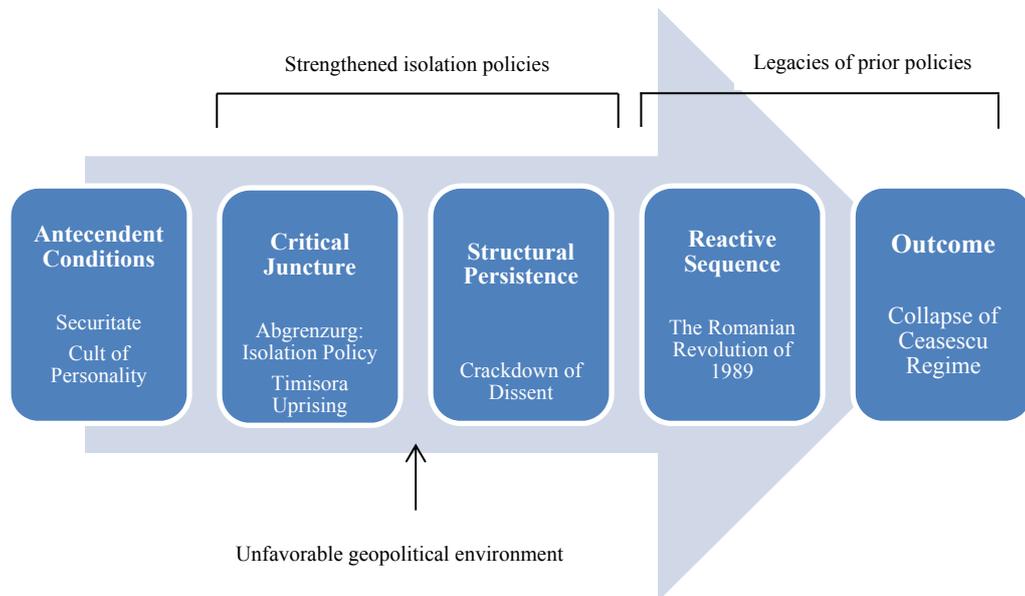
III. Sources

The dissertation uses Kim Jong-il's anthology, which consists of his speeches, dialogues and essays, to understand North Korea's economy, external relations, and ideology from 1964 to 2005. North Korea's official statements and statistics are also analyzed to assess North Korea's economic, political, and social conditions. Additionally, the dissertation uses statistics provided by the World Food Program (WFP), the Food and Agricultural Organization (FAO), the United Nations Development Program (UNDP), the United Nations Disaster Management Team (UNDMT) and South Korea's Ministry of Unification (MOU) to analyze North Korea. South Korea's white papers are analyzed to point out the policy transition from unification through absorption to the Sunshine Policy. This dissertation also uses secondary work from experts on North Korea and Northeast

Asia. Only secondary sources by experts on Romania are used for the discussion on Romania and its geopolitical environment.

CHAPTER 3

The Romanian Case



The Romanian case defies previous arguments on regime resilience, which argue that a combination of restrictive social policies, manipulation of ideas and information, use of force, co-optation, manipulation of foreign governments, and institutional coup-proofing will sustain a regime. Under the leadership of Nicolae Ceausescu, the Romanian communist party implemented all of the measures listed above. However, after 17 years of rule, Nicolae Ceausescu was overthrown by a violent revolution and executed in 1989. This chapter first presents the internal measures that were implemented by the Romanian communist

party to show the antecedent conditions prior to the critical juncture. The second section depicts the internal pressures caused by economic decline. The third section shows how the combination of internal and external pressures on the regime caused crisis escalation. The fourth section portrays the structural persistence of the Ceausescu regime and how the *Securitate* was used to prolong the survival of the regime. The fifth section depicts the reactive sequences that happened by showing the response of the people and the final demise of the regime. Ultimately, the collapse of the Ceausescu regime proves that internal measures alone cannot secure the survival of an authoritarian regime. It also shows that its decision to pursue isolation policies along with its unfavorable geopolitical environment caused the collapse of the regime.

I. Antecedent Conditions (1967-1989)

Internal measures

In March 1965, Nicolae Ceausescu rose to power when he was elected as the next general secretary of Romania after the death of Gheorghui-Dej. By 1967, Ceausescu successfully consolidated his power by becoming president of the State Council. Ceausescu's popularity among the Romanian public and the West skyrocketed when he openly criticized the Soviet Union's invasion of Czechoslovakia in 1968.²⁹ Ceausescu's rule was relatively moderate in the early

²⁹ Deletant, Dennis. *Ceausescu and the Securitate: Coercion and Dissent in Romania*,

years of his reign. However, it became increasingly brutal and repressive after his visit to China, North Korea, Vietnam, and Mongolia in July 1971.³⁰

During his visit, he was deeply inspired by the ruling style of Kim Il-sung and emulated the system when he returned to Romania. Ceausescu even ordered to translate books on North Korea's *Juche* ideology into Romanian and widely distributed it throughout the country.³¹ Particularly, on 6 July 1971, Ceausescu delivered a speech known as the *July Theses*, which consisted of seventeen proposals. The speech emphasized; continuous growth in the "leading role" of the Party; improvement of Party education and of mass political action; youth participation on large construction projects as part of their "patriotic work"; an intensification of political-ideological education in schools and universities, as well as in children's, youth and student organizations; and an expansion of political propaganda, orienting radio and television shows to this end, as well as publishing houses, theatres and cinemas, opera, ballet, artists' unions, promoting a "militant, revolutionary" character in artistic productions.³² In summary, the articles specifically called for an increase of ideological mobilization in culture, education, and work places.

Moreover, Ceausescu further consolidated his authority by developing his

1965-1989. (Armonk, N.Y.: M.E. Sharpe, 1995), 20.

³⁰ Ibid., 22-25.

³¹ Ibid., 31.

³² Ibid., 50.

own cult of personality. Ceausescu gave himself titles such as “*Conducator*,” and “*Genuil din Carpati*,” which means leader and Genius of the Carpathians. He used the media to portray himself as a theoretical genius that made significant contributions to Marxism-Leninism.³³ His statements and works were collected and created into tens of volumes and were also translated into several different languages.³⁴

In the early 1980s, Ceausescu expanded the cult to include his wife Elena Ceausescu to create a dynastic form of rule. At first, she was credited as a scientific genius, who made numerous scientific discoveries.³⁵ She strengthened her image as a scientist by receiving honorary doctorate degrees abroad.³⁶ The cult surrounding Elena Ceausescu significantly increased when she was elected as a member of the Communist Party’s Bucharest Municipal Committee. She was also portrayed as the “Mother of the Nation” by the media.

Furthermore, Ceausescu strengthened his power by empowering the Department of State Security, or better known as the *Securitate*, the secret police

³³ Deletant, Dennis. *Romania under Communist Rule*. (Romania: Center for Romanian Studies in Cooperation with the Civic Academy Foundation, 1999), 34.

³⁴ *Ibid.*, 45.

³⁵ In reality, Elena was actually a middle school dropout. She attempted actually to learn chemistry by taking night courses at the Bucharest Municipal Adult Education Institute, but during an exam she was caught cheating and was expelled.

³⁶ *Ibid.*, 51-52.

agency of communist Romania.³⁷ During Ceausescu's reign, the *Securitate* employed approximately 11,000 agents and 500,000 informers. Under Ceausescu, the *Securitate* was one of the most brutal secret police forces in the world, responsible for the arrests, torture, and deaths of thousands of people.³⁸

In the 1980s, the *Securitate* carried out massive campaigns to suppress dissent in Romania. One of the main functions of the *Securitate* was to prevent the development of an independent civil society in Romania.³⁹ The *Securitate* intentionally spread a rumor that one out of four Romanians was an informer to the police. The rumor proved to be extremely effective as it successfully created an atmosphere of distrust among the public. People were afraid to make critical comments openly about the regime and no active revolutionary group emerged in Romania during this time.

Additionally, the *Securitate* toughened censorship, limited free speech and suppressed negative opinions regarding the communist party. For instance, a man who had submitted a volume of poetry to a critic for evaluation was tried for having written "hostile" verses against the communist regime. Even though the critic came to defend him, a military court sentenced him to 12 years

³⁷ Byman and Lind argue that authoritarian regimes secure their survival by monitoring the population and use force to suppress both individual and mobilized opposition. They also traditionally rely on informers to discover anti-regime activity.

³⁸ Deletant, 91.

³⁹ Baker argues that authoritarian regimes also prevent the development of independent civil society, which has long been noted as a building block for democratic institutions.

imprisonment.⁴⁰ In December 1971, broadcasting or publication abroad of any written material that might hinder the state's interest was also prohibited. Censorship became so tough to the point that even typewriters had to be registered with the government. The Romanian citizens were also forbidden to make any contact with foreign radio stations or newspapers.⁴¹

In sum, Ceausescu was able to create a cult of personality with the implementation of the *July Theses*. With the help of the *Securitate*, he was able to implement restrictive domestic policies, manipulate ideas, use coercion, and control information flow. However, despite these internal measures, Ceausescu and his wife were ousted, trialed, and eventually executed. The next section examines the events before the collapse of the Ceausescu regime.

Economic decline

Since the late 1970s, Romania experienced a crisis caused by economic decline. Ceausescu's economic strategy, which focused on the heavy industry, was a complete disaster as Romanian producers were unable to create high quality products.⁴² Ceausescu's popularity significantly dropped when he decided to pay back Romania's large foreign debt, which was estimated to be \$13 billion, at the

⁴⁰ Deletant, Dennis, *Ceausescu and the Securitate: Coercion and Dissent in Romania, 1965-1989*, (M.E. Sharpe, London, 1995), 56.

⁴¹ Ibid., 78.

⁴² Eyal, Jonathan. "Romania: A Hermit under Pressure." *The World Today* 45 (1989): 85-90. Royal Institute of International Affairs. Web. 10 Dec. 2014. <<http://www.jstor.org/stable/40396109>>

cost of the peoples' well-being.⁴³ Ceausescu initiated a referendum that ordered to export much of the country's agricultural and industrial production to pay back the debt. This led to a severe decrease of living standards as people experienced extreme shortages of food, fuel, energy, medicines, and other basic necessities.⁴⁴ However, the crisis caused by internal pressures was manageable at the time because the *Securitate* successfully suppressed the people from forming revolutionary groups.⁴⁵

II. Critical Juncture

Unfavorable geopolitical environment

Crisis escalation occurred in Romania when severe external pressure was put on top of its internal pressure. Since 1985, Soviet Union's reform program of *perestroika* and *glasnost*, which was initiated by Gorbachev, put extreme pressure on many communist states including Romania. Gorbachev convened meetings of communist leaders and tirelessly visited communist leaders pushing, intimidating,

⁴³ As mentioned before, Ceausescu consolidated his power after he openly protested against the Soviet Union's invasion of Czechoslovakia. At the time, the United States was actively seeking partners including authoritarian regimes that would help them contain the Soviet Union. Though openly criticizing the Soviet Union, Romania was able to formulate good relationships with the West. The United States provided large amounts of loans to Romania and also helped them borrow large sums from other international monetary institutions. Eventually, the regime borrowed a total amount of \$13 billion US dollars for their heavy industry development projects.

⁴⁴ Ibid., 89.

⁴⁵ Ibid., 90.

and pressuring them to introduce similar reforms in their countries.⁴⁶ Unintentionally the reforms ignited the Revolutions of 1989 and Romania's direct neighbors such as Poland, Hungary, Bulgaria, and Czechoslovakia experienced political revolution. Multi-party elections were conducted in every state and eliminated communist rule.

Additionally, the devastating blow to Ceausescu's regime was when the US abandoned the regime. There were two main reasons the US decided to recant its support for the regime. First, Romania lost its strategic importance to the US as the Soviet Union initiated reform and engaged in dialogue with the West. The US also stopped its support for the regime as Ceausescu repudiated the Most-Favored-Nation trading agreement with the US and launched a vicious campaign against international banks to place the blame of Romania's economic decline.⁴⁷ Thus, Romania was no longer able to receive support from the West and was quickly isolated from the international community.

Policy options and alternatives

As Table 1 shows, the Ceausescu regime had six policy options during its critical juncture. The Ceausescu regime chose to maintain its isolationist policies and did not initiate economic or political reform. As Figure 4 points out, during crisis escalation the state can initiate limited reforms and attempt to create a

⁴⁶ Deletant, 350.

⁴⁷ Eyal, 89.

favorable geopolitical environment. If they fail to do so, they eventually collapse. In Romania's case, the Ceausescu regime continued *Abgrenzung*, which is an isolation policy.⁴⁸ The Ceausescu regime was unwilling to adopt new reforms and its unfavorable geopolitical environment created crisis escalation in Romania.

Table 1: Policy Options of Ceausescu Regime during the CJ

	Isolation	Limited Reform	Radical Reform
Political	Yes	No	No
Economy	Yes	No	No

Timisoara Uprising

The actual critical juncture of Romania was on 16 December 1989, the day the Timisoara Uprising occurred. As mentioned before, critical junctures are often moments characterized by contingency in which unforeseen events may have an important impact. To explain critical junctures, therefore, path-dependent analysts often must focus on small events, human agency, or historical peculiarities that lie outside of available theoretical frameworks. In the Romanian case, the eviction of Laszlo Tokes, a Hungarian Reformed church pastor who made critical comments against the regimes' policies, unexpectedly sparked a revolution. On that day, a protest broke out to stop the pastor's eviction. The protest turned violent as

⁴⁸ The policy was intended to deliberately isolate the country from the effects of the reforms in the Soviet Union and other East European states.

the rioters broke into the district committee building and threw Party documents, propaganda brochures, Ceausescu's writings, and other symbols of communist power out the windows.⁴⁹

III. Structural Persistence

Ceausescu chose to pursue the isolationist policy and rely on internal measures to secure regime survival. When the critical juncture occurred, it was logical for the Ceausescu regime to rely on coercion to settle dissent and maintain authority. As Wolf states when information campaign fails, nationalism wanes, and independent social classes emerge, authoritarian leaders retain their most important tool for staying in power: the regular and often brutal use of force. Loyal and effective security forces are a vital component of this strategy.⁵⁰ On that night, the protesters were eventually halted and disbanded by the *Securitate* and the military.⁵¹

The presence of the army had significant implications. First, it meant that the army was still in full control by Ceausescu. Second, the regime clearly showed its people that it was willing to use force to control dissent. Wolf and many other

⁴⁹ Georgescu, Vlad. *The Romanians: A History*. Columbus: Ohio State University Press, 1991. 280.

⁵⁰ Leites, Nathan, and Charles Wolf. *Rebellion and Authority; an Analytic Essay on Insurgent Conflicts*. Chicago: Markham Pub., 1970, 5.

⁵¹ *Ibid.*, 281.

scholars argue that as long as an authoritarian regime has complete control over the military, revolution is highly unlikely. However, the next series of events tell a different story.

IV. Reactive Sequences

As Mahoney states, reactive sequences occur when transformative and backlash mechanisms takes place. During this stage actors challenge or support institutional patterns established during the critical juncture. In the case of Romania, Ceausescu addressed an assembly of approximately 100,000 people to condemn the Timisoara Uprising was settled. In his speech, Ceausescu praised the achievements of the socialist revolution and condemned the Timisoara Uprising as a crime organized by fascist agitators.⁵² His speech was not appreciated by the crowd as most of the people were unresponsive. Soon some people in the crowd began to boo and jeer and eventually the entire crowd began to chant “Ti-mi-soa-ra.” The *Securitate* threatened to open fire against the people to settle down the crowd. Initially frightened, the crowd quickly dispersed. However, as the event was nationally televised, many people saw the opportunity for change and flooded the streets. Rioters assembled in the University Square and shouted anti-regime chants calling for regime reform.⁵³

⁵² Georgescu, Vlad. *The Romanians: A History*. Columbus: Ohio State University Press, 1991. 281.

⁵³ *Ibid.*, 282.

As Ceausescu still had complete control over the military and the *Securitate*, the rioters were eventually confronted at barricades. The rioters were no match for the military concentrated in Bucharest. The forces open fired and killed 746 people and wounded over 1,800.⁵⁴ The use of coercion worked on that day and the streets of Bucharest was cleared by midnight.

However, the rebellion had already spread all across major cities of Romania. On the next day, Ceausescu desperately attempted to readdress the public but was met with fierce opposition. The barricades and the *Securitate* were useless as thousands of civilians jammed the University Square. The revolution was no longer containable and the military commanders wrote off Ceausescu as a lost cause.⁵⁵

Nicolae and Elena Ceausescu successfully fled from the capital by a helicopter, but were shortly captured by the police. The two were quickly trialed and charged of genocide of fellow Romanians, damage to the national economy, and the abusive use of power. Finally, the two were executed by the order of the newly self-appointed National Salvation Front on 25 December 1989.⁵⁶

V. Outcome and Implications

⁵⁴ Davies, Peter. *The Romanian Revolution of December 1989*. Ithaca: Cornell University Press, 2005. 281.

⁵⁵ Georgescu, Vlad. *The Romanians: A History*. Columbus: Ohio State University Press, 1991. 282.

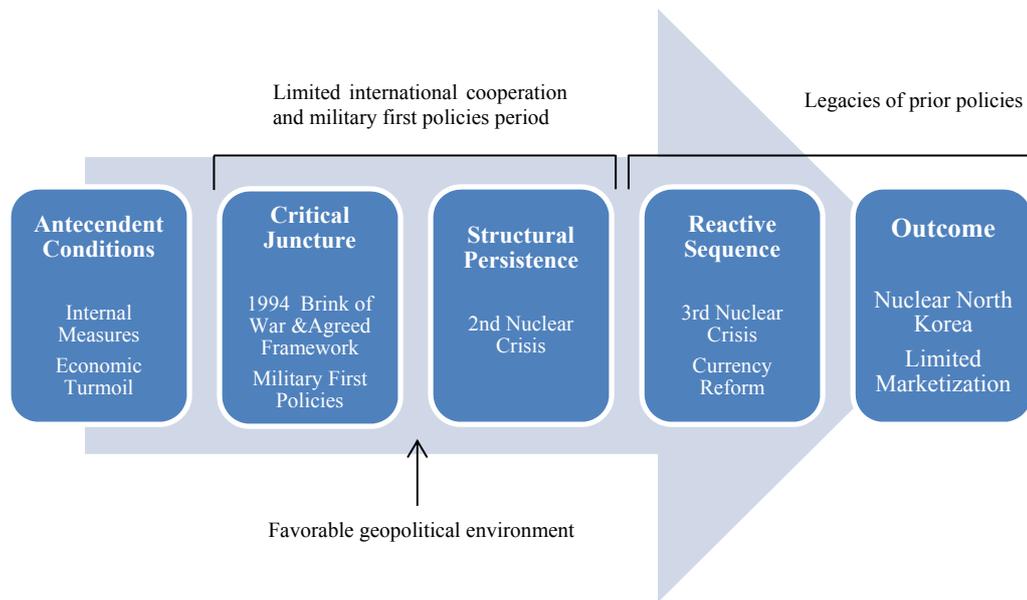
⁵⁶ *Ibid.*, 283.

The combination of restrictive social policies, manipulation of ideas and information, use of force, co-optation, manipulation of foreign governments, and institutional coup-proofing could not secure the survival of the Ceausescu regime. Ceausescu used restrictive social policies to control information and created a cult of personality. He used the *Securitate* to settle dissent and manipulate the people. The political elites, army, and the *Securitate* initially remained loyal even after the revolution began. It was only after the people continued to pour out to the streets that the military leaders gave up on Ceausescu.

The Ceausescu regime was unable to alleviate the crisis because it was unwilling to undergo reform and did not have a favorable geopolitical environment. As the regime failed to internally solve its problem, it needed external help. However, the collapse of the Eastern European communist states and the abandonment by the West created an unfavorable geopolitical environment. Ultimately, the combination of both internal and external pressures caused the Romanian Revolution and undermined the Ceausescu regime.

CHAPTER 4

The North Korean Case



The previous chapter showed the limitations of existing literature on regime resilience. The Ceausescu regime replicated the same internal measures made by the Kim regime but collapsed by a violent revolution. In this chapter, the dissertation examines the challenges the Kim regime faced and how the regime secured its survival. Specifically, the chapter focuses on reform decisions and the geopolitical environment of North Korea.

I. Antecedent Conditions (1970s – early 1990s)

Economic condition: the Arduous March

Despite its economic success in the 1950s and the 1960s, North Korea's economy started to stagnate since the 1970s. Eventually, the economy deteriorated during the 1980s and absolutely plummeted in the 1990s.⁵⁷ Table 2 shows how North Korea experienced negative growth rates in terms of GDP from 1990 to 1998. All of North Korea's major industries experienced negative growth rates during this period.

Table 2: North Korea's economic development % from 1988-99⁵⁸

Year	89	90	91	92	93	94	95	96	97	98	99
GDP	2.4	-3.7	-3.5	-6.0	-4.2	-2.1	-4.1	-3.6	-6.3	-1.1	6.2
Agriculture & Fishery	-9.9	2.8	-2.7	-7.6	2.7	-10.4	0.5	-3.8	4.1	9.2	-1.9
Mining	-3.3	-4.0	-11.9	-15.0	-3.2	-4.2	-4.6	-9.6	-16.1	-3.9	9.9
Const.	-	5.9	-3.4	-2.1	-9.7	-26.9	-3.2	-11.8	-9.9	-11.4	24.3
Service	-	0.7	2.5	0.8	1.2	2.4	1.7	1.1	1.3	-0.5	-1.9

Source: Bank of Korea

⁵⁷ Kim, 80-93.

⁵⁸ Accessed from Kim, 282.

Structural limitations

North Korea's economy particularly deteriorated in the 1990s because of a vicious cycle caused by its internal structural limitations.⁵⁹ Specifically, the lack of coal was the root cause of the cycle. North Korea was unable to keep up its coal production because of various reasons. First off, there was a shortage of proper equipment for mining. Workers did not receive proper tools such as shovels, axes, hammers and explosives for coal mining. Second, the inferior technology and equipment that they did possess were seriously outdated. Finally, the workers were unmotivated because of the lack of proper equipment and incentives. All of these reasons contributed to the decrease of coal production.

Structurally, North Korea's economy heavily depended on coal production. As coal production dropped, energy production also dropped. As energy production dropped, steel production also dropped. The decline of steel production also influenced the heavy industry. The chemical industry was no longer able to create fertilizers, pesticides, and other products that were vital to the agricultural sector.⁶⁰ Thus, the vicious cycle caused by the lack of coal affected the entire economy.

Additionally, North Korea's underdeveloped transportation system and its heavy reliance on railroads decreased efficiency. Due to its geographic limitations, North Korea needed to create quality inland transportation infrastructures and also

⁵⁹ Ibid., 117-120.

⁶⁰ Ibid., 82.

develop its shipping industry to increase economic efficiency.⁶¹ However, North Korea failed to meet any of these prerequisites. North Korea was able to make up for its underdevelopment of such transportation infrastructure in the early stages of its development because it had enough energy to support its relatively well-developed railroad system.⁶² Unfortunately for North Korea, the lack of electricity since the 1980s decreased the number of frequencies that the trains could transport goods. Kim Il-sung made the strategic mistake to continue heavily investing in tracks while he should have invested in other inland transportation infrastructures and its shipping industry.⁶³

The collapse of the Soviet Union and its economic implications

Furthermore, North Korea's economic situation worsened as its major economic partners collapsed. The world experienced a series of communist countries dismantle from 1989 to 1991. The collapse started in Poland and ended with the complete disintegration of the Soviet Union. The fall of the Soviet Union in 1991 was especially detrimental to North Korea because the Soviet Union was its primary trading partner. In result, North Korea's foreign trade declined by 75

⁶¹ Almost 80 percent of North Korea's land is covered by mountains and uplands. It is also surrounded by the East Sea and Korea Bay.

⁶² Ibid., 85-88.

⁶³ Ibid., 86.

percent.⁶⁴ Additionally, the Soviet Union was no longer willing to provide blind aids and also asked North Korea to pay back the \$11 billion it gave as loans in hard currency.⁶⁵

Series of severe natural disasters

Series of severe natural disasters from 1994 to 1996 derailed North Korea. In September 1994, North and South Hwang Hae Province, which are the two largest agricultural lands of North Korea, were hit with hail. The natural disaster destroyed 102 million tons of grain and 17 million hectares of valuable land.⁶⁶ The very next year, a series of devastating floods damaged approximately \$150 million worth of property. The UNDMT's report on North Korea stated that the rainfall in July 7~15, July 26~August 12, August 17~20 deteriorated 75% of North Korea's total land. The North Korean government announced that approximately 500,000 people lost their homes during the rainfall. Even before the country was able to fully recover, North Korea was hit with another heavy rainfall in 1996. During this period, FAO and WFP analyzed that North Korea was only able to produce 3,499 thousand tons of grain in 1995, which was only half of what it produced in 1994. The situation worsened in 1996 as North Korea was only able to produce 2,502

⁶⁴ North Korea exported nearly \$1 billion to the Soviet Union in 1990 but the amount drastically decreased to \$171 million in 1991 and dropped to \$ 65 million in 1992. Statistics is retrieved from Kim, 132.

⁶⁵ Ibid., 135.

⁶⁶ Ibid., 86-89

thousand tons.⁶⁷

The UNDMT stated that the rainfall was extremely detrimental to North Korea's long-term interest because of its lasting effects on the society. The disasters destroyed agricultural crops, production factories, and other social infrastructures.⁶⁸ Approximately 500,000 to 600,000 people died during this period.⁶⁹ Additionally, the natural disasters caused widespread malnutrition and stunted the growth of North Koreans. The Kim regime reported that during this period daily food intake decreased from 1,400 kcal to 700 kcal, which is not even half of the average person's minimum calorie intake recommended by the FAO.⁷⁰

II. Critical Juncture (1994-1995)

North Korea experienced crisis escalation in 1994 when severe external pressure was added on top of internal pressures. Specifically, the US' threat to wage war against North Korea sparked the critical juncture. As mentioned before, North Korea lost most of its strategic allies when the Soviet bloc collapsed. Making matters worse, China, who was North Korea's only remaining major ally,

⁶⁷ Ibid., 93.

⁶⁸ Ibid., 89.

⁶⁹ The death toll caused by natural disasters and famine ranges between 240,000 and 3,500,000. A recent reassessment of the death tolls conducted by the UNDP estimates that 500,000 to 600,000 died during this period.

⁷⁰ Kim, Jong-il. *Kim Jong-il Anthology*. (Pyongyang: Korean Workers' Party), 45; FAO recommends the average person's minimum calorie is 1,800 kcal. The National Health Service recommends that the average male needs approximately 2,500 kcal, while the average adult female needs 2,000 kcal.

normalized its relations with South Korea in 1992. These series of events had severe security implications for North Korea as it faced the dire danger of facing the world's only remaining superpower on its own.

Policy options and alternatives

As Table 3 shows, North Korea also had six policy alternatives during this period. In the case of North Korea, the Kim regime decided to initiate limited political reform, or more specifically policy reform, and economic reform. Since the beginning of the country's existence, North Korea always took advantage of its geopolitical environment and forged allies.⁷¹ Thus, North Korea's decision to initiate reform and forge new relationships was a logical and consistent decision by the Kim regime. The following section will discuss North Korea's policy decision in more detail.

Table 3: Policy Options of Kim Regime during the CJ

	Isolation	Limited Reform	Radical Reform
Political	No	Yes	No
Economy	No	Yes	No

⁷¹ Despite North Korea claiming to be self-reliant, the country has always been reliant on external actors for its survival. North Korea maximized their benefits through their diplomatic relations with China and the Soviet Union. For more read Kim's *North Korea's Crisis Theory: Overcoming the Myths and Cynics*. p. 185-197; Jung's *Research on Kim Jong-il's Leadership*. p. 302-331.

Songun: Military first policy

Specifically, Kim Jong-il launched his *Songun* policy during the critical juncture in 1995. The policy prioritized the Korean People's Army in all matters of state affairs. There are four main reasons that Kim Jong-il implemented the policy during the critical juncture. The first reason was to strengthen the military's capability to respond to growing international threats. The second reason was to use the military to stimulate the defaulting economy. Soldiers were stationed at electric plants, coal mines, and transportation stations to cut the vicious cycle that was deteriorating the economy.⁷² They also participated in the agricultural sector and were stationed in rice paddies and fisheries.⁷³ The soldiers, who were naturally more motivated than civilians, became the role model for the society. The third reason was to consolidate the regime's power and stabilize the growing dissent within the society.⁷⁴ Finally, the policy legitimized using massive amounts of North Korea's limited resources to develop its nuclear program.

Illegal black market activities and its implications

Another major policy decision that the Kim regime made during the critical juncture was to unofficially permit black markets. People heavily relied on

⁷² Kim, 376.

⁷³ Ibid., 378.

⁷⁴ According to Kim social instability especially among intellectuals was evident in North Korea during this period. Kim states that many intellectuals criticized the economic policies of Kim Jong-il and stated that the reforms needed to be more radical to overcome the economic crisis.

illegal activities to meet their daily needs as the state was no longer able to provide rations. For instance, rather than submitting their entire harvested crop, farmers stashed some of it to sell in the black market. Numerous reports claimed that many North Koreans worked at their official job only once a week and spent the rest of the week indulging in illegal black market activities.⁷⁵

The regime's decision to turn a blind eye on market activities had its consequences. As unofficial market activities increased, corruption and individualism also increased throughout North Korea. People left their towns to search for food. In the past, traveling within North Korea was strictly regulated and only those that possessed official permits were able to travel. However, obtaining permits became much easier as corruption increased; people simply bribed officials.

Additionally, the regime's control decreased as black market activities increased. North Koreans became more dependent on the black market than the regime. People stopped attending organized meetings to earn money or search for food. The decrease of ideological education resulted in the increase of individualism and corruption. Thus, the *Songun* policy was necessary to control social instability.

Brinkmanship diplomacy: North Korea's nuclear card

⁷⁵ Kim, 305.

Particularly, the main event that triggered the critical juncture was when North Korea threatened to opt out of the NPT in 1993. North Korea understood its changing geopolitical environment and desired to forge new relationships to secure its survival. However, rather than using traditional diplomatic tactics, North Korea used its nuclear weapons program to implement brinkmanship diplomacy. North Korea fully understood that its military capability was no match against the US. Rather North Korea's true intent was to entice the US into negotiation for its regime survival. According to Kim, North Korea believed that the US was bound to negotiate because it was heavily supporting the NPT and did not want to leave a bad example for others to follow.⁷⁶

Nonetheless, things did not go the way North Korea intended. Tension escalated as North Korea refused to comply with the US' request for North Korea to receive inspections from the International Atomic Energy Agency (IAEA). Consequently, the US took harsh countermeasures against North Korea and prepared for war. The US upgraded its wartime capability by stationing 36 Patriot missiles in South Korea. The ROK/US Combined Forces Command also changed Mission 5027 from a defensive strategy to an offensive strategy. Furthermore, US Secretary of Defense William Perry advised South Korean President Kim Young-sam to pressure North Korea and also prepare for war. Perry then flew to Japan to request for assistance from the Japanese forces if war was to break out. On 18 May

⁷⁶ Kim, 314.

1994, William Perry and all four-star generals of the US military gathered at the Pentagon to discuss and plan for the second Korean War. The next day, President Bill Clinton was briefed about the meeting.⁷⁷ On June 14, strategic preemptive attacks on Yongbyon reactors were also considered.

However, the tide quickly turned and the threat of war passed as former US President Jimmy Carter and a CNN news reporter flew to South Korea without the consent of the US government. After his arrival, Carter quickly met with President Kim Young-sam and requested to travel through the DMZ to meet Kim Il-sung. Kim Young-sam wanted to avoid war at all cost and granted Carter's request. On June 16, Carter met with Kim Il-sung and received a personal guarantee from the Supreme leader himself that North Korea would receive inspections from the IAEA. Kim Il-sung also promised to replace the graphite reactor with two light water reactors, which could not be used as nuclear weapons. The meeting prevented the second Korean War and the two countries agreed to negotiate terms in the near future.⁷⁸

On 21 October 1994, North Korea and the United States established the Agreed Framework in Geneva, Switzerland. North Korea agreed to freeze and replace its graphite reactor with two light water reactors, which were planned to be

⁷⁷ General Shalikashvili told Clinton that if a war was to break out, the US-ROK forces would win, but 30 thousand US soldiers and 450 thousand ROK casualties would occur.

⁷⁸ Kim Il-sung died before the negotiations even began, but the negotiations between the two countries proceeded as scheduled.

provided by South Korea and the US. North Korea also promised to remain in the NPT and receive proper monitoring and inspections. In exchange, the US agreed to provide 500,000 tons of crude oil annually while North Korea froze its reactors and also guaranteed to take a step-by-step normalization process.⁷⁹

North Korea's decision to implement a military first policy and brinkmanship diplomacy during the critical juncture proved to be successful. During this phase, North Korea learned that its nuclear weapons program was an excellent bargaining chip. Thus, in the following stages North Korea repeatedly sent out mixed signals by increasing provocations, while also stating that it was willing to bargain for its nuclear weapons.

III. Favorable Geopolitical Environment (1995-2003)

Ironically economic turmoil, which was viewed as the very reason North Korea would collapse, was in the matter of fact the key reason it survived in the 1990s. During North Korea's critical juncture, China and South Korea were both forced to shift their North Korea policy to prevent the Kim regime from collapsing. Both China's and South Korea's new policies promoted greater economic assistance to North Korea.

China and South Korea both had their own specific reasons to help prevent the collapse of the Kim regime. In the case of China, the government had two main

⁷⁹ Kim, 342.

reasons to provide economic assistance to North Korea. First off, China's political legitimacy was and still is heavily reliant on its economic performance. In result, the Chinese provided tremendous amounts of aid to North Korea to stop massive refugee flows, which would hinder its economic performance and tarnish its political legitimacy. Second, China viewed North Korea as an invaluable strategic buffer zone against the United States and its allies.⁸⁰ Thus, China provided significant amounts of economic assistance because of its own self-interest.

In the case of South Korea, the country was struggling from an economic crisis and viewed the collapse of the Kim regime as a severe threat to its economy. Particularly, North Korea's poverty made policy makers in South Korea decide that German style absorption unification would be too costly.⁸¹ Thus, South Korea shifted its unification policy from an absorption policy to an engagement strategy called the Sunshine Policy. The policy encouraged engagement and facilitated enormous amounts of aid flow to North Korea. Due to these reasons, North Korea was able to receive tremendous amounts of aid from its surrounding neighbors.

China's policy shift and assistance

Several important factors influenced China-North Korea relations in the

⁸⁰ Cha, 318.

⁸¹ In the case of the German unification, the GDP difference between East and West Germany was only 1:3. However, West Germany annually provided approximately \$35 billion to revitalize East Germany's economy. In the case of Korea, the GDP difference between North and South Korea in 1998 was a staggering 1:12. Thus, many politicians feared unification would crumble the South Korean economy and adopted the Sunshine Policy.

early 1990s. First off, China officially normalized its relations with South Korea in 1992. China officially abandoned its previous one-Korea policy and adopted a two-Korea policy. China also shifted its barter trade or “friendly payment trade” with North Korea to cash payments at international prices. In result, trade between China and North Korea significantly decreased and the relationship quickly cooled.⁸²

However, China significantly increased the amount of economic assistance and resumed subsidized trade with North Korea to prevent the collapse of the Kim regime in 1995. Since 1995, China provided over 1.2 million metric tons of crude oil and 1.5 million metric tons of coal to North Korea. It also increased food contributions, providing 550,000 tons annually during this period. The amount accounted for nearly 10 percent of the North’s annual grain requirements.⁸³ Stephan Haggard and Marcus Noland estimate that Beijing has provided nearly \$7 billion in handouts to North Korea since the mid-1980s.⁸⁴ Cha argues that China provides nearly 80 percent of North Korea’s imported consumer goods and at least 45 percent of its food in recent years.⁸⁵ Manyin states that since

⁸² Prior to 1991, China only acknowledged North Korea as the only sovereign state on the Korean Peninsula. In 1992, China officially acknowledged South Korea because of its growing economic ties. For more on China’s policy shift read Yi, Xiexiong. “China’s Korea Policy: From “One Korea” to “Two Koreas”.” *Asian Affairs: An American Review* (1995): 119-40. Print.

⁸³ Cha, 488.

⁸⁴ Haggard and Noland, 99.

⁸⁵ *Ibid.*, 390.

2000, China has provided almost 800,000 metric tons of crude and non-crude oil annually and 200,000 metric tons of coal to North Korea.⁸⁶

South Korea's policy shift and assistance

In 1997, South Korea was hit by the Asian financial crisis and was forced to reassess the cost of unification through absorption. The assessment showed that unification through absorption would be too burdensome for the struggling economy and thus South Korea sought a new strategy for unification. South Korea needed to engage with North Korea, help reform the failing system, reduce South Korea's security burden, and eventually create a "soft-landing."⁸⁷ Thus, under the reign of Kim Dae-jung, South Korea abandoned its previous unification strategy of absorption and adopted the Sunshine Policy.

South Korea provided tremendous amounts of economic assistance to North Korea after the implementation of the Sunshine Policy. As shown in Table 4, South Korea did not provide any assistance to North Korea prior to 1995. However, during North Korea's critical juncture, South Korea provided nearly \$260 million. The amount of official assistance to North Korea significantly increased in 2000, after South Korea overcame its financial crisis and was ready to fully implement

⁸⁶ Manyin, Mark. "Foreign Assistance to North Korea" *Congressional Research Service* (2014): 1-25.

⁸⁷ A rapid unexpected unification that would cause severe pressure on South Korea was called "hard landing." A slow and controlled unification that would minimize unification cost was called "soft landing."

the Sunshine Policy. South Korea provided 3456.79 hundred million won, which is approximately \$3 billion to North Korea as humanitarian assistance during the Sunshine Policy era. The amount far surpassed \$1.9 billion China provided to North Korea during the same period.⁸⁸

Table 4: South Korea’s Humanitarian Assistance to North Korea

Unit: hundred million won

Year	Grants	Private Funds	Food Loans	Total
1950-1994	0	0	0	0
1995-1999	2,193	-	-	2611
2000	944	34	1057	2035
2001	913	62	-	975
2002	1,075	65	1510	2650
2003	1016	81	1510	2607
2004	1211	102	1359	2672
2005	1240	120	1787	3147
2006	2139	134	-	2273
2007	1767	216	1505	3488
2008	197	241	-	438
2009	217	77	-	294
2010	183	21	-	204
2011	65	-	-	65

Source: Ministry of Unification

Additionally, North Korea greatly benefited from the creation of Kumgang Mountain tourism and the Kaesong Industrial Complex. The Kumgang

⁸⁸ Information was collected from South Korea’s Ministry of Unification’s website: <http://eng.unikorea.go.kr/>

Mountain tourism was a special administrative region in North Korea that allowed visitors to take in the sights and scenery of the most famous peak on the Korean Peninsula. From November 1998 to July 2008, over 1.9 million tourists visited the Kumgang Mountain. Annually, the tourist business was expected to generate approximately over \$150 million annually for the Kim regime.⁸⁹ Furthermore, the Kaesong Industrial Complex also annually generated up to \$34 million in hard currency for the regime.⁹⁰ Through these projects, the Kim regime was able to slowly recover from its economic turmoil.

International institutions' assistance

Unlike the Ceausescu regime, who blamed international institutions for Romania's economic hardship, the Kim regime officially requested for international assistance in 1995.⁹¹ The international community responded by pouring tremendous amounts of food assistance. Most of the international communities' food relief effort was channeled through the WFP. In 1996, the WFP provided approximately 300,000 tons of food aid to North Korea. From 1996 to 2004, the WFP provided 8.34 million tons of food aid to North Korea making it the largest operation run by the WFP. A notable fact is that the United States, China,

⁸⁹ The Kumgang Mountain tourism has been put on hold since July 2008 when Park Wan-ja, a South Korean tourist, was shot and killed after she crossed into unauthorized territory.

⁹⁰ Dick K. Nanto and Emma Chanlett-Avery, "North Korea: Economic Leverage and Policy Analysis," *Congressional Research Service* (2010): 32.

⁹¹ The fact that North Korea, who prides itself as a "self-reliant" country, officially requested for humanitarian assistance proves how dire the situation was in 1995.

South Korea, and Japan accounted for 80% of total food aid provided by the WFP.⁹²

IV. Structural Persistence: (2000-2007)

Specifically, Path Dependency theory argues that decisions made during a critical juncture have enduring consequences because it leads to the creation of institutional patterns. As mentioned before, Pierson emphasizes that actors are willing to maintain the status quo by producing institutions due to the benefits of learning effects, coordination effects, and adaptive expectations, as well as the costs imposed by irretrievable investments. This definition also applies to the case of North Korea as the Kim regime continued to pursue similar policies that were implemented during the critical juncture. Economically, North Korea initiated the *July economic measures* and continued its path towards limited economic reform. North Korea also continued to put significant emphasis on the military first policy.

July economic measures

On 1 July 2002, Kim Jong-il announced the *July economic measures*, which was a limited reform that comprised of legalizing and expanding market mechanisms, fiscal reform, and increasing freedom in corporate management.⁹³

⁹² Manyin, Mark, and Mary Nikitin. "Foreign Assistance to North Korea." *Congressional Research Service* (2014): 1-25.

⁹³ Lim, Soo-Ho. "Reform in North Korea's Military-First Economic Policy." *SERI*

Technically, these measures were a continuation of its economic policies implemented during the critical juncture, but the reform made them official. Specifically, the reform included seven major points: 1) price increase of goods 2) abolition of rations except for crops 3) wage rise 4) enhancement of self-management of enterprise 5) devaluation of the North Korean won 6) farm reform 7) and a very limited open-door policy.⁹⁴

During the reform limited marketization was permitted. Workers in the non-strategic sector were given more freedom to operate their businesses to enhance work production and creativity.⁹⁵ For instance, the measures allowed people to exchange various surplus goods independently.⁹⁶ Additionally, the *Sinuiju* area, a small North Korean city bordering China, was given 50 years of independent authority, including legislation, administration and judicial power in attempt to establish a special economic zone like Hong Kong.⁹⁷ In sum, the Kim

Quarterly (2010): 127-31.

⁹⁴ The reform included price and wage increase. Through the reform the price of rice, increased from 0.8 won to 44 won.⁹⁴ Other basic commodities on average increased about 20 times. Basic wage rate also increased from 100 won to 2,000 won. See Dick K. Nanto and Emma Chanlett-Avery, "North Korea: Economic Leverage and Policy Analysis" for more detailed information on North Korea's currency reform.

⁹⁵ Lim argues that North Korea divided the economy into two; a strategic sector and non-strategic sector. The strategic sector includes the military and heavy industry and is tightly controlled by the government. The non-strategic sector includes the light industry and regional industries. The government significantly loosened its control on the non-strategic sector to increase creativity and responsibility.

⁹⁶ *Ibid.*, 128.

⁹⁷ Yoshikawa, 1.

regime officially announced limited economic reform, which permitted limited marketization of the non-strategic sectors in North Korea.

Mixed signals: Brinkmanship and negotiations

During this phase, North Korea continued to use brinkmanship diplomacy for foreign aid. Both North Korea and the US sent mixed signals from 2001 to 2007. Particularly, the relationship between North Korea and the US quickly cooled from 2001 to 2002. After being inaugurated in 2001, the Bush administration reversed its predecessor's policies and took a much harder stance towards North Korea. In that year, the Bush administration re-enlisted North Korea as a state sponsor of terrorism. In 2002, Bush openly called the Kim regime as the axis of evil in his State of Union Address. North Korea angrily debunked these statements and on 27 December 2002 threatened to unfreeze its nuclear facilities and expelled the IAEA inspectors. The IAEA passed a resolution, which required North Korea to readmit the inspectors or face action from the UN Security Council. Once again, North Korea quickly counter-responded by withdrawing from the NPT.

Despite these harsh measures made by the US, North Korea wanted to continue negotiations to secure foreign aid and its survival. North Korea's desire to bring the US to the negotiation table was fulfilled as the US as well as, South Korea, China, Russia, and Japan also agreed to conduct talks. The first round of the Six-Party Talks was held in Washington on 27 August – 29 August 2003, but the negotiation was unfruitful as no agreements were made during this round. No

agreements were reached the following three rounds either.

However, the negotiations finally came through a breakthrough in the 5th round held on 9 Nov-11 Nov 2005 as the six parties signed the Joint Statement. North Korea agreed to shut down its Yongbyon nuclear facility and invite back IAEA personnel to conduct all necessary monitoring and verifications for economic, energy and humanitarian assistance. In return, North Korea was guaranteed to receive 50,000 tons of heavy fuel oil within the next 60 days.⁹⁸

Unfortunately, the breakthrough became pointless because of the mixed signals sent by the US. Just a few days after the agreement, the US Treasury froze the Kim regime's secret account worth \$25 million in Banco Delta Asia, a bank located in Macau. North Korea angrily responded against the US' hostile policy and restarted its nuclear brinkmanship. On 9 October 2006, North Korea successfully conducted its first underground nuclear test. The UN Security Council was shocked and quickly responded by passing Resolution 1718, which consisted of various economic sanctions. However, the US wanted to prevent North Korea from further developing its nuclear program and made attempts to quickly re-start the Six-Party Talks.⁹⁹

The 6th and last round of negotiations also had mixed results. At first, the round seemed to be a success as North Korea officially dismantled its Yongbyon nuclear facility on 14 July 2007, after the US unfroze the Kim regime's assets in

⁹⁸ Manyin, 3.

⁹⁹ Cha, 247-252.

Banco Delta Asia. As usual, unfortunately, the tide quickly changed as the US claimed the report North Korea provided on its nuclear inventory was incomplete in November 2007. The US announced that it would no longer provide aid until the complete list was given. During this phase, North Korea was not able to receive the full amount of aid promised by the US, but it was still able to receive 50,000 tons of much needed heavy fuel and its \$25 million back. The Six-Party Talks halted with mixed results, but North Korea once again learned from the experience that its nuclear blackmail works.

V. Reactive Sequences (2008-2010)

Mahoney defines reactive sequences as chains of temporally ordered and causally connected events. Reactive sequences are therefore often marked by properties of backlash and counter response as actors challenge or support institutional patterns established during critical juncture periods. In the case of North Korea, the regime faced reactive sequences from 2008 to 2010. During this stage North Korea continued to heighten tension for economic compensation. North Korea further developed its nuclear program and successfully conducted its second underground nuclear test. It also escalated tension on the Korean Peninsula by sinking South Korea's *Cheonan* naval ship and shelling the *Yeonpyong-do*, a small South Korean island located near the Northern Limit Line. On the other hand, the Kim regime attempted to regain control over its market by initiating currency and market reform but was met with severe backlash from its people.

Continuation of brinkmanship diplomacy

During the reactive sequences North Korea continued its brinkmanship diplomacy but had a difficult time achieving desired results. As mentioned before, the Six-Party Talks halted in 2007. In 2008, the Obama administration implemented its strategic patience policy, which meant that the US would wait and not participate in negotiations until North Korea carried out its prior agreements.¹⁰⁰ Furthermore, relations with South Korea quickly cooled when the conservative party Lee administration was inaugurated in 2008. North Korea could no longer expect to receive the enormous amounts of unconditional aid that it had previously received from South Korea. Specifically, the Lee administration initiated “The Policy of Mutual Benefits and Common Prosperity” and “Vision 3000 through Denuclearization and Openness”. In summary, the policies required North Korea to follow sets of conditions such as denuclearization to receive aid.¹⁰¹ Notably, as shown in Table 4, aid from South Korea to North Korea significantly declined since 2008.

North Korea once again turned to brinkmanship diplomacy and escalated tension to break through its isolation. On 5 April 2009, North Korea tested its *Taepodong-2*, an inter-continental ballistic missile that could reach California. In

¹⁰⁰ Synder, Scott. “U.S. Policy Toward North Korea.” *Council on Foreign Affairs* (2013). <http://www.cfr.org/north-korea/us-policy-toward-north-korea/p29962>

¹⁰¹ For more information on the Lee administration’s North Korea policy read Suh, Jae Jean. “The Lee Myung-bak Government’s North Korea Policy: A Study on its Historical and Theoretical Foundation.” *Korea Institute for National Unification* (2009): 1-122. <https://www.kinu.or.kr/upload/neoboard/DATA05/suh.pdf>

response, the United Nations Security Council agreed unanimously to a Presidential Statement that condemned North Korea for the launch and stated the Council's intention to expand sanctions on 13 April 2009.¹⁰² The very next day, North Korea angrily responded by announcing that it would never participate in talks again and also told the IAEA that they would resume its nuclear weapons program. On 25 May 2009, North Korea successfully conducted its 2nd nuclear test.¹⁰³ However, these tension escalations did not create desired results.

In 2010, North Korea took tension escalation to the next level. On 26 March 2010, North Korea torpedoed the *Cheonan*.⁴⁶ South Koreans lost their lives during the surprise attack. The Lee administration responded by strengthening its hard-line policy and announced the *May 24 Measures*, which was a set of harsh sanctions against North Korea and suspension of inter-Korean trade.¹⁰⁴ On 23 November 2010, North Korea shelled South Korea's *Yeonpyeong-do* and killed four civilians and injured 19. South Korea canceled the scheduled Red Cross talk that was supposed to help restart inter-Korean negotiations.

During these series of events, the Kim regime was unable to enjoy diplomatic success but successfully strengthened its political legitimacy. Particularly, the attacks on South Korea were credited to the next successor Kim

¹⁰² Kile, Shannon. "Armaments, Disarmament and International Security: North Korea's Nuclear Programme." *SIPRI* (2013): 346-51.

¹⁰³ *Ibid.*, 347.

¹⁰⁴ *Ibid.*, 215.

Jong-un. The Kim regime wanted Kim Jong-un to have an image of a strong military general. North Korea also successfully finished its large uranium-enrichment plant and revealed it to a visiting team of former U.S. officials and academics on 12 November 2010.¹⁰⁵ The nuclear program was used as propaganda to show the people that the regime was making North Korea a strong and prosperous nation.

Currency reform

During its reactive sequence stage, North Korea also attempted to reverse its previous marketization efforts made during the critical juncture. The regime wanted to tighten its control over its people and reestablish the ration system. On 30 November 2009 the regime initiated a currency reform, which required its citizens to exchange their old currency for a new currency at a rate of 100 to 1.¹⁰⁶ The maximum amount an individual was able to possess was 100,000 won. Thus, the currency reform stripped average citizens' from their hard earned profits made through market activities. The regime also closed all general markets from December 1 and only permitted transaction at state markets, which only had small amounts of goods available. The regime prohibited food transaction among people and required them to purchase food through state markets to reestablish the public

¹⁰⁵ Ibid., 215.

¹⁰⁶ Shin, Ju Hyun. "North Korea's Market Conditions and Social Transformation since the Currency Reform." *Daily NK* 1 Nov. 2009. Web 3 Feb. 2015 <http://www.ned.org/sites/default/files/shinjoohyun.pdf>

distribution system.

The reforms proved to be a complete disaster and public dissent against the regime escalated to the point that the regime realized it was a major problem. In the following year, Prime Minister Kim Young-il announced an official apology on the currency reform before local representatives.¹⁰⁷ During his apology, he promised to take proper measures to alleviate the pain of the people and restore all previous market activities. Additionally, Park Nam-ki, the financial chief of the Korean Workers' Party, was blamed for the reform and executed.¹⁰⁸ These series of events in the reactive sequences showed how policies implemented during the critical juncture are almost or completely irreversible.

VI. Outcome and Implications (Present)

The decision to implement limited political and economic reform has had its pros and cons for the Kim regime. First off, the obvious benefit of the reforms was that North Korea successfully alleviated the crisis escalation. As Table 5 shows, North Korea was able to recover from its economic turmoil and experienced moderate economic growth from 1998 to 2005. Second, North Korea was able to receive tremendous amounts of aid while also developing its nuclear program. North Korea successfully conducted three nuclear tests and is estimated to have a

¹⁰⁷ Lim, Soo-Ho. "Reform in North Korea's Military-First Economic Policy." *SERI Quarterly* (2010): 127-31.

¹⁰⁸ *Ibid.*, 131.

nuclear stockpile of 100 warheads by 2020.¹⁰⁹ The combination of reform policies and foreign assistance helped alleviate the crisis escalation North Korea experienced in the 1990s.¹¹⁰

On the other hand, although the market reforms helped sustain the regime in the short run, in the long run it is suspected to pose a severe threat to the regime. The Kim regime's attempt to control marketization has been much more difficult than it expected. As shown in the reactive sequences, North Korea's attempt to reform its markets was met with severe backlash from its people. It is expected that as the market develops the regime's control over its people will continue to deteriorate. Thus, the chance that marketization can possibly affect the regime's stability is very high.¹¹¹

Furthermore, North Korea's decision to implement brinkmanship diplomacy during its critical juncture also had its consequences. From the mid-1990s to 2007, North Korea successfully blackmailed its surrounding neighbors

¹⁰⁹ Albright, David. "Future Directions In The DPRK's Nuclear Weapons Program: Three Scenarios For 2020", *US-Korea Institute at SAIS* (2015): 1-30.

¹¹⁰ However, North Korea is still seriously underdeveloped and far from being the strong and prosperous country that it claims to be. The gap between North Korea's GDP \$40 billion (2012 est.) and South Korea's GDP \$1.666 trillion (2013 est.) has been continuously growing and is expected to only widen. North Korea's GDP is ranked 106th in the world. Accessed from: <http://www.indexmundi.com/factbook/compare/south-korea.north-korea/economy>

¹¹¹ For more arguments on the challenges that marketization will pose on North Korea read Lankov, A. N. *North of the DMZ: Essays on Daily Life in North Korea*. Jefferson, N.C.: McFarland, 2007; Marcus Noland, "Why North Korea Will Muddle Through," *Foreign Affairs* 76 (1997): 113; Lankov, Andrei. "Staying Alive: Why North Korea Will Not Change." *Foreign Affairs* 87.2 (2008)

and received enormous amounts of assistance in return. However, since 2008 North Korea's nuclear blackmail has not been able to achieve the same results. Thus, rather than using it as a negotiation chip, North Korea has proclaimed that the nuclear weapons program is no longer subject to negotiation.¹¹²

Table 5: North Korean GDP Growth 2000-2010

(%)

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
-1.1	6.2	0.4	3.8	1.2	1.8	2.1	3.8	-1.0	-1.2	3.1	-0.9	-0.8

Source: Ministry of Unification

¹¹² There are two possible explanations for this change of stance. First, Kim Jung-un, who only had a very short amount of time to prepare for succession, needs to strengthen his political legitimacy. The nuclear weapons program is the perfect way to show North Koreans that they are a strong and prosperous country. Second, the main function of its nuclear program is now nuclear deterrence as its economy is no longer in dire need of humanitarian assistance like it has been in the past decade.

Chapter 6

Conclusion

Table 6: Comparison between Romania and North Korea

	Internal Measures	Political Reform	Economic Reform	Favorable Geopolitical Environment	Regime Outcome
Romania	Yes	No	No	No	Overthrown
North Korea	Yes	Yes	Yes	Yes	Successful succession to third generation

As shown in Table 6, the comparison between the two cases identified **reform decisions** and **conditions of the geopolitical environment** as the key variables for the divergent outcomes of the two regimes. Although the two regimes implemented very similar internal measures, their different decisions to reform and their geopolitical environment during the critical juncture created different regime outcomes.

In the case of Romania, the Ceausescu regime decided to continue its isolationist policies and had an unfavorable geopolitical environment. The regime faced crisis escalation during its critical juncture as it faced both internal pressure and external pressure. Romania experienced economic decline because of its overreliance on the inefficient heavy industry. The Ceausescu regime's decision to

repay Romania's enormous foreign debt of \$13 billion at the expense of peoples' living standards significantly decreased its popularity. Externally, Romania's communist neighbors experienced political revolution, and the US abandoned the regime. The Ceausescu regime could not alleviate the crisis escalation and eventually collapsed by a violent revolution in 1989.

On the other hand, the Kim regime survived because it was willing to conduct reforms and had a favorable geopolitical environment. During its critical juncture, North Korea permitted limited marketization and implemented the *Sungon* military first policy to revitalize its economy. The government turned a blind eye to illegal market activities and also stationed soldiers at failing sectors to reallocate its limited resources. North Korea also used the military to contain civil dissent. Additionally, North Korea had a favorable geopolitical environment as its surrounding neighbors were willing to shift their previous policies and provide significant amounts of aid to maintain the status quo. International institutions such as the WFP also provided significant amounts of food assistance during the critical juncture. The Kim regime was able to survive despite its slim odds because it was able to alleviate its crisis escalation with limited reforms and its favorable geopolitical environment. Thus, the findings of the dissertation prove P1 and P2 to be true.

Furthermore, the findings in this dissertation have a hopeful and troubling message. The hopeful message is that the marketization process of North Korea will continue. As shown in the reactive sequence section, the marketization process

has allowed the people to voice their opinion more freely against the government and even had the strength of reverting the government's policy. Unfortunately, the troubling message is that North Korea is unlikely to abandon its military first policy or its nuclear weapons program. However, the marketization process of North Korea will be the Pandora's Box of the Kim regime. Slowly but surely the marketization process will force the regime to make more changes.

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