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Surviving UN Sanctions as North Korean Women: A Case of Market Activities in Ryanggang Province

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Graduate School of Public Administration
Seoul National University
Global Master of Public Administration Major

Suh, Youngsin

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Academic Advisor Koo, Min Gyo

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Graduate School of Public Administration
Seoul National University
Global Master of Public Administration Major

Suh, Youngsin

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Suh, Youngsin
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Chair	Choi, Taehyon	(Seal)
Vice Chair	Rhee, Jeansoo	(Seal)
Examiner	Koo, Min Gyo	(Seal)

Abstract

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Suh, Youngsin
Global Public Administration Major
The Graduate School of Public Administration
Seoul National University

After the Arduous March, North Korea made great strides in marketization as the rationing system collapsed. Women have been at the forefront of this marketization. Based on previous research that shows that education, occupation, and region do not have a significant effect on informal income, this study seeks to explain North Korean women's market activities through social ties. Social networks were categorized into kinship·friendship networks, economic networks, and community networks based on the classification of Jo and Gwon (2022). The research was conducted as a qualitative study through in-depth interviews with three North Korean defector women who were engaged in various private economic activities in Hyesan, Ryanggang Province.

The study revealed several findings. First, those with stronger social networks were more successful in market activities than those without. Women with stronger economic networks, both in quantity and quality, were more likely to utilize informal networks and had higher incomes. There was no positive association between kinship and friendship networks, community networks and successful market activities. Kinship and friendship networks were more likely to be utilized when they were financially backed so that can be converted into economic networks. Community networks were also not positively correlated with successful

market activities, but rather the opposite. This is likely due to the fact that people with higher informal incomes are less likely to participate in formal organizational activities within their community networks.

Second, there was no relationship between the level of awareness of social networks and success in the marketplace. Interviewees commonly rated family background such as law enforcement officers (police, security officers, etc.) and money as very important factors. Social network was ranked as a second- or third-ranked factor. In addition to this, credit and reputation was also found to be important. Given that much of North Korea's informal economy is illegal, this suggests that credit and reputation can lead to income disparities.

This study also examined the impact of sanctions on people's informal market activities. As sanctions tightened in the mid-2010s and China began to implement them in earnest, North Korean authorities expanded the issuance of trade licenses to government agencies to raise foreign currency. These agencies then acted as a check on individual smugglers, while the Worker's Party tightened its control over smuggling at the same time. This has had a negative impact on North Korean women who had been making a living as vendors in the border areas, with the loss of trade lines as social network, reduced income, and job losses. This suggests that the negative effects of sanctions may be passed on to ordinary people who are excluded from North Korea's official systems, such as the rationing system, and who make their living through informal markets.

At the micro level, the social networks between actors and the markets and economic classes they create will eventually shape the macro-level market and affect the socio-economic structure of North Korea. In the medium to long term, it will also affect the political and social structure of a reunified Korea. Therefore, careful policy design is needed in the formulation and implementation of inter-Korean exchange and cooperation policies to promote North Korea's marketization and opening, as well as sanctions against the North Korean authorities, to ensure that they do not benefit North Korea's elites and harm the general population.

Keywords: North Korean Women, North Korean Women's Social Network, Women's Market Activities, Impact of Sanctions
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Chapter 1. Introduction

Faced with a combination of natural disasters, dwindling food assistance due to the collapse of the former Soviet bloc, and the lack of agricultural production in a socialist system, North Korea experienced the Arduous March in the 1990s. Factory utilization rates in the state-run sector dropped to less than 30%, and North Korea's national rationing system collapsed amidst the extreme food shortages of the North Korean famine (Kim, 2012). Bartering and selling agricultural products, which North Koreans began to do to make ends meet, gradually took on the form of trade, and market-based economic activities were vitalized in North Korea. Thanks to improved external relations and internal marketization, North Korea's economy has recovered since the 2000s, and the North Korean authorities have largely accepted marketization. In 2002, North Korea accepted market autonomy through the 7.1 Economic Management Improvement Measures, and in 2003, the informal 'Jangmadang' was recognized as a formal market under the name of general market. Since the mid-2000s, there have been attempts by the authorities to stop the expansion of marketization, but they have not been able to stem the overall tide of marketization, as they have been met with resistance from the people. A study found that 91.7 percent of households had at least one member engaged in informal economic activities (Kim, Kim, Jeong, Lee, Park, Lee, Kim, Choi, Lim, & Choi., 2021)

It was women who drove this wave of marketization. "If a woman moves, her family can live, and if a woman stands still, they starve" (Kim, 2011). This sentence, which has become universally accepted in North Korea since the great famine of the 1990s, shows the reality. As heads of households, men were in the Democratic People's Republic of Korea (hereafter DPRK or North Korea)'s rationing system, and in order to receive rations, they must officially register and work at a government-designated workplace. Women, who had been subject to

rationing by their husbands, and who hadn't had an official workplace, entered informal market activities. A dual labor system has been established in which family members who are employed in the formal sector of the economy must be accompanied by those who are engaged in informal private economic activities in the informal sector (S. Y. Lee, E. J. Hwang, & Y. H. Kim, 2015). The entry of women into the informal workforce has contributed significantly to the improvement of household incomes in North Korea (Cho, Seo, Lim, Kim, & Park, 2008).

Due to the nature of the socialist system, private (informal) economic activity in the informal sector is not legally permitted but only connived by the North Korean authorities. Then, in a market that is illegal in North Korea, what does it take to succeed? In a study analyzing income disparities among North Korean women, Jeong and Kim (2014) found that education, occupation, and region had an impact on the gap in 'official work earnings', while these variables did not affect 'informal income' from market activities or small-scale farming.

Then, which factors influence how North Korean women engage in the market? In this regard, the focus of this paper is on social networks. In a study of North Korea in the early to mid-2000s, Choi (2008) found that political status led to a higher economic class through informal kinship networks, and that it was impossible to reach a higher economic class in North Korea without political status. However, North Korea faced some changes in the 2010s. The failure of the 2009 currency reform led the authorities to recognize that it was impossible to control the market, and an influential new class of wealthy 'donju' has emerged. The traditional public network has been disrupted, and in addition to the kinship network, private networks have been established through market activities. In addition to personal capabilities, connections with the law enforcement officials such as the police, security officials and the military have become essential, and there is a gap in economic levels depending on whether one has these networks or not, and the extent to which they are used. This means that North Korean society,

which has always been centered on political status, has added economic class to the list.

Meanwhile, the international community, including the United Nations and the United States, has imposed sanctions on North Korea as it continues to conduct nuclear tests and develop weapons of mass destruction (WMD). The purpose of the sanctions is to hurt the regime and change its behavior through the crippling of its economy. However, the North Korean regime and its leadership are consolidating their political and social position, according to various analyses. Previous studies have shown that it is usually the weaker segments of society that are more likely to be affected by international sanctions. For Myanmar and other countries under international sanctions, women have suffered more than men. Kim (2011) points out that women, along with the elderly and children, suffered the most during the economic crisis in North Korea. This is likely not an exception in North Korea, where the rationing system is centered around the male head of household and women's social status is lower than men's as a remnant of the country's Confucian culture.

This study examines how women in North Korea's increasingly marketized economy use their social networks to operate in the informal private economy sector, and how these networks affect their success in market activities. To further explore the impact of sanctions on North Korea, I will also examine the social networks and the changes in incomes of women engaged in market activities, particularly in border areas that are likely to be particularly sensitive to policy changes. This will help us predict future changes in North Korean society.

Chapter 2. Theoretical Background

2.1. Theoretical Background

Income from Market Activities in Socialism

In the context of socialist transitions and marketization, the ‘power conversion thesis’ argues that the existing political elite leads to an economic elite. This argument focuses on the continuity between socialist elites and economic elites in transition. They argue that the power accumulated during socialism is converted into assets that are highly valued in the market during the marketization process. In other words, political power leads to economic power. Building on earlier discussions, Rona-Tas (1994) notes that the importance of ‘private networks’ in socialism is well documented, and that under socialism, cadres actually gain an advantage in the marketplace during transition because they can mobilize their networks to obtain valuable business information and credit. This leads to the continued influence of the elites of the old regime in regime transitions that do not involve revolutionary change.

Cho (2005) points out that the formation of the new bourgeois class in Russia in particular strongly revealed the continuity of the elite. He analyzes that in general, in the process of marketization, such as the reform and opening up of socialism, the existing hierarchy was continued by the vested class of the Communist Party, which actively used the institutional mechanisms of reform and opening up to monopolize economic benefits. He points out that connections (networks) with the current ruling power were an important variable in the formation of emerging private enterprises in Russia. The emerging private entrepreneurs came mainly from the former ruling class, the ‘nomenklatura,’ the privileged class of the state and party apparatus, and the underground economy, and these two groups overlapped. This is similar to the collusion between the old

political power and the new capitalist power, the money lords called ‘donju’, in North Korean society.

Several studies focus on the rapid expansion of market functions and social class changes that occurred after China’s economic reform in 1978. First, Nee and Cao (1999, as cited in Park, 2012) argue that the transition of socialist societies to market economies mitigates unequal hierarchies by weakening the dominance of the state as a redistributor of resources. Specifically, they explain that new hierarchies may emerge in regions with less state intervention during the transition to market economies. Lin and Wu (2009, as cited in Park, 2012) study class change from a different perspective than Nee. Based on the research model that changes in class structure are related to the ownership of four factors of production: labor, capital, organization, and technology, Lin and Wu (2009) study the phenomenon of social class change and inequality among classes in the marketization process after Chinese economic reform. They conclude that among the determinants of income after marketization, the traditional political class is the main factor of current income inequality in China. Walder (1986, as cited in Cha, 2014) uses a neo-traditionalist perspective to examine worker-party cadre patronage networks in Chinese factories. The study concludes that party cadres have the power to allocate resources, which leads to a network of mutual trust in which workers are loyal to party cadres, which in turn shapes their economic status.

Choi (2008) examines whether North Korea exhibits the process of transforming political power into economic capital by the ruling elite that is empirically observed in post-socialist societies. Choi (2008) analyzes that economic class mobility in North Korea tends to be defined by informal network resources that are unequally distributed among individual households due to the politically unequal status system. According to Choi’s analysis, the stronger the informal network resources, especially kinship resources, the easier it is to increase personal wealth through market economy activities and enter the upper economic class. Furthermore, although marketization has led to class differentiation, it is

difficult to achieve economic upward mobility without collusion with the political upper echelons. This makes it difficult for economic class differentiation to lead to changes in the political status structure.

Social Network as Social Capital

Social capital is an umbrella term for all the assets such as institutions, norms, networks, and trust shared among members that enable cooperation among people within a society, recognizing these elements as a type of economic resource ("Social Capital," n.d.). Taking a micro approach to social capital, Burt (1992, as cited in Kim, 2020) emphasized the common connections of friends and colleagues that provide opportunities to use other forms of capital. From a macro perspective, Fukuyama (1995, as cited in Kim, 2020) views social capital as the characteristics of social organizations, such as networks of connections, norms, and social trust, that facilitate cooperation and communication for the mutual benefit of members. He evaluates social capital as a necessary condition for the maintenance and development of social communities (Kim, 2020)

Along with trust, reciprocity, and norms, a social network is a set of relationships that link actors and is a key component of social capital (Fukuyama, 1995; Kim, 2020). These elements are not mutually exclusive. Trust is an objective asset embedded in social networks, and the expectation of reciprocity is the same as trust. Social networks are formed for reciprocal exchanges, which in turn generate trust and norms (Choi, 2004).

The core of a social network is that individual actors exchange resources- including goods, services, information, reputations, and emotions- within the network, and the resources themselves serve to connect actors within the network. Relationship networks are based on 'ties' and their strength varies depending on the frequency of exchange, the cycle of exchange, overlap of resources exchanged, symmetry of resource allocation, closure or expansion of the network, density of

the network, and homogeneity of members (Choi, 2004). Within a country or system, social networks are a mixture of formal and informal relationships (Jo & Gwon, 2022). Formal ties are explicit, formal connections between individuals or groups. Informal networks are tacit, personal connections that fall outside of legal categories.

Chang (2005) categorizes North Korean social networks into public, communal, and private networks. The public network refers to the relationship between the state, the party, and the people based on a socialist system that operates on the principle of a planned economy. Communal relations are based on an economic system in which economic activities are organized in local communities. Private networks include private property and are based on an economic system that operates on the principle of a competitive market. Previously, the public network was the central network in North Korean society, but as various social networks are used as individual resources to survive economic hardships, private networks have proliferated in daily activities and communal networks that were previously subsumed by the public network have emerged.

Jo and Gwon (2022) focused on the social networks of North Korean women. Based on sociologist Wenger's criteria[1] and types of social networks, Jo and Gwon (2022) reconstructed three types of social networks among North Korean women. They categorized North Korean women's social networks into three types: kinship and friendship networks, which focus on family and friends; community networks, which focus on formal organizations and are characteristic of the socialist system; and economic networks, which reflect the phenomenon that North Korean women earn their livelihood through business and the proliferation of personal relationships associated with it.

1. Wenger's network survey criteria and types of networks
△Criteria: size (how many people were involved), the content (who were the people involved), the function (what did the network members do),
△Five Network types: family dependent type, community Integrated type, community independent type, community focused type, and personal·restricted type

2.2. Literature Review

Literature on Market Activity and Informal Income in North Korea

Previous research on income in North Korea has been dominated by macro-level studies, such as estimates of GDP or GNI per capita, and income estimates from satellite imagery, etc. As North Korea has become more marketized since the 2000s, there have been a number of studies on income at the micro level, mostly based on surveys or interviews (Chae, 2020; Kim, 2017; Lee, Hwang, & Kim, 2015). Among them, Choi (2008) and Jeong and Kim (2014) studied the spread of market activities and the factors that affect the growth of informal income or the mobility of the class.

Choi (2008), reviewed earlier, examines whether the process of 'shifting political power to economic capital' by ruling elites that is empirically evident in societies in transition to post-socialism is also present in North Korean society. Noting that economic stratification associated with marketization is influenced by factors outside the market economy, he examines how the informal network resources available to individual households are related to the stratification of urban North Koreans. Choi's analysis suggests that economic class mobility in North Korea tends to be defined by informal network resources that are unequally distributed among individual households according to the country's politically unequal status system. In particular, the stronger the informal network resources, especially kinship resources, the easier it is for individuals to increase their personal wealth through market activities in the private sector and move up the economic ladder. While marketization has led to class differentiation, it is unlikely that economic class differentiation alone will lead to changes in the political class structure, since collusion with the political upper echelons is essential for class change. This study is significant in that it analyzes the impact of network resources

on economic class mobility in North Korea. However, the study simplifies network resources into kinship and non-kinship networks, and the time frame of the study is 20 years ago in the early 2000s. Thus, it does not reflect social changes such as the 2009 currency reform, Kim Jong-un's rise to power, and sanctions against North Korea. In particular, as capital has recently emerged as another form of power in North Korean society, where it is said that "money can solve everything," further research is needed to determine whether the connections of political power are still valid and the possibility of expanding networks through money.

By surveying 667 North Korean defectors, Jeong and Kim (2014) analyzed the real income gap and its drivers among North Korean women following the economic crisis. The results showed that occupation, education, and region made a significant difference in the gap in 'earned income' in official sector. However, these factors were found to have no effect on the gap in 'self-earned income' which is earned through market or personal agriculture. While Jeong's study is significant for its ability to identify factors that may have a general impact on income inequality through a survey of a sufficiently large sample (667 people) of North Korean defectors, it is limited by its lack of research on additional factors that may affect informal income in North Korean society, such as the prevalence of personal connections in North Korean society.

Cha (2014) notes that marketization in North Korea has largely eroded the influence of traditional class distinctions in her interview study of social inequality among the peasantries. At the same time, she points out that individual ability, economic power, and the education system are important factors in moving social status. However, to date, a core group of bureaucrats who monopolize political power have inherited social status through education. While this study is significant in that it highlights the role of the education system in the advancement of social status, it is limited in that it does not examine the correlation of specific income levels or economic classes with other important factors, nor does it capture the influence of the social networks that North Koreans are actively creating.

Literature on the Market Activities of Women in North Korea

A number of studies on women's market activities in North Korea have focused on women's role change and empowerment in the process of marketization in North Korea. Lim (2004), Lee (2006), Park (2010), and Jeong (2019) focus on the marketization of North Korea since the great famine of the 1990s and how it led women to participate in market activities, improving their status in the household and their sense of self as economic agents.

Park (2004), Kim (2011), and Cho, Lee, & Lee (2019) have studied the daily lives of North Korean women and examined their market activities as part of their research. Park (2004) notes that North Korean women tried to overcome the control of the state and the difficulties of everyday life, and home gardens and marketplaces became their daily survival strategies. Kim (2011) analyzes the excessive roles that women were asked to play in addition to domestic work and child-rearing after the Great Famine and points out that this led to changes in family structure and an increase in the status of women in the household. Cho et al. (2019) analyzes the daily lives of women in North Korea from a gender perspective. She points out that the hierarchical system of gender division of labor, which socially recognizes only the formal sphere of work that is the responsibility of men, is being reinforced by the expansion of the market. She also mentions that the dual labor structure, in which men earn formal income and women earn income in the informal sector, is becoming entrenched.

Some studies divide the North Korean labor market into formal and informal markets and identify market activities as part of the informal labor market. Kim (2012) found that women were more likely to work in informal jobs and men in formal jobs, and that men in formal jobs tended to rely on women's income from informal market activities. Lee et al. (2015) examined discrimination against women in the formal labor market in North Korea, the formation of the informal

labor market, and the process by which women came to work primarily in the informal labor market. In particular, they noted that the structure of men earning income in the formal sector and women in the informal sector is entrenched within households, and that women forced into informal work may be excluded from various national maternity welfare programs and continue to bear the double burden of economic activity and childcare. Kang (2020) found that North Korea's female workforce is responsible for both caring for and supporting the family economy, driving the country's economy, but that women's human rights remain in the blind spot due to the lack of social and legal changes to support this workforce.

The above studies have shown that the expansion of women's market activities in North Korea has improved their social and domestic status, but it has also perpetuated a dual labor structure in which men work in the formal sector and women work in the informal sector. They have also shown that despite the improvement in women's status, the burden of multiple roles creates difficulties for women. However, these studies are limited by the lack of analysis of what qualities women bring to market activities and how they actively adapt to them.

Literature on North Korean Social Networks

Much of the research on North Koreans' social networks is based on the country's transition to marketization. North Korea's socialist system was built and operated on the basis of public networks, but economic hardships have led to the rise of private networks as markets and interpersonal transactions have emerged.

First, Chang (2005) analyzes North Korea's social networks by categorizing them into public networks based on bureaucratic rule, communal networks based on face-to-face contact in village communities, and private networks based on private interests. The study shows that as the foundation of the socialist economic system collapsed due to economic difficulties, public networks weakened, and communal and private networks became more active. In particular, as private

networks proliferated through the market, public and communal networks began to be integrated. Hong (2006) finds that behind the reciprocal relationship based on material distribution between the supreme leader, bureaucrats, and people in North Korea, a market exchange order for their respective survival developed in the 1990s. This market exchange plays an important role in the accumulation and exchange of 'relational capital'. Similar to Chang's (2005) study, Kim (2020) points out that the process of marketization in North Korea has activated informal networks for the purpose of trade and exchange. Drawing on social capital theory, he finds that informal networks in North Korea are based on kinship ties and reciprocity norms based on trust, and that 'trust' plays an essential role in informal networks. Choi (2021) shows how mobile phones function as social capital in market activities in North Korea. The study analyzes a market system based on mobile phones and argues that the combination of human actors and non-human actors in the form of mobile phones creates trust networks and cooperative relationships that serve as the basis for solidarity among market participants.

Other studies have focused on social networks in market activities. Cho et al. (2008) found that when the rationing system, which was the material basis of control through public networks, was disrupted, existing formal networks weakened, and informal networks replaced them. In North Korea, where economic hierarchies are actively shifting, these informal networks have had a significant impact on people's lives and economic class. In addition to business networks, they point out that networks with officials through kinship, personal relationships, or bribery are also important for wealth accumulation. Jo and Gwon (2022) examined the forms and characteristics of informal social networks of North Korean women engaged in market activities. The study found that the informal social networks of North Korean women were predominantly friendship-based and goal-oriented, forming interests for retail and wholesale trade.

While most studies of North Korea have focused on the macro level, such as the country's political and military systems, the above studies have captured the

dynamics between networks and daily lives at the micro level of ordinary people's relationships. Those studies have found that the expansion of the market since the economic crisis has led to the retreat of public networks, once the backbone of the North Korean system, and the vitalization of private networks.

However, most of these studies have been conducted separately on the market activities and income levels of North Koreans and on their social networks, and research on how these networks affect the actual economic lives of North Koreans is lacking. Choi (2008) is the only study that examines the role of network resources. He shows that economic class is influenced by informal network resources based on political status. However, Choi's study is limited by the lack of a disaggregated measure of tie resources and does not take into account the 2009 currency reform, the growing influence of 'money' in North Korean society under Kim Jong-un in the 2010s, and the social changes brought about by the sanctions imposed on North Korea since 2006. Choi (2008) concluded that informal networks are important for economic advancement. This study builds on that work by using a more disaggregated type of social network to examine whether social networks are indeed important for North Korean women to earn higher incomes and succeed in market activities, and if so, what types of networks are used and how.

Chapter 3. Analytical Framework

3.1. Research Questions

The research questions are as follows. First, I will examine whether women with strong social networks among North Korean women who engaged in market activities were more successful in market activities than women with weak social networks. Second, I will examine whether women who perceived social networks as important among North Korean women who engaged in market activities were more successful in their market activities than those who did not.

I would like to measure 'successful market activity' by two ways. First, I assume that the higher the level of informal income from market activities, the more successful the market activity. This will be examined through the change in informal income during the period of market activity and the resulting change in economic class. To determine whether the level of income is high or low, this study will refer to the results of the informal income survey of North Korean defectors in 『Changes in North Korean Society』 by the Institute for Peace and Unification Studies of Seoul National University. Second, I will look at the frequency with which social networks have been used to overcome challenges in market activities. When engaging in informal market activities to earn money in North Korea, people often face difficulties caused by external factors such as government control, detection, and demands for bribes. To measure this, I will quantify how many times respondents have used social networks (how many times they have used such network if they had 10 issues) to solve these difficulties.

Regarding 'social networks', I followed the classification of Jo and Gwon (2022). Jo and Gwon (2022) categorized North Korean women's social networks into three types: kinship and friendship network, community network, and economic network. A kinship and friendship network consists of family and

relatives, and alumni and friends. A local community network is categorized into relationships within the school and relationships in public organizations such as the People's Unit ('Inminban') or the Socialist Women's Union of Korea (hereinafter referred to as the Women's Union). An economic network consists of business-to-business relations in marketplaces and diplomatic relations for business purposes. Diplomatic relationships mean those in which you use resourcefulness in one's relationships with others to one's own ends.

Based on this categorization, I will examine the thickness of North Korean women's social networks and their level of awareness of their social networks. The thickness of one's social network is an objective measure of how many people are in one's network and the extent of their influence. One's awareness of social networks is a subjective measure. The researcher will ask the interviewees to select and prioritize the factors they consider important in their market activities. It is assumed that the higher the priority of social networks, the higher the social network awareness.

3.2. Research Method and Participants

Research Method

While quantitative research has the limitation of oversimplifying facts and failing to reflect values, qualitative research focuses on the experiences, meanings, and views of the people being studied, with the goal of understanding and discovering the meaning of human life as it is lived, experienced, and interacted with (Creswell & Poth, 2005). These advantages of qualitative research can be usefully applied to studying the experiences and individual characteristics of North Korean women engaged in market activities in Ryanggang Province.

There are many methods of qualitative research. This study focuses on case studies. Creswell and Poth (2005) describe case study as a qualitative research

method that focuses on an in-depth analysis of a single or complex case. A case study is the exploration of a ‘bounded system’ or one or several cases over time through detailed and in-depth data collection involving multiple, rich sources of information in context (Creswell & Poth, 2005). The bounded system is limited by time and place, and the bounded case is the subject of the study.

Research Subject

This study focuses on the case of women who have experience working in informal markets in Ryanggang, North Korea. In particular, we focus on women who have defected from North Korea since 2016 in order to explore the impact of sanctions.

First, I chose ‘Ryanggang Province’ because it is a border region with an active private economy, and unlike Pyongan provinces, the market is centered on self-consumption, making it easy to look into the daily lives of ordinary people. (Hong, Cha, Jeong, & Kim, 2016) It is also easy to examine the changes in the border region as a result of the implementation of sanctions against North Korea in 2010s. By conducting research in areas where socialism has been loosened and the informal sector is active, it will be possible to predict how North Korean society will change in the future.

Second, this study focuses on ‘women’ because they are more excluded than men from North Korea’s formal order and therefore more vulnerable to changes in North Korea’s economic conditions or policies. North Korea’s rationing system focuses on men, who are the heads of households. In a survey of North Korean defectors, 37% of men had received rations, while only 4% of women had received rations (Korea Peace Now, 2019). Because men are required to work in North Korea’s official institutions in order to receive rations, married women are responsible for supporting their families during times of economic crisis instead of men who must go to work. In fact, during the Arduous March of the 1990s, North

Korea experienced a sharp increase in women's informal economic activities. In the same vein, Kim (2011) points out that women, along with the elderly and children, are the biggest victims when economic conditions become difficult and food shortages occur. In the midst of these changing economic conditions, I will examine the lives of women who have been marginalized from the official system and are emerging as new social actors in North Korea. I will also focus on 'married' women, as unmarried women in North Korea are required to work, making it difficult for them to fully engage in informal economic activities.

Third, this study limits its interviewees to women who have 'engaged in market activities'. When the rationing system collapsed due to economic hardship and food shortages, many women in North Korea secured additional income through market activities (Lee et al., 2015). In several previous studies, North Korean defectors reported that the proportion of women who had engaged in business in North Korea was as high as 70 to 80 percent (Kim, P., 2014; Kim, 2012). The term 'market activities' is intended to include all economic activities that individuals engage in to earn money for themselves. In addition to legalized markets, I'd like to capture smuggling, business in informal markets, and working as an employee, which many people in border areas rely on.

Interviewee Selection

The interviewees were three female North Korean defectors from Ryanggang Province who fled North Korea after 2016, who agreed to participate in the study and consented to the publication of their interviews. Case studies are meant to draw in-depth findings from a sample of four or fewer rather than generalize from a large sample, so three interviewees were selected for this study (Creswell & Poth., 2005). Due to the requirements for the interviewees, such as where they live and what they did in North Korea, the interviewees were collected through a 'purposive sampling' method through acquaintances and a 'snowball sampling' method

through the introduction of the interviewees.

Table 1. Characteristics of the Interviewees

Name	Sex	Age	Leave DPRK	What she did
A	Female	40s	Mid 2010s	Smuggling
B	Female	60s	Late 2010s	Porter (Private employee)
C	Female	50s	Late 2010s	Wholesale, retail, smuggling

3.3. Data Analysis

Data Collection

Data for a case study can be collected through a variety of methods, including documents, interviews, and observations, and it is generally recommended to use more than one source (Creswell & Poth., 2005). In-depth interviews are a qualitative research method that explores participants' experiences and the meaning of their experiences, and it is a research method that deals with the phenomenon as it is in its entirety and in its specific context, rather than manipulating it (Wolcott, 1992, as cited in Kim & Lee, 2022) These research methods are useful for exploring 'how' or 'why' situations and phenomena occur without the researcher's control.

Because this study aims to explore the individual characteristics that made it easier or more difficult for North Korean women to engage in market activities, qualitative research, such as open-ended, unstructured in-depth interviews, is more useful than strictly structured quantitative research. Given the specifics of North Korea, in addition to collecting data through in-depth interviews, I will also conduct a literature review of news articles that are familiar with North Korea and related research works.

In-depth interviews were conducted individually, and the purpose of the study was fully explained to the interviewee prior to the interview. At the beginning of

the interview, they were informed that they were being recorded and that they could stop the interview if they wished. The interviewees were also informed that the private information would be kept confidential, and I will exclude the part that they do not want to be published. The interviews and recordings were consensual, and each person was interviewed twice for a total of three hours.

Interview questions

The interviews were conducted with a basic framework but were not strictly structured. The detailed question structure was adapted as the interview progressed. The basic questions were structured as follows.

Table 2. Framework for Interview Questions

o Personal information - age, where you lived in North Korea, when and why you defected, etc. **o Basic information** - contents of the market activity, type of business and the reason for the choice, duration of the business activity **o Social networks** - both public and private social networks for market activities. - experience of using social networks in market activities - factors important to success in market activities (increasing income, utilizing networks) **o Awareness of sanctions against North Korea and its impact**

Data Analysis

Qualitative research methods were used to analyze the experiences of market women under sanctions and how they change their lives. I documented the interviews through audio recordings, transcribed the recordings immediately after the interviews, and reviewed the transcripts several times to ensure the rigor of the study. Based on the documented transcripts, I organized the same themes by grouping them around keywords. I also conducted fact-checking through various literature and news article reviews and analyzed the academic content in relation to

each other.

3.4. Ethical Issue

Reliability and validity are important in research (LeCompte & Goetz, 1982). The researcher conducted a thorough literature review to ensure an objective understanding of the context and background to avoid over-representation of the researcher's subjectivity. To ensure the consistency and neutrality of the research, a questionnaire was prepared prior to the interview and applied consistently to all interviewees. The interviews were conducted individually, and the entire process was recorded and transcribed to ensure that the content of the interview was not distorted by the researcher's perspective and to ensure the neutrality of the research. In the case study, I recognized that there might be issues about whether the interviewees' statements in the in-depth interviews were in line with objective facts, and I tried to reconfirm the facts by reviewing various relevant news articles and literature in parallel. Lastly, I opened the process of data collection and analysis to the public so that not only the researchers but also others could examine the research findings.

The researcher completed the ｢Training for Human Subjects Researcher for Ethical Conduct of Research｣, and the research content and interview questionnaire were reviewed and approved by the Institutional Review Board (IRB) of Seoul National University. To protect the privacy of respondents, pseudonyms were used. Age and years of defection were simplified to 10-year bases. Information that could identify individuals in the text, such as specific region, family member's job position, and family details, was also anonymized. Participants received appropriate compensation for their participation.

Chapter 4. Context of the DPRK

4.1. Market Formation in DPRK

North Korea is a centralized, planned economy based on socialism. People's jobs are assigned according to a state plan, and the state directly provides rations and social services to ensure people's lives. However, North Korea's public distribution system broke down in the 1990s when the country experienced extreme hunger, or the Arduous March. Since then, 'jangmadang' (unauthorized market) has developed spontaneously as residents have traded and acquired necessities and food through marketplaces to make ends meet. Marketization refers to the expansion of the application of market mechanisms in the process of distributing resources with economic value (Kim et al., 2021).

North Korea has not officially recognized markets in the past due to its adherence to the socialist system. However, as markets have expanded, North Korea has tolerated market systems to some extent. In 2002, North Korea implemented the 7.1. Economic Management Improvement Measures, which expanded corporate autonomy, including allowing enterprises to set their own wage payments based on income (Lee et al., 2015). In 2003, the existing farmers' market (jangmadang) was legalized and converted into a 'market complex,' and some state-owned stores were also converted into markets. This led to the development of the consumer goods market. In addition, private restaurants and service businesses were allowed, allowing individuals or organizations to rent shops in the comprehensive market and operate by paying market fees and state payments. Since the implementation of the comprehensive market system, informal labor centered on the market has increased and the labor class has been divided. Typical examples of informal labor include vending through markets, door-to-door sales, smuggling, selling goods or services, and providing transportation and distribution services (Cho et al., 2008). According to Cho et al. (2008), rudimentary forms of

employer-employee relationships emerged during this period. Various types of labor emerged, such as per diem labor, agricultural wage labor, and service labor, including those who supplied goods to the market, those who operated stalls, those who were employed at stalls, and those who assisted in the distribution and transportation of goods.

As changes continued to shake the foundations of North Korea's socialist system, such as increased marketization and employment by private sectors, rather than government, the authorities pursued a number of measures to control the market. In 2005, it announced a return to state rationing. In 2006, it prohibited individuals from employing others and banned adult males over the age of 17 from engaging in business, meaning only women could do so. Furthermore, in 2007, the age of women who could engage in business was restricted to 39 years of age or older. It also controlled the items and prices of goods that could be sold in the market (Lee et al., 2015).

In 2009, North Korean authorities reduced the number of markets' opening days and reduced the market complex to a farmers' market (Kim, 2011). In November 2009, a currency reform was implemented that allowed the exchange of the old 100 won for new 1 won but limited the total exchange amount per household to old 100,000 won. At the time, the average worker held around 1 million won (USD 1,000), and those who worked in the marketplaces and earned informal income would have held even more (Lee et al., 2015). Ultimately, the currency reform hurt individual market vendors. It also encouraged North Koreans to distrust the North Korean currency and accumulate assets in gold or US dollars. The currency reform severely damaged the North Korean economy, and in 2010, North Korea recognized the error of its ways and reopened the public market (K. Kim, 2013).

For the purposes of this study, markets in North Korea include all activities undertaken by North Koreans to earn income outside the formal system, including market activities in unauthorized locations such as alleys and streets, side jobs such

as home-based crafts, and illegal activities such as smuggling. Currently, more than 70% of North Koreans participate in market activities, only about 50% work in formal jobs, and on average, North Koreans earn 70-80% of their household income from informal economic activities (Y. Y. Kim, Park, Lee, Song, Lee, Jung, & Lee, 2022).[2] There are an estimated 400-500 marketplaces in North Korea, of which about 20% are outdoor or street markets (Hong et al., 2016). North Korea's markets are not only growing in volume but are also becoming more diversified and professionalized. Participants in the market are expanding to include individual merchants, institutions, business centers, and cooperatives, as well as foreign capitalists and companies. According to Kim et al. (2021), various materials for state-planned production are not easy to procure, so North Korean companies and officials also procure intermediate goods from the market. In addition, North Korean bureaucrats who are not able to rely on rationing also work in the market informally.

4.2. Market system in Ryanggang province

Jangmadang (market) in Ryanggang Province began to expand in the 1990s when rationing was discontinued. In Hyesan city, the market expanded at a faster pace than in other border areas immediately after the Arduous March, due to the prevalence of smuggling by local residents along the Amrok River (Yalu river in China), including Hyesan and Bocheon. As smuggling increased the supply of Chinese consumer goods, industrial products, and foodstuffs, the residents of Hyesan relied on it for their livelihood (Choi & Koo, 2005). Kim and Yang (2014) noted that items exported through informal trade such as smuggling are known as primary commodities such as marine products, agricultural products, and mineral products, which are produced and distributed through individual private economic

[2] According to Y. Y. Kim, et al., (2022), among 873 defectors that were interviewed about change in North Korean society, 76.9% had informal income through side job.

activities. Therefore, the increase in informal exports means an increase in informal income for North Koreans. In particular, since the mid-1990s, consumer goods sold in the North Korean market are known to be mainly made in China, and Chinese trade statistics show that the volume of consumer goods exports to North Korea has not been significant. This suggests that a significant portion of the Chinese consumer goods sold in North Korea's markets may have entered the country through informal trade.

On the other hand, the process of marketization that has been underway since the 1990s led to an increase in the number of markets authorized by the North Korean authorities in the 2000s. Through an analysis of satellite imagery from 2015, Hong et al. (2016) found that the total number of official markets in North Korea was 404, with the largest number of markets in North and South Pyongan Province (65 and 51, respectively). Both Pyongan Provinces have more markets than other regions because it is a key distribution corridor for goods coming from Sinuiju and Dandong to Pyongyang. By region, the number of markets is proportional to the population, with Ryanggang Province being the least populous region with the lowest number of markets at 18. At the municipal level, Pyongyang had the most markets with 30, while Hyesan, the capital of Ryanggang Province, ranked 10th out of 27 municipalities with five markets. Officially operated comprehensive markets are managed by the Commercial Management Bureau under the local People's Committee. The market management bureau under the commerce bureau of each city or county controls the sale of goods in the market, and market wardens collect market fees (market taxes) and manage the market. In addition to market fees, people who sell in official markets are required to pay national taxes. Depending on the services they use, they also pay bicycle storage fees for entrusting transportation such as bicycles and motorcycles, and luggage storage fees for storing goods at night (Hong et al., 2016)

In Hysan City, the official markets are Yunpung Market, Uiyun Market, Hyesan Market, and Masan Market along the Amrok River, and the Yunbong

market in downtown Hyesan. The largest and most representative of these markets is Hyesan Market, which has a low proportion of wholesale business and is centered on retail (Hong et al., 2016). Around the formal market, informal markets called jangmadang, stalls, etc. thrive. Many low-income people do not have the money to get approved to sell in the formal market, so they sell informally around the formal market. In the market, 85 to 90 percent of the foreign-made industrial and general goods are made in China. The high proportion of Chinese-made goods is thought to be due to the large amount of formal and informal trade with China's Changbai County across the Amrok River. Informal business outside of the official market is prohibited and controlled by the Ministry of People's Security and other censorship and control agencies.

Chapter 5. Results of Analysis

5.1. Market Activities and Informal Income

1) Case A: lower middle class → very top class

In A's case, she made her living as a smuggler in Hyesan City and Bocheon County, Ryanggang Province. Her father worked in munitions management, so she was politically and economically above the middle class at first, but when rations were cut off during the Arduous March, she became the poorest. From then until the early 2000s, when she began smuggling, A's economic status was in the lower or lower middle class, but she accumulated wealth through smuggling and moved into the very top economic class just before she defected.

During the great famine in North Korea, when rations were cut and it became difficult for A's entire family to survive, she realized that "she had to do something to make money." So, she sold her dog to China and used the money to buy saccharin, and that was the beginning of her smuggling. She smuggled by herself from 1999 until she got married in the early 2000s. Due to unstable food rations, she continued to smuggle after her marriage until she defected in 2016.

By the mid-2000s, she did it on a large scale. She was making so much money that she was able to buy her husband a position a high-ranking position of the farm. She didn't limit herself to just one type of product, but procured whatever her Chinese business partners wanted, including herbs, copper, tobacco, animals, seafood, and anything else she could find. Seven to 10 porters typically participated in a single smuggling run. As China tightened its border controls in 2013 and North Korean authorities began to crack down on smuggling in 2014, the number of bribes increased and she faced the prospect of prison or death, so she defected.

A's average monthly informal income (for a family of five) during the market activity period is shown below.

Table 3. Case A's Average Monthly Informal Income by Year

Year	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15
Income	CNY 500					-	CNY 2~3,000					CNY 7~8,000			CNY 20,000		
USD	USD 60						USD 250~400					USD 1,050~1,250			USD 3,200		
KPW[3]	KPW 12K ('03, KPW 50K)						KPW 700K~1,500K					KPW 3,500K ~4,000K			KPW 26,000K		
Class	Bottom						Bottom					Top			Very top		

Table 4. 2012~2018 Informal Income Levels of North Koreans

KPW \ Year	2012	2013	2014	2015	2016	2017	2018
Under 100K	28.7%	20.7%	23.7%	8.7%	6.3%	3.4%	6.4%
100K~500K	38.4%	43.9%	53.4%	26.8%	28.4%	31.0%	33.7%
500K-1,000K	28.4%	13.0%	7.7%	30.5%	26.0%	21.8%	27.5%
Above 1,000K	4.6%	22.4%	15.2%	34.1%	39.3%	43.7%	32.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(Source: Author reconstructed from graphs in 『Changes in North Korean Society 2019, 』 excluding figures without income).

According to the income levels of North Koreans presented in 『Changes in North Korean Society 2019』(Chun, Kang, Park, Lee, Jung, Lim, and Cho, 2020). A went from the bottom of the economic level right after the Arduous March to the top of the economic class just before defecting. Chun et al. (2020) analyzed that an income of more than 1 million won is considered upper class. A had an average monthly income of more than 20 million won before defecting and in addition to her family, she was able to take care of her parents, family of her sibling, and intimate relations.

According to several studies of North Korean defectors, the average monthly income of middle-class of North Koreans is 600,000 won, of which 70 percent is spent on food, with the upper-class spending 50 percent and the lowest class spending about 80 percent (Cho et al., 2008; Lee, 2007). In a study by Cho et al. (2008), an interviewee mentioned that those who have completely solved the

[3] KPW is Korean People's Won. (North Korea's monetary unit)

problem of eating and living and gained freedom from spending money are upper class, and those who have solved the problem of eating and living are middle class, and those who cannot do so are poor. For women, economic class can be measured by the brand of their dress and cosmetics, or by whether the dress or cosmetics are from Japan, Korea, China, or North Korea.

B and C spent more than 70 percent of their income on food, while A spent 2 to 3 percent of their income on food. A did not have any problems with her livelihood and could buy her own 'Hanbok' from South Korea and could buy her daughter's clothes from a Chinese department store.

> A: "With the money I earned, my family was able to live really well. We could go to restaurants[4], and even I could help my mom's relatives."[5]
>
> A: "My sister was supposed to get married, and I had to buy my 'hanbok', cause we all wear hanbok in North Korea. So, I asked my acquaintance to buy one from South Korea."[6]
>
> A: "I got my kid's clothes from a Chinese department store[7] and dressed her myself."[8]

In terms of the amount of informal income earned since 2010 and the percentage of income spent on food, she is in the top tier. A is a case of someone who was in the bottom class before starting marketplace activity and then moved to the top of the economic ladder through marketplace activity. A did not come from a strong family background but achieved economic upward mobility through the networks she made and her own entrepreneurial skills.

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[4] North Korea's restaurants are too expensive for the average person so only rich people could go to the restaurants.

[5] A, "그때 당시 벌은 돈을 가지고 우리집 식구 진짜 남부럽지 않게 먹고 살고, 식당 가서 먹을 수 있고, 그리고 엄마네 친척들 도와주고 그런 거는 됐거든요."

[6] A, "가족 결혼식이 있어서 내가 옷을, 드레스를 있잖아요. 그거 북한은 이렇게 다 한복 입잖아요. 그거를 한국에다 부탁을 했어요."

[7] Using 'Department store' is a signal of one's economic class.

[8] A, "나는 우리 애는 중국에서 이렇게 중국 백화점 가서 내가 가서 사가지고 애를 입혔거든요."

2) Case B: upper middle class → bottom level class

Before the 2000s, B's husband was a police officer, so she was politically upper class and economically the upper-middle class. However, after B was caught helping with smuggling, her husband was fired, and they divorced. This deprived her of political status, and after the divorce, she found herself at the bottom of the economic ladder, lacking the opportunity or capacity to build her own social networks.

Even though B's husband was a police officer, there were no payments from the government in the 1990s, and only a few vegetables were rationed. But B's economic status was upper-middle class thanks to the informal economic benefits of his political position. Many people came to their house to ask B's husband for help and offer a bribe. When B and her husband received cigarettes and rice as bribes, they sold them to earn informal income.

In the early 2000s, she met D, who was a smuggler, and D began smuggling with B in order to use B's husband's political power for D's business. B participated in the smuggling by accompanying her and storing D's contraband in her home. However, D and B were caught smuggling, and due to this, B's husband was fired from his police job, leading to B and her husband's divorce. After the divorce until 2008, B lived with her mother and gathered herbs and potatoes in the mountains.

B tried smuggling on her own, but she could not afford the bribes to the military to hide her illegal activities and found it difficult to use her networks, so in 2010s, she secured informal income by being hired by a smuggler, an informal private economic actor, rather than smuggling or running her own business.

B's average monthly informal income (for a family of two) during the market activity period is shown below.

Table 5. Case B's Average Monthly Informal Income by Year

Year	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17
Income	KPW 50K~100K					-	CNY 25~30				-		CNY 100			CNY 150			0
USD	USD 200					-	USD 3~4				-		USD 16			USD 24			0
KPW	KPW 50K~100K					-	KPW 8K~13K				-		KPW 50K~100K			KPW 180K			0
Class	Upper middle					-	Bottom				-		Bottom			Bottom			Very bottom

3) Case C: lower middle class → bottom level class

C was born and raised in South Hamgyong Province and came to Ryanggang Province when she got married in the early 1990s. Her parents were short of food at the time, so they arranged C's marriage with a farmer so that they could spend less on food and sent C hoping she could eat at least. Her husband was a farmer, and they have three children. C was initially in the middle and lower classes politically and economically, and later became the lowest class.

When she first got married, she lived in the countryside near Hyesan. Her family moved to Hyesan City in the late 2000s, and she was able to buy a house and settle down with the money she had saved. However, she lost all her assets during the currency reform in late 2009. She was supposed to help her neighbor exchange her old currency for a fee, but her neighbor didn't give C the fee she promised, and she couldn't exchange her own money because there was a limit on the amount of money one person can exchange. To make matters worse, the money she lent to someone else was paid back in the useless old currency, so she lost all her assets. After that, C was encouraged by her neighbor to start a business, and she began to earn a living.

> C: "When I was lying there after all my money lost, the old lady upstairs told me that if I stay like this, all my children will starve, so I should get up and get going for the sake of my children. I said, 'I've

lived in the countryside and don't have any money, so how can I do business?' And she said, 'One of our neighbors is going to that border area. She buys rice and sells it in the market for a living.' She introduced me to her, and I followed that young woman to the border for the first time."[9]

In the early 2010s, C bought Chinese food smuggled into North Korea and sold it from a stall next to Hyesan Market. Selling outside the official market without a license is illegal, so C said she had to bribe the enforcers who came by almost daily. After 2014, North Korean authorities tightened controls on smuggling, so Chinese food was less likely to enter the country, and bad rumors about Chinese food also reduced demand. The proliferation of informal markets also reduced regional price differentials for smuggled goods, which reduced profit margins. In the mid-2010s, C made a living by providing goods to smugglers in North Korea. Herbal medicine, copper, etc. were the main items she procured. In 2016, she stopped procuring smuggled goods because the risk of being recognized became higher. Her daughter, who had defected to China, occasionally sent her small amounts of money from China, which allowed her to stop her illegal business activities. Since then, she sold vegetables from spring to fall and made kimchi, pickles, and pickled radishes in winter to sell near the Yunpung market.

Overall, C's income is in the bottom quartile for a family of five. C's average monthly informal income (for a family of five) during the market activity period is shown below.

Table 6. Case C's Average Monthly Informal Income by Year

Year	10	11	12	13	14	15	16	17	18	19
Income	CNY 450~600				CNY 300~450		CNY 400~450			CNY 200
USD	USD 66~95				USD 50~70		USD 60~68			USD 29
KPW	KPW 220K~500K				KPW 400K~600K		KPW 500K~550K			KPW 235K
Class	Bottom				Bottom		Bottom			Bottom

[9] C, "윗방 할머니가 애들을 봐서라도 힘내고 일어나야 된다고 했어요. 내 손에 돈도 없는데 어떻게 장사해야 할까요 하니, 옆집이 새댁이 연선(국경)에 다니는데, 가서 쌀 사와서 장마당에 팔고 남는 돈으로 쌀 사먹는다 이러더라구요. 그래서 그 젊은 여자를 따라서 연선을 처음 가봤어요."

5.2. Overview of Social Network and its Usage

Social networks were categorized according to a taxonomy of social networks developed by Jo and Gwon (2022) in their study of informal social networks among North Korean women. The types of relationships among interviewees divided into three types of networks: 1) kinship and friendship networks (family and relatives, friends and classmates), 2) community networks (formal organizations such as parent groups in school, People's Unit[10] or the Socialist Women's Union of Korea[11] (hereafter referred to as SWUK)), and 3) economic networks (business-to-business relationships, and diplomatic relationships for business purposes (e.g., relationships with polices, security officers)). In addition, we categorized core networks and simple networks according to the frequency of contacts and meetings. Based on the results of the interviews, I categorized people who met or had intimate contact with each other more than once a week as core networks, and other people who had casual contact or acquaintance as simple networks.

1) Economic Networks

Case A

Networks for Business Transactions

A, who had the highest income of the three, had a fairly dense social network. It was particularly concentrated on the economic network. In terms of the economic network, when she first started smuggling in 1999, she did not have such a network, but when she started smuggling in the mid-2000s, she began to build a

[10] 인민반
[11] 조선사회주의여성동맹

large network. Compared to B and C, A's network of business relationships was much thicker in terms of quantity and quality. It consisted of key figures in the informal economy activities in North Korea, and the content of her contacts with them was directly related to her economic activities.

She knew and dealt with a core network of about five Chinese business partners. She said she didn't do much to manage her Chinese partners, but she maintained a line of business by making sure she brought the good stuff and procured any good they asked for. As A's position became stronger, she was able to choose the partners who served her better, which led to an increase in her income. A's network with her Chinese partners goes beyond economic interests to include trusted friendships. When she defected from North Korea, she stayed at her Chinese counterpart's house for a few days, and he helped A's escape to his relative's house. A has been in contact with her Chinese counterparts ever since she came to South Korea.

> A: (asking how she managed the partners) "I don't need to try hard. Because they can make money when they catch good quality goods."[12]

> A: "I was called a magnate on the Chinese side. Because they knew that I am a magnate in North Korea, and they knew that they could make money by doing business with me. So, they paid me a little bit more than other people. If they buy herbs and they pay other people one yuan, they give me ten percent more or whatever. Or they gave Chinese cigarettes or other gifts to the North Korean troops. Because I had to buy those things with my own money to give to our side troops, I preferred the partner who treats our troops better. I could choose a partner who was good at that."[13]

[12] A, "(대방을 관리하기 위한 노력 질문에 답변) 노력할 필요가 굳이 없어요. 애네들은 북한 사람이, 좋은 사람이 물건 가지고 가는 거를 잡아야만 돈을 버는 거예요."
[13] A, "저는 그쪽에서는 큰 손이라고 이름이 나 있었어요. 중국 쪽에서 재는 북한에서 조금 크다, 재하고 대상하면 자기네가 돈을 벌 수 있다는 걸 알거든요. 그러니까 애네들이 나한테는 다른 사람보다 돈을 조금 더 줘요. 약초면 다른 사람을 1원을 준다고 하면 저한테는 10전이라도 더 주든가 다른 물건으로라도 줘요.

A: “I think I’ve done everything from North Korea to China. I’ve sold vetch roots, mountain animals, deer, pheasants, rabbits, everything. You know, copper, stainless steel, aluminum, all that stuff. I’ve done everything that makes money in China.”[14]

Her economic network with her Chinese counterparts contributed to her income, especially by exchanging trade requests based on price information. The contacts consisted of dozens of calls a day, each aimed at increasing her profit margin.

A: “Right after the currency reform, there were some kinds of things that were needed in North Korea. At that time, if it seems like the price of oil will go up today, then my partners would give me that price information. Because I have the money, the people around me spontaneously gave me brand-new information. For example, ‘The price of a thing will skyrocket in three days, so hand it over.’”[15]

A: “With my business network, it’s not enough to call them 10 times a day. When I get home in the morning, my phone doesn’t stop ringing. The calls never stop. People involved in business transactions make at least several times a day, sometimes dozens of times a day.”[16]

The porters were an important part of A’s network, crossing the Amrok River and delivering A’s smuggled goods to China. A designated one of the porters as the leader, and the other porters were recruited by the leader.

아니면 중국 대방이 우리 군대한테 담배를 갖다 주거나, 군대한테 뭔가 선물을 주는 거를 잘해주는 거예요. 그런 것도 군대한테 주려면 저희 돈으로 사서 줘야 되거든요. 그러니 애네(대방)들이 그거를 잘해주면 어차피 저는 돈 주고 사야 되는데 하나라도 더 잘해주는 데로 가거든요. 그니까 저는 이 대방들도 선택을 할 수 있는 거예요. 잘해주는 사람한테.”

[14] A, “북한에서 중국으로 간 거는 다 한 것 같아요. 황귀, 산짐승, 노루랑, 꿩, 산토끼 이런 애들도 다 했고. 구리도 하고 스테인레스랑 알루미늄 있잖아요. 그런 애들도 다. 일단 중국에서 찾는 거는 돈이 되는 건 다 한 것 같아 내가.”

[15] A, “화폐교환을 딱 하고 북한에서 요구하는 물건들이 있어요. 그때 당시, 오늘은 기름이 이제 얼마큼 오를 것 같다 이러면 벌써 정보통이 정보를 주는 거예요. 내가 돈이 있으니까 주위에 있는 사람들도 그때그때 알려주는 거예요. 이제 한 3일은 뭐가 올 것 같다, 그거를 넘겨라, 이렇게요.”

[16] A, “내가 돈을 벌기 위해서 있는 사람들하고는 하루에도 10번은 적어요. 아침에 내가 집에 있으면 전화통에 불이 나요. 진짜 그 전화가 끊기지를 않아. 장사 거래로 얽힌 사람은 진짜 하루에도 몇 번을 하고 수십 차례 하고 막 그러거든.”

A: “I didn’t hire all the porters myself. I managed one person as a foreman because I can’t manage them all. When I gave ordinary porters 10 yuan in Chinese money, I gave the foreman a little more because he did the hard work in the middle.”[17]

Networks as Diplomatic Connections

North Korea does not allow the general public to trade. Therefore, in order to engage in and expand the informal market economy of smuggling, it is essential to have a network of connections that can provide political protection. In North Korea, a person with a political position who takes care of a person in the course of smuggling or unauthorized business is called a ‘cover-kkun,’ which means a person who covers one’s illegal business. To smuggle, A also had cover-kkuns in every institution, such as the police, military, and security agency, in her network.

A: “All private trade is illegal in North Korea, so if you want to trade, you have to have military connections. If you don’t have military connections, you can’t do it. If you want to transport goods, you can’t do it with regular license plates. You have to use military vehicles to make sure everything gets through.”[18]

Rather than networking with a lot of people, A had a fixed relationship with one or two key people in each organization and worked through them to get everything done.

A: “I have to know all the troops in the area. If there is a company, I get to know somebody higher up in the company, and I bribe this person and am close to him. Then, I can get to know all the troops

[17] A, “나는 다 직접 그러지 않고 한 명을 그냥 조장처럼 해가지고. 내가 그 사람들 일일이 관리도 안 되니까. 한 사람을 이렇게 해가지고 그 사람한테 남들한테 중국 돈으로 10원을 준다면, 그 사람한테 조금 더 주는 거예요. 네가 이렇게 중간에서 수고했으니까 더 먹어라 이렇게 하거든요.”

[18] A, "근데 북한은 그게(무역) 무조건 다 불법인 거예요. 그러니까 그거를 하려면 군대 아니면 진짜 이게(뒷선이) 다 있어야 되는 거예요. 북한은 군대를 모르면 못 하는 거야. 불법 물건을 실어 나르려면은 일반 사회 번호판 단 차 가지고는 안 돼요. 군대 차만이 모든 게 무사 통과예요.”

below him."[19]

A: "Out of three or four squads in the region, I bribed only one squad leader on a regular basis. If he had to cover for me, he would do it himself or mobilize others if he needed to. Besides him, I didn't have to deal with any other useless networks."[20]

To get the products to the border without being inspected, she had a connection with only one driver who worked for the division political official and didn't deal with any other drivers. When she needed a military car, the driver took care of it himself or connected her with another military driver.

A: "When I needed a car, I contacted the division official's driver and told him to load the car. Then he loaded it before his boss went to a meeting and went to the border. I had a connection with the driver and had a direct deal with him, and the rest of the drivers are connected through him."

A had direct relationships with only a handful of police, security and military officers, but she also had acquaintances with most of the officers in the region. Once established, these connections were passed on to successors based on trust and financial interests. A mentioned that soldiers tried to get close to her. This was corroborated by media reports. According to one news article, the Border Security Command is a cash cow for soldiers within North Korea, and positions are highly coveted. When assigned to the border guard, soldiers also try to get to know smugglers to make money (Herald Economy, 2014, June 20).

A: "I think I knew half the police and security officers in the area, and I was really close to about five of them. I knew those five people, so

[19] A, "(군대도) 그 지역은 다 알아야 돼요. 한 개 중대라고 해도 윗선에 있는 사람을 알아가지고 이 사람한테 주고, 이 사람하고 가깝게 지내면 여기를 다 자연스럽게 아는 거예요."
[20] A, "(분대장은) 저는 한 사람. 고정으로 (뇌물) 그러는 거 한 명한테만 그랬고, 개가 내 거를 해주면서 개가 하거나 아니면 또 이렇게 도와주고 알아서 해주니까 나는 이런 쓸데없는 사람하고 거래 안 하고."

the rest of them were like, 'Yeah, I know you are his line.'"[21]

A: "When the squad leader of the Border Security Command gets out, when he's about thirty, he introduces me to the smart kids in his squad, and he connects them with me. As he leaves, he says to the successor, 'You should take care of her after I leave,' and they help and cover for me. And when the successor is gone, he connects me to the next guy, and so on."[22]

A: "If I am doing a big smuggling and have a lot of money, the security officials and the police will come to my side and join me naturally. Since they also need money to advance in their life, they want to know one of these rich people."[23]

A's economic connections not only helped with the smuggling itself, but also served as an information network that allowed her to circumvent various censorships and learn about major government policy changes in advance. In particular, in the case of the 2009 currency reform, A was well informed and found someone in order to exchange her money for her so that she could get as much new currency as possible. This is in contrast to B, who had no information at all, and C, who heard about it in the market the day before but didn't know how to react.

A: "I knew a lot of people in the military and officers and stuff like that, so they told me, 'Hey, there's going to be more censorship in a certain area today,' and I avoided that area, and that's how I do business."[24]

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[21] A, "그 지역 법관의 절반은 안 것 같아요. 그 중에서 정말 친근하게 아는 사람은 한 5명 정도. 그 사람들을 알고 지내니까 나머지들은 아 너 누구 선이지 이렇게 하는 거예요."

[22] A, "애네가(국경경비대 분대장) 서른살 먹어서 자기가 제대해서 가잖아요. 갈 때는 그 중대에서 자기가 있던 지역에서 좀 똑똑하고 괜찮은 애들을 소개시켜주는 거예요. 저한테 이렇게 연결을 시켜주는 거니까. 가면서 너 나 간 다음에 잘해줘라 하면 또 얘가 이어서 해주고 또 걔가 또 제대해서 가면은 또 이렇게 다 연결이 되는 거예요."

[23] A, "돈이 많고, 내가 밀수를 해도 좀 크게 하면 법관이 자연히 옆에 와서 붙어요. 걔네들도 그런 사람을 하나씩 알고 있어야, 자기네가 발전을 하려고 해도 돈이 있어야 발전을 할 수 있잖아요."

[24] A, "군대랑 법관이나 이런 사람들 많이 알고, 그런 사람들이, 야 오늘은 어디로 근무가 강화된다 이거를

A: “I knew about it three days before the currency reform. Anyone with any money in North Korea knew about it about three days before the exchange.”[25]

To maintain these connections, about 80 percent of her smuggling income was spent on bribes. This would later lead to A becoming skeptical of life in North Korea itself.

A: “About 70% goes to the military and police, security officers, about 10% goes to the car driver, and about 20% goes to food for myself, but even in that 20%, it’s not just for myself, and sometimes someone I didn’t consider comes and demands money. So, sometimes I sold 10,000-yuan worth on the day, but I didn’t have anything in my hand.”[26]

For her smuggling business itself, A actively used her economic networks. However, when she was caught on the spot, she preferred to bribe her way out of the situation rather than use her network.

A: “If I’m caught smuggling on the spot, I bribe my way out of it because it’s the cleanest way. If I get to know a security officer that way, they can sometimes help me if something happens again.”[27]

If a bribe on the spot didn’t work and she was taken to a security station or detained, she used her networks of economic connection. A said she solved all problems (10 times out of 10 problems) through her networks, showing the very high utility of the networks.

미리 알려주고 그 지역을 피해 다니고, 다 이렇게 장사를 하거든요.”

[25] A, “나는 화폐교환 하기 3일 전에 알았어요. 그거 그거를 예 그러니까 화폐교환 하기 3일 전에 다 알려졌는데 북한에서 돈 있는 사람은 웬만한 사람 다 알았거든요.”

[26] A, “군대하고 법관 주는데 한 70% 나가고, 차 비용에 운전수 주는 게 한 10% 나가요. 그리고 내가 먹는 게 한 20% 되는데, 그 20%에서도 그게 혼자 먹는 게 아니고 혹시 또 생각지 않은 사람이 와서 또 요구할 때가 있거든. 그래서 나가고 나면 진짜 먹을 어떤 날에는 하고서 내가 오늘 한 만 원 벌었나 이렇게 했는데 돌아앉아 보면 없어요. 그럴 때가 있어 진짜로.”

[27] A, “밀수로 가다가 잡히잖아요. 현장에서 그냥 즉시로 처리를 하거든요. 현장에서 바로 처리하는 게 제일 깨끗하거든요. 근데 그렇게 처리를 해서 알게 되면, 나중에 또 뭔 일이 생겨서 그럴 때 조금 도움받을 때도 있긴 하거든요.”

A: “If I get caught ten times and I end up in the police station or somewhere, it’s all about the people in the network helping me, because otherwise I can’t get out of there on my own. If I get arrested, the officers in there know whose line I’m in, whom I am close to. So once I’m there, they reach out to my network and say, ‘A was in there,’ and my connection help me out of it.”[28]

A was caught smuggling in mid-2014 by a crackdown team. Her phone calls to and from Chinese partners were monitored and caught, and she spent more than one month in prison, narrowly escaping death. Afterwards, she realized that her social networks were not enough to continue smuggling without a political background, and she considered defecting. In fact, according to articles from the time, North Korea has been cracking down on smuggling since early 2014. In January 2014, the Military Commission of the Party’s Central Committee[29] issued a special order to crack down on those assisting smugglers, leading to more than 3,000 arrests, according to news reports. In late June 2014, North Korea intensified its crackdown on phone calls, and by the end of July, the country was conducting mass inspections in border areas (Kang, 2014, June 27; S. J. Kim, 2014, Feb 2; “북한, 국경지대 보안원 대대적 검열… 비리 뿌리 뽑겠다.”, 2014, August 5,).

A: “I was caught in 2014. People in my network warned me when censorship is going to be tightened, and they told me at the time that it was going to be someone from the Ministry of State Security. But I thought, ‘They can’t get me.’ I wasn’t worried because I was calling China several times a day for a long time and there was no one who could get me until then. But then they just caught me like that, and I couldn’t do anything about it because they were from the state. It was only because of my local networks that I was able to get out in about

[28] A, “내가 만약에 열 번을 걸려서 보위부든 경찰서든 어딘가를 갔잖아요. 그럴 때는 다 네트워크가 도와주는 거예요. 안 그러면 내 힘으로 가지고 내가 혼자 거기서 뭔가를 해서 나올 수가 없어요.”
[29] 노동당 중앙위원회 군사위원회

one month. Otherwise, I would have been dead."[30]

A: "I bought a hanbok from South Korea and it should not have Korean stickers on it, so I called an acquaintance of mine and told him to take off all the stickers and wrap it in Chinese and give it to me. And they eavesdropped and they had everything what I said, like 'Get rid of all the South Korean brands.'"[31]

Case B

In the case of B, her first husband was a police officer. Until the early 2000s, B and her husband used their political position to help people with their legal problems and earned an informal income from the bribes they received. People would come to them for help and give bribe, usually in the form of cigarettes or rice. In the early 2000s, when the troops were in Bocheon for government construction projects and the government gave rice to them. As more rice was released, more rice bribes came to B's family, and they made a living from it.

B: "For two years, we used to take the rice from people who came to my place for help and sell it wholesale to market rice vendors. In my hometown, people like me were called 'doigori-kkun (resellers)' for doing this. I remember that I sold it to the vendors for about 45 won per kilo at that time."[32]

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[30] A, "제가 잡힌 게 14년도. 검열이 강화되면 그때그때 알려주는데, 그때 당시 개네들이 나한테 알려준 거는, 야 이 국가보위부 사람이 나온다 했어요. 나는 너네가 잡아 봤자지 라고 생각했어요. 왜냐하면 나는 중국에 전화를 하루에도 몇통씩 하고 그래도 여태까지 나를 다치는 사람이 없었으니까 생각도 안 했거든요. 근데 어이없이 그렇게 딱 돼가지고. 이거는 국가에서 나온 거니까 어떻게 할 수가 없어요. 그나마 그 밑에 있던 사람들이 조금 힘을 써 가지고 이렇게 해서 그나마 한달여 만에도 나온 거예요. 안 그랬으면 죽었지."

[31] A, "(한국에서 한복을 사오는데) 한국 스티커가 있으면 안 되거든요. 그래 가지고 그걸 다 떼고 중국 걸로 포장해서 넘기라고 그렇게 전화를 했는데. 그것까지 다 잡혀 있더라고요. 그러니까 내가 그 한국 상표 다 떼라 이렇게 말한 말까지 다 있더라고 진짜 깜짝 놀랐죠."

[32] B, "그때 집에 뇌물로 들어오는 쌀을 받아 가지고 장마당 장사꾼들한테 도매로 넘겨주면서 2년간을 쌀을 팔았단 말이에요. 장마당에 팔죠. 쌀 장사꾼들한테. 우리 고향에서는 저 같이 하는 건 되거리꾼이라 했습니다. 그 사람들이 와가지고 그 당시에 제가 키로당 45원인가 딱 넘겨준 생각 납니다."

B: “My husband’s job was to deal with cases and people, so we had a lot of people coming to us, and we had bribes and things like that, so our life was quite good at that time.”[33]

After the troops moved to other city for other construction project, the amount of rice coming into her home was greatly reduced, and she turned to smuggling. B cooperated with smugglers to make some money. When she started smuggling in the early 2000s, she was able to avoid censorship because her husband was a police officer. A and C mentioned having a family background of police or security officer as the most important thing to succeed in their market activities, and indeed, B’s police officer husband made it easier for her to engage in smuggling.

B: “Law enforcement officers, such as security officer or policeman, are the safest.”[34]

B: “The smuggler next door recruited me into smuggling because she thought that since my husband is a police officer, no one would dare touch her if she had me with her, and since she would be searched at random moments if she left her things at her house, she would leave her smuggled goods at my place, and we would go together.”[35]

B: “Patrols were doing a raid in OO-ri, and when I showed up, they’d go a different way or stop the raid as if there was nothing there. Then we could take care of the contraband and come up.”[36]

These references can be seen as ‘a process of transition to economic capital

[33] B, “사건을 다루는 직업이니까, 사람 다루는 직업이니까 이렇게 찾아오는 사람들도 있었고, 도와달라 이런 게 있어가지고 또 좀 괜찮았는데.”

[34] B, "법일꾼들이 안전하지요.”

[35] B, "(옆집에 밀수하는 이웃이) 생각한 게 남편이 내 뒤에 있으니까 나를 데리고 다니면, 감히 누가 그러겠나, 이래 가지고 그렇게 해서 밀수의 길에 뛰어들게 되었죠. 제가 돈이 없는데 (밀수하는) 이런 사람들은 돈이 있으니까 짐을 사서 자기네 집에다 두면 임의의 순간에 숙박검열이 오니까, 짐을 우리 집에다 보관하고 같이 다녔죠.”

[36] B, "순찰대 사람들이 OO리라는 곳에서 단속을 했는데 나만 나타나면, 그 사람이 뒤로 돌아가고, 뭐 다른 게 없는 것처럼 막 내리고 그렇게 하고, 우리는 무사히 가서 처리하고 올라오고 그랬죠.”

through kinship networks in the political power' of the ruling elite that occurs in societies in transition from post-socialism (Choi, 2008).

However, a few years later, she was caught by the Central Anti-Socialism Group for participating in smuggling and sent to the Disciplinary Labor Center. B's husband was also dismissed. As a result, B was unable to use her husband's network and was sentenced to six months in the labor center. These examples illustrate that in North Korea, an individual's informal private economic activities cannot be fully guaranteed unless his or her political status is very strong.

> B: "When I was detained at the police station, my husband is a police officer, so I expected them to say, 'This person should be given a pass,' but they didn't, they were ruthless. They let the families of the Party members go, but not the families of the policemen."[37]

After the divorce, B tried smuggling on her own, but it wasn't easy once her political background was gone. B felt that she had to pay cover fees (bribes) to the army and that she could not handle all the requests for bribes, especially if she was caught on the spot, because she had no connections and could only solve them by paying bribes. Therefore, she started working as a porter for another smuggler. B was hired by D as a porter and solved various bribery requests through D.

> B: "I tried smuggling, but I can't do it alone, I have to pay the army to cover for me. But they came to me all the time. They come to me after the smuggling day and ask if I have anything for them. If they can't take anything, they ask me to steam some potatoes at least and give them a present, saying it's their birthday. I would have to give them all my money, so I thought I couldn't handle it, and then I went to D."[38]

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[37] B, "저를 보안서에서 취급하는데 그러면 그 사람 가족이기 때문에 이 사람은 봐줘야 되겠다 이래야 되는데 그것도 아니고 무자비합디다. 당 일꾼 가족은 봐줬는데 보안원 가족은 안 봐줍디다."

[38] B, "군대를 세웠으니까 카바비라는 걸 물어야 된단 말이에요. 수고비도 줘야 되지. 그런데 애들은 심심하면은 온단 말이야. 와가지고 밀수하면 뭐 좀 있는가 해가지고, 감자라도 쪄달라 오늘은 생일이다하니. 저로서는 번 돈을 개들한테 다 바쳐야 되겠더란 말이야. 그래야 이게 아니구나 이렇게 하는

On the side, B occasionally sells children's clothes and gloves made on her sewing machine, earning an average of about 10 yuan per month, albeit irregularly.

> B: "In winter it is cold there, so we need thicker gloves. I have sewing skills, so if the neighborhood ask me to make gloves, I make gloves, if they ask me to fix something, I sew it, and then they give me potatoes and barley rice, and that is how I earn extra money."

Overall, B had a very poor economic network. Although she had a network through her ex-husband, she was unable to utilize it to generate income after the divorce. Especially compared to A, it was clear that she suffered from a lack of information due to her lack of networks. She, not like A, was only aware of the currency reform when the government announced it. While A was able to obtain information in advance of the state censorship, B was unable to do so. In the mid-2010s, she was caught carrying contraband and detained at a labor center, but she was unable to utilize her network D's networks, and eventually broke free of her handcuffs with a pin. Assuming ten problematic situations, B can be considered to have utilized her network only one or two times.

Case C

In the early 2010s, C sold Chinese food brought in by smugglers. Unable to get a shop in official markets such as Hyesan Market, she set up stalls around the official market. Later, she earned money as a middleman, procuring herbs, copper, and other goods requested by smugglers. After the mid-2010s, she stopped doing risky work like smuggling because she was considering defecting. Since then, she has been selling vegetables, kimchi, and other products in the market.

C did not have a core network of economic relationships based on trust. While A's network of economic relationships consisted of building trust and trading with a small number of people, C's economic networks consisted of simple interests,

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게 아니라고 그래 가지고 D를 찾아갔죠."

mainly trading goods based on price. There were 8-10 people who exchanged price information and contacted each other, and about 10 people who brought, delivered, and traded goods from the interior. In addition, since C was doing business outside the official market, she knew one or two houses and paid them a fee to use the space or a fee to store her products.

> C: "I have people that I should contact whether I know him or not, and I have to call them all the time to know and compare the price information. Those calls are our lifeblood, our money."[39]

C's husband had a lower middle class political status that did not support building a network of police and security officers. As a result, she didn't have a 'cover-kkun' or someone to cooperate with and give bribes to on a regular basis. The constraints of her political status and lack of financial capacity prevented her from developing her own network and earning much more.

> C: "To smuggle, you have to spend a decade hardening the ground. First, you have to have a lot of money, and second, you have to have a lot of networks. I don't have any money, so I never thought about smuggling on my own."[40]

> C: "Smugglers use the army, and the army should not be ordinary soldiers. They should have one out of every four people in a chief security officer, an internal security officer, a company commander, and a political officer, and they should also know police officers … They've got their daughter close to the army. … Even if they can't smuggle, they have to give money to the officers in their network, even if it's just a bag of rice, even if it's just a few pieces of money, so

[39] C, "개인적으로 알고 모르고를 떠나가지고 거래를 하는 사람. 수시로 전화해서 이쪽 값도 알아보고 저쪽 값도 알아보고. 이렇게 해야 싶어서 전화 자꾸 해야 돼. 그 전화가 우리한테는 생명, 돈이라 해야죠."

[40] C, "그렇게 하려면 그 터를 십년을 닦아야 된대요. 그러니까 첫째로는 돈이 많아야 되고 둘째는 인맥이 많아야 되고 하는데. 저 같은 거는 제가 혼자 버니까 실제 우리가 번다는 게 돈이 얼마 되지 않거든요. 돈이 없으니까 애당초 저는 생각도 못했어요"

they have to have this mentality that if they make 100, they'll keep 10 and give the others 90."[41]

In North Korea, because of the lack of security officers, people who worked in factories and farms were assigned to conduct inspections and crackdowns on behalf of the security officers, whom the North Koreans call 'ttae-tu'. These ttae-tus from various security offices would come out on a daily basis and crack down on people who were selling outside of official markets. The people selling in the informal market, like C, should pay them bribes to continue their business. The ttae-tus were not a network that always cooperated, and people either begged or bribed to get their goods back.

Even distant connections that were not in regular contact or close acquaintances proved to be useful networks in times of crisis. When C was on her way to pick up a smuggler's goods and they are taken away by security, she didn't have the money to pay for the goods and her credit is on the line, so she needs to get them back somehow. C remembered that the husband of the sister of someone she knew from her business was the deputy head of the security department in Ryanggang. He was the only person she knew who could help her, so C went to her sister's house, bribed her and asked her to help find the confiscated items, and she was able to get her luggage back.

C: "It all came down to having connections, so I only gave money to deputy head and the woman I knew and was able to get the confiscated items out of the ΔΔ police patrol division without paying them a dime."[42]

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[41] C, "밀수하는 사람들은 군대를 다 끼고 하거든요. 군대도 군대를 낀다는 게 이런 평대원들 껴서는 안 돼요. 책임보위지도원 끼든 내부보위지도원 끼든, 중대장 끼든, 정치지도원 끼든 이 네 명 중에 한 명은 껴야 돼요. 그 다음 법관들도. … 또 자기네 딸도 친하게 만들어 놓고, 이런 집들이 좀 우리고 있었지. 밀수 못할 때도 쌀 한 가마니라도 다만 몇 장씩이라도 주구. 밀수하는 사람은 만약 이 물건을 넘겨서 내가 100만이 떨어진다면 10만만 내가 먹고 90만은 다 나간다는 이런 각오가 있어야 해요."

[42] C, "그게 결국 아는 인맥이 있어서 제가 ΔΔ 분주(순찰지구대)에서 돈 조금도 안 내고 (뺏긴 물건을) 그냥 뽑아낼 수 있었거든요."

C also stopped doing business with smugglers due to the crackdown in the border area in 2014-2015. After that, she made a living by buying vegetables from rural farms and selling them at marketplaces, and by selling kimchi and salted sources in the winter. During this time, her daughter, who defected from North Korea, sent her some money, so the income was at least enough to live on. In the late 2010s, she stopped selling vegetables because it was too cold in January and February and the business became more difficult. Later, until she defected, she made and sold handmade items requested from China as a side business. Her main products included hats, beads, knitting, wigs, and toys.

> C: "In 2014, 2015, the border was blocked, and there was nothing for me to do, so I was selling vegetables, kimchi, pickled radish, salted radish, things like that."[43]

C had no networks to use, and her utilization of the network was also low. There was only one instance where she was able to use her connections to get out of a crisis, but otherwise she was either arrested or bribed without any help from others. I would rate C's network usage at 1 out of 10, assuming 10 crises.

2) Kinship and Friendship Networks

Case A

A did not value friendship networks. She perceives all connections in North Korea to be about money and business, and she said she doesn't have personal connections like friends or classmates.

> A: "In North Korea you can't really have a friend, you can't have a friend who just chats with you like you do here in South Korea. While

[43] C, "2014년, 2015년에 연선을 막았어요. 연선을 막으니까 그 다음에 제가 배운 게 그건데 할 게 없잖아요. 그래서 제가 야채, 김치, 절임 무, 염장 같은 거 그런 것도 놓고 팔고 했거든요."

we are struggling to make a living, how can we dare to just sit and chat with friends? It can't be allowed. It's all about money and business. There's no such thing as a heart-to-heart relationship in North Korea."[44]

However, A had a close relationship with a socially influential person, considering the usefulness of the relationship. She knew the battalion commander of the region who lived in her mother's neighborhood. The battalion commander did not support or cover A's business, but A actively pursued the close relationship. She hung out with the battalion commander's family, gave gifts to their children during Lunar New Year and Chuseok, and shared the goods she had smuggled in.

The battalion commander did not engage in smuggling while he was employed, so he did not help A in the smuggling business until he retired. However, the battalion commander asked A for help after he retired because he had no money, and A actively developed a personal network with the battalion commander into an economic network.

A: "I was very close to the battalion commander in the region. Of course, the army was completely covered. The commander himself never covered or supported smuggling when he was in the army, but when he got out of the army, he told me he had no money and asked for help."[45]

A: "When I was smuggling cigarettes, sometimes the contraband is a lot. If I thought that if we got caught with the contraband and it looked like I couldn't handle it on my own, I would use the retired battalion commander. Even though he was out of the military, he was the last

[44] A, "북한에서는 정말 친구, 여기서처럼 그냥 수다나 떠는 친구 이런 게 있을 수가 없어요. 내가 먹고 살기 힘든데 어디 수다를 떨고 있어 이거는 진짜 허용이 안 돼. 그게 다 돈으로 다 엮이고 장사 거래로 엮이지. 순전히 진짜 막 마음으로 엮이는 게 없어요. 거기는."

[45] A, "친한 사람 중에 조금 힘 있고 그런 거는 그 지역 대대장하고는 되게 가깝게 지냈어요. … 군대는 완전히 커버가 딱 됐지. … 이 사람 자체는 군복을 입었을 때는 (밀수나 뒷선 봐주기를) 안 했어요. 그러다 본인이 제대를 하고 나니까 저한테 말을 하더라고 돈이 없다고."

battalion commander, so he still had power in the region, so I could make a lot of money for a while."[46]

Case B

B had a network of socially influential officers, within her kinship and friendship network, even if they were not very close. B's brother worked for the railroad police, and her brother's classmate worked for the security office. B's sister-in-law's cousin was also a police officer. Thus, B had a network of police, and security officers who had social influence.

However, B was not able to use this in her daily life. Because it's not about who you know, it was a network she couldn't use unless she paid for them. When she was caught smuggling in 2017, her sister-in-law's cousin was a police officer, so B used her to pass bribes to the officer, but she couldn't avoid punishment. B suspected that the cousin kept the bribe for himself without giving it to the security officer. Therefore, B couldn't be acquitted in the end and was sentenced to six months in the labor center.

B: (when the researcher asked why she couldn't use her network in a time of need) "Times were tough and hard. So, everyone was careful and asked for money when they helped. You have to give money to them, even if you know them. … People who don't have money will eventually be punished. … There's a saying in North Korea. Power begets wealth, and wealth begets power."[47]

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[46] A, "담배를 밀수하면서 그 짐이 조금 이렇게 많을 때 그니까 진짜 내가 혼자서는 조금 무리다 이거, 이 짐을 움직이다가 조금 떼우기(뇌물을 낸다는 뜻)라도 하면은, 사람이 나타나면 내가 혼자서 내 능력에는 좀, 내 힘에 부치다, 이럴 때 그 사람을 이용을 하는 거지. 대대장 하다가 제대는 했지만 그래도 그 지역에서는 아직 그 사람이 힘이 있는 거예요. 그래서 한 동안은 또 잘 벌어먹고."

[47] B, "(위급 순간에 왜 아는 인맥을 활용하지 못했는지 질문에) 시국이 어수선하고 힘든 세월이니까 다들 조심조심하고 돈 달라. 결국엔 아는 사람이어도 돈을 줘야.. 돈 없는 사람은 결국 가야죠. …북한에 그런 말이 있습니다. 권세가 재물을 낳고, 재물이 권세를 낳는다고."

When smuggler D defected and B lost job as a porter in the mid-2010s, B moved in with a friend who owns a pharmacy, running medicine errands and babysitting. She did not receive a salary but stayed at her friend's house in exchange for room and board. At the time, she had friends who worked at the market, so she spent time and chatted with them when she saw them on her way to run errands.

Case C

C didn't have anyone in her kinship, friendship network. She had a relative in South Hamgyong Province, but they were busy making a living and rarely visited each other. Neither C nor her sister had a phone at home, so they had to call from someone else's house and pay for it, so they didn't contact each other unless there was a reason, and they naturally lost touch.

3) Community Networks

Case A

A focused on economic activities and maintained few other networks. In North Korea, where formal organizations mobilize large numbers of people, A's lack of participation in community meetings was possible due to her financial capacity. She never attended school meetings, but often gave money to her child's teacher. She also paid the money and not attended SWUK meetings and official mobilizations of the People's Unit. B noted that a person could be excluded from all mobilizations if he or she paid 500 yuan a year.

> A: "I never had a public organizational life. In my neighborhood, I'm always someone who's not at home. If there was a people's mobilization, my husband asked, 'How much should we pay?' then the leader said, 'Pay five yuan.', and we paid five yuan, and didn't

attend."[48]

Notably, unlike the other interviewees, A had no close relationships with anyone in the People's Unit.

> A: "If you're clcose with your neighbors, then it became all gossip... Everyone knows who's coming and going to whom... it's complicated, so I just don't care what they're doing, I just don't look at them... I don't really need to know them."[49]

Case B

Unlike A, B had about six people with whom she interacted within a formal organization People's Unit. On People's Unit mobilization days, which were held about once a week, the group would gather for dinner and socialize after the workday. B was nostalgic for the days when she used to hang out with the People's Unit members. It suggests that the community networks overlapped with the friendship network, but these community networks did not translate into increased income.

> B: "We come and go close to each other, and if we have food, we share it. If it's my husband's birthday, then I set up a table at my house, and we gather, eat, and sing. There are many mobilizations of the People's Unit over there. Once we go to the mobilization, we pack our own lunch in the morning, and in the evening, if we have no food, we gather and have some potatoes porridge at least. And then on the Solar and Lunar New Year, and then on February 16th (the Day of the

[48] A, "(인민반이나 여맹 같은 공식 모임) 저는 아예 안 했어요. 진짜 조직 생활이라는 건. 저희 동네에서 저는 항상 집에 없는 사람이다, 이게 인식이 돼 있는 거예요. 저는 아예 없는 사람으로 치고, 오늘 인민반 동원인데 이렇게 반장이 말하면, 그래서 얼만데, 우리 남편이 또 그러면은, 오늘 그럼 돈 5원 내, 이렇게 하고 중국돈 5원 내고 그냥 그렇게 해요."

[49] A, "옆집이랑 친하게 지내면 그게 다 말세(뒷담화)가 되는 거예요. 저 집에서는 누구 왔다 가고, 이런 게 되게 복잡하고. 그래서 아예 저는 그냥 옆집에서 뭘 하든 상관을 안 하고, 아예 안 보거든요. … 저는 크게 사람 알 필요도 없고."

Shining Star), the Day of the Sun, on election day, athletic meeting day, we always gather, laugh and talk. I really miss that life here."[50]

Case C

In terms of community networks, she didn't participate in parent meetings in her children's school, and her children were mostly mobilized for her market business rather going to school. In the People's Unit, she was close to four or five people, and they hung out together when they were mobilized for several events. C's social and community networks also did not have a direct and positive impact on her income.

C: "When it's my birthday, all my friends come and hang out. When someone says they dig out green onions, then we all go over there and eat together. We go over to this house and that house, gather and have some food together. Because we can't go to restaurants in North Korea because it's expensive."[51]

4) Conclusion

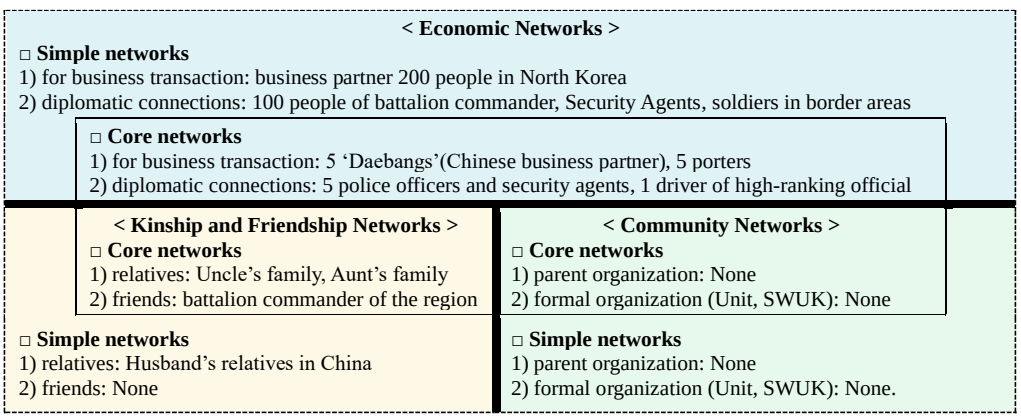
A, who was at the top of the informal income ladder in North Korea, had particularly large economic networks that were dense in both quantity and quality. There were about 20 people in her core network and more than 300 people in her

[50] B, "서로 가깝게 왔다 갔다 하고 서로 음식이 있으면 나눠 먹고. 우리 집에 영감이 생일이다 하게 되면 상 차려놓고 와서 먹고 가고, 손뼉 치며 앉아 노래 부르고. 인민반이 또 화목한 게 뭐냐 하면은 선생님 저기는 인민반 동원이 많단 말이에요. 한번 동원에 나갔다 오게 되면은 정심에는 각자 도시락을 싸가지고 가고, 저녁에는 없으면 감자라도 이렇게 모여 가지고 그걸로 갈아서 죽을 쑨단 말이에요. 콩 넣고 쌀 좀 넣고 이래 가지고 죽 써서 그거 갖고 모야 앉아 죽이라도 먹으면서. 그리고 음력설 양력설 그다음에 무슨 북한에서 말하는 2월 16일, 태양절 이럴 때 다 모여서, 선거하는 날, 그래 가지고 체육대회도 늘 열고, 그리고 웃고 떠들었는데 여기 와서는 그 생활이 참 그립습니다."

[51] C, "생일이다 하면 그 친한 사람들이 다같이 몰려가서 놀고, 그 다음에 누구네 집에서 파를 캤다고 하면 먹으러 오라, 해서 또 그 집에 가서 하나 먹고. 이 집에 가서 모여 먹기도 하고. 북한은 식당이란 데를 못 가니까요."

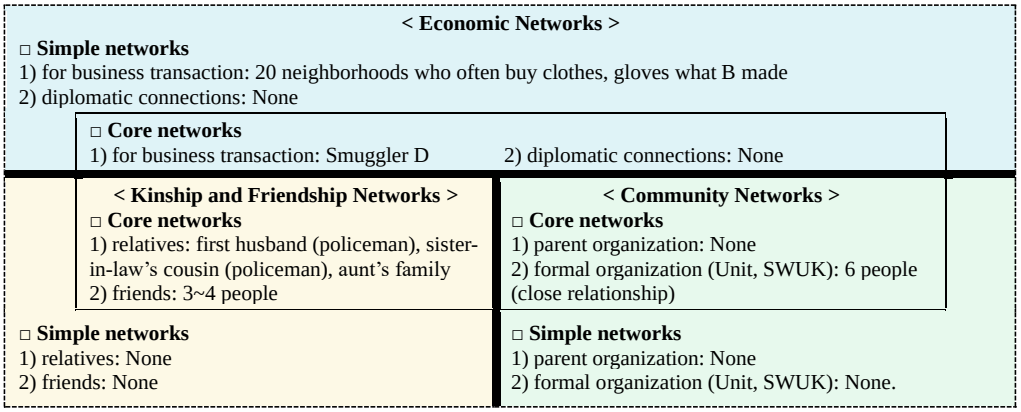
network who simply cooperated with her. The 20 key people in A's economic network were different from the 20 people in C's economic network who simply shared information and trade. People in the core network of A's economic network had real political power and established a symbiotic relationship with A. A's network was also highly utilized, as she mentioned that she relied on people in her network 'ten times out of ten' to help her through crises. In A's case, the friendship network was quantitatively small but qualitatively strong, with one person in the friendship network having a great deal of influence. A also actively developed this network into an economic network. This thick economic network played a key role in increasing A's informal income and was an important factor in her ability to move up the economic ladder through successful market activities.

Figure 1. Social Network of Case A



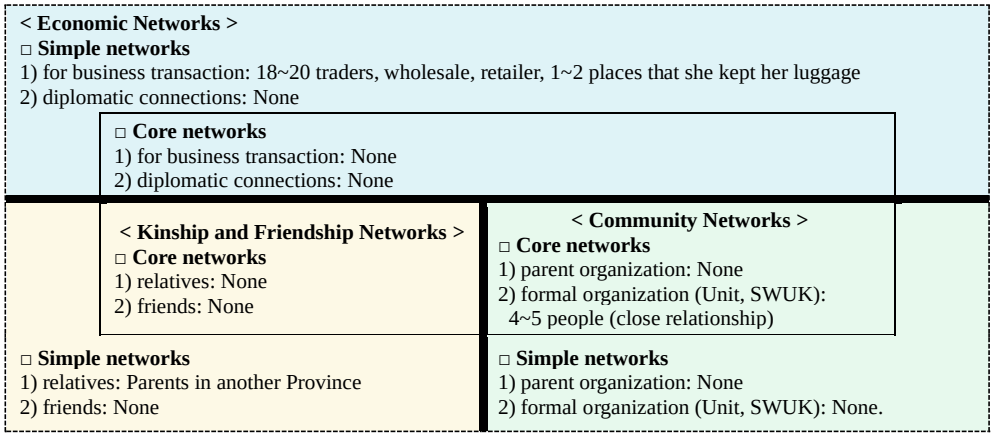
B has very few connections in the economic network. While B's kinship network is considered thicker than that of A or C, the political influence of the people in her network is small and she lacks the personal capacity to fully utilize it. Because of her lack of personal and financial capacity, she was unable to develop her kinship·friendship networks into economic networks that contributed to income growth. This suggests that unless you have a politically influential person in your immediate family who is related by blood or marriage, financial resources are essential to using kinship networks for successful market activities in North Korea.

Figure 2. Social Network of Case B



C also did not have the resources available to her in terms of economic or kinship networks. With a farmer husband, she was at a lower social and economic level, and the structure of North Korean society did not allow her to build the networks she needed to improve her economic status. In fact, she had no network to help her in a time of need, and the only time she was able to get help was by bribing an official through someone she knew only on a face-to-face basis. She had some community networks, but these were not used positively to increase her income. On the contrary, I found that community networks increased when the situation was negative for market activities, such as taking a day off work and being mobilized for the people's group.

Figure 3. Social Network of Case C



According to J.S. Mill's 'Joint method of agreement and difference', we can find causal relationships by finding the same antecedents for the same phenomenon and different antecedents for different phenomena (Baronett, n.d.). In the case of this study, it is not a controlled experiment, and given the characteristics of the cases and the number of cases, there are limitations in concluding that there is a 'causal relationship' based on whether the conditions are met. However, since the joint method of agreement and difference is a reliable argumentation method for confirming causality in a small number of cases, I will refer to the joint method of agreement and difference to confirm the facts set as research questions.

By analyzing A, B, and C through the joint method of agreement and difference, I found that B and C, which had the lowest informal income and the lowest utilization of networks, had the lowest thickness of economic networks, while A, which had the highest economic class and the highest utilization of networks, had the highest thickness of economic networks. In other words, the resources of economic networks that economic subjects could mobilize had a positive effect on the increase of the informal income of North Koreans.

Table 7. Summary of the Thickness of Social Network and Market Activities

	Thickness of social network	Successful Market Activities
A	o Thickness of social network: good - economic network: good - kinship·friendship network: poor - community network: poor	Highest informal income Best use of network (10/10)
B	o Thickness of social network: poor - economic network: poor - kinship·friendship network: fair - community network: fair	Lowest informal income Worst use of network (1~2/10)
C	o Thickness of social network: poor - economic network: poor - kinship·friendship network: poor - community network: fair	Lowest informal income Worst use of network (1/10)

Kinship networks outside of an individual's immediate family were not a sufficient condition for increasing informal income for North Koreans. Kinship networks had a positive effect on economic income growth when they had the potential to be transferred to economic networks through the intermediary of money. Choi (2008) found that kinship networks of family and relatives played a key role in the transition from political to economic class in North Korea during 2003-2007. However, this study provides a new finding that in recent North Korean society, kinship networks are not sufficient unless they are immediate family members, and money must be a mediating factor.

Community networks, meaning public ties in North Korea, were inversely related to the informal income level. This is because those with higher incomes and higher economic classes are less likely to be mobilized into the general organizational life of the community, and thus do not experience situations in which they are forced to form relationships.

Thus, with respect to the first research question, this study found that among North Korean women who engaged in market activities, those who had stronger economic networks among different types of social networks were more successful in their market activities than those who did not.

5.3. Level of Awareness about Social Network

Level of awareness about social networks was assessed through the question "which factors are important for successful market activities in North Korea?" In the first interview, awareness was measured by asking respondents to freely name five factors.

1) Level of Awareness of each Cases

Case A

A mentioned that the most important factor is family background (power, family of law enforcement officers). The second was money. The third factor was social networks, which she believes are formed naturally with money.

> A: "First of all, if you want to do anything, you should know many people and have background like family or something else. Family background is more important than money. If there's someone with less money but more power, they can get away easily when something happens. Even when they make same mistake as I did, it was easier for that person to get away. When I was called in by the authority with another person who had same issue, that person was able to get out on that day, because that person had a family member working at the authority. My background was what I paid for, so if I give them bribes, the person who got the money had to talk to another person in charge to take action. But those with families can do it by themselves. So, I had to stay there for longer period than her even if I spent more money."[52]

> A: "Then, money. People would naturally come around you as they follow the money."[53]

In addition, A mentioned the importance of general relationships. In particular, the reputation of the people around her was very important. Basically, because market activities are illegal in North Korea, she thought that if she was disliked by her neighbors, she could be 'speared,' as they say in North Korea. This is because if she was hated, someone else will report her for smuggling through their military

[52] A, "그게 뭘 하려고 하면 우선 그러니까 아는 사람이 많아야 되고, 뭐랄까 기본 집안이라든가 아니면 내 뒤에 백이 있어야 돼요, 아무리 돈이라고 해도 백 뒤예요. 나보다 돈은 조금 적지만 직위가 있고, 권력이 있으면 뭔 일이 생겨도 쉽게 빠져나가더라고. 나하고 똑같은 죄를 지어도 그런 사람은 쉽게. 내가 만약에 이 사람하고 똑같은 죄를 짓고 들어갔는데 이 사람은 그날로 나왔어. 자기 직계 가족이 거기 있으니까. 그런데 나는 돈으로 한 사람들이잖아, 그 사람들도 자기가 직접 나서는 게 아니고 또 이렇게 누군가를 해야되잖아. 그러니까 나는 애랑 같은 돈을 쓰면서도 나는 거기에 더 있는 거예요."

[53] A, "그 다음에 돈. 돈이 있으면 그 돈을 따라서 주변에 사람이 형성돼요."

line, and since she had military line, she might not have been punished but she would still have to bribe someone new.

> A: "(Besides social networks) You need good person to person relationship. If I don't have a good personality and drag people down, people would talk about my business on how I made money by selling things. I might not be caught directly just because of that, but if I made 100 yuan, I would have to pay 10 yuan just because of that. So that will happen if you have a bad relationship. So, the best thing you could do is to not to harm other people and don't be harmed."[54]

> A: (When a North Korean person was trying to sell false product) "Even when I found out about it, I would just buy things in most cases. Cause people who sell things in small quantities have a tough life. When you buy such product, relationship with the people matter, if you are too strict, they might spear you. You need to have good management about it."[55]

She said that most of the local police officers knew who she was and wanted to get along with her, which she attributed to the fact that she never revealed that she had bribed police or security officers, which built trust.

> A: "When I give something to someone, I never talk about it. Police, security officers and people in the military had this idea that 'if you get something from her, she won't talk about it.' Others in the same business usually talked about it but I never did. So the person who got

[54] A, "(네트워크 외의) 인간관계도 좋아야 돼요. 내가 인성이 안 되고 내가 진짜 막 이 사람을 막 물고 늘어지고 이런 게 있으면, 어떤 사람이 가서 야 재네 어디서 이렇게 사람 몇 명 와서 지금 얼마큼 넘겼대 이렇게 말을 하는 거죠. 그러면 잡아가거나 그러지는 않지만, 중국 돈 100원을 벌었다 하면은 애 때문에 10원을 또 주거나 이렇게 해야 되거든요. 그게 결국은 사람이 사람 관계가 나쁘면 그렇게 되는 거예요. 그러니까 최대한 나는 남한테 해를 끼치지 않고 나를 다치지 않는 다음에는 그거를 안 하려고 하는 거죠."

[55] A, (북한사람이 물건을 속여서 팔려고 할 경우) "발견이 돼도 그런데 저희는 사는 사람이니까 웬만하면은 그냥 다 사주거든요. 조금씩 들고 오는 사람들은 사는 게 다 어렵잖아요. 그런 물건을 사면서도 사람과의 관계도 많이 중요해요, 너무 야박하게 하면 뒤에서 이렇게 창 놓고 (공격하고) 그런 것도 많거든요. 그러니까 그런 것도 잘해야 되거든요."

something from me could keep it a secret. They helped me out because there was no word of mouth or anything like that happening."[56]

In addition, the trust of the porters contributed to her income. When caught in the act of smuggling by security officers, A would let the porters go and take herself in. From A's point of view, this was a choice to be flexible by using her networks, but it was also an incentive for the porters to trust her and join her business over others.

A: "If I get caught, I know what not to tell (to reduce amount of bribe), but these porters don't konw, and they would just tell everything they saw. So if these people get caught, I would only think about a way to let them out, and tell the officers to just take me instead of the porters. So the words were spread that I would let porters go and I would be arrested instead. So some porters who already had pre-arranged work would cancel their plan and come to be my porter if I call their representative and ask whether they would want to work for me."[57]

Case B

B, who comes from a family of police officers, prioritized money first, social network second, and family background third. This is because B had a network of family connections but was unable to capitalize on them due to a lack of financial

[56] A, "법관사람들의 개념에 인식이 '재한테서 뭔가를 받아먹으면 누설을 잘 안 한다' 이거를 알거든요. 저는 누구한테 뭔가를 주면 잘 말을 안 해요. '그 사람한테, 내가 너한테 얼마를 줬는데' 이거를 다른 사람한테 절대 옮기지 않거든요. 저처럼 이렇게 장사하는 사람들은 나 누구한테도 이만큼 줬는데 이런 말을 잘하거든요. 근데 저는 그런 말을 절대 안 해요. 그러니까 저한테서 받아먹은 사람은 그게 비밀로 남는 거예요. 나중에 그것 때문에 말이 나거나 이런 일이 없으니까 그게 도와주더라고 사람이."

[57] A, "내가 잡히면 내 선에서 이렇게 말을 줄여서 말하고 (뇌물을 덜 주기 위해) 머리를 굴려서 할 수 있는데, 이 사람들은 그런 게 없으니까 보면 본대로 다 말하거든요. 그러니까 이 사람들이 잡히면 그 자리에서 그 사람들을 꺼내는 것부터 생각하고, 이 사람을 빼고 나를 데리고 가라고 해요. 그러니까 당시에 소문이 많이 난 게 나는 짐꾼이 잡히면 내가 가려고 하고, 짐꾼들은 다 빼준다, 이게 그 사람들이 머리에 다 박혀있는 거예요. 그래서 예를 들어 내가 짐꾼인데 내가 오늘 저녁에 다른 사람 짐꾼으로 나가기로 했는데, 우리쪽 일이 있으면 이 사람은 원래 가려던 쪽을 취소하고 나한테 오는 거예요."

ability.

> B: (when the researcher asked why she couldn't use her network in a time of need) "Times were tough and hard. So, everyone was careful and asked for money when they helped. You have to give money to them, even if you know them."[58]

In other words, B's lack of money prevented her family's networks from translating into increased income. In addition to money and family background, she also mentioned the importance of business type. In B's mind, it was a matter of whether she was smuggling or doing business in the marketplace, and her income varied greatly.

Case C

Like A, C said that the most important factor is family background (political power, family of police and security officers) and the second is money. The difference with A is that C said that other factors are not important. In particular, she emphasized that her first choice, family background, means 'political power.'

> C: "First thing is power; second thing is money. The best case is if you are a family of police or security officers. Money can't even breathe in front of power. There's saying in North Korea that the power comes before money."[59]

In the second interview, when asked to list and rank the factors mentioned by the other interviewees, she ranked social networks third.

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[58] B, "(위급 순간에 왜 아는 인맥을 활용하지 못했는지 질문에) 시국이 어수선하고 힘든 세월이니까 다들 조심조심하고 돈 달라. 결국엔 아는 사람이어도 돈을 줘야. 돈 없는 사람은 결국 가야죠. …북한에 그런 말이 있습니다. 권세가 재물을 낳고, 재물이 권세를 낳는다고."

[59] C, "권력, 두 번째 돈. 법관 가족이면 제일 좋지요. 그러니까 권력 앞에서는 돈이 숨 못 쉬더라고요. 그 다음 돈이면 끝이죠. 인맥이란 게 뭐 필요 없어요. 북한 인민들 속에서는 말 도는 게 권력 다음에 돈이지, 이런 말이 있거든요."

C: "So it's about people you know. When I was caught in ΔΔ police patrol division, thanks to an acquaintance, I didn't have to pay to get my confiscated items back."[60]

C: "Security officers, police officers and everything. You use these connections to make a phone call and get out."[61]

The fourth factor was reputation or credit. She mentioned that the credit she had built up had opened up opportunities for her to make more money. C was caught carrying smuggled goods twice and the officers took the goods away from her because she couldn't bribe her way out of the situation, and both times she refused to say who the smuggler was. This increased her credibility and improved her reputation.

C: "So my credibility has gotten better. When I was caught, I would not talk about who the smuggler was until the end. So, one smuggler gave me 20 casks of oil for credit, and I brought it to Hyesan and the oil price increased significantly on that day. On that day the other smugglers gave me beer that they had. I made 300 yuan with the oil in a single day."[62]

2) Conclusion

This research did not find any common or different characteristics among interviewees in terms of the relationship between the level of awareness of social

[60] C, "그게 결국 아는 사람, 그 아는 인맥이 있었으니까, 제가 잡힌 게 ΔΔ 분주(한국의 순찰지구대)거든요. ΔΔ 분주에서 돈 조금도 안내고 제가 (빼앗긴 물건을) 그냥 뽑아낼 수 있었거든요."

[61] C, "보안원, 보위부, 검찰서 그렇게 다. 그런 사람들 인맥을 통해서 전화 한 통이면 그저 쭉 풀려나죠."

[62] C, "그런 신뢰가 내가 또 더 높아진 거. 나는 끝내 불지 않았어요. 그러니까 한 집에서 날 기름을 20통인가 주더라고요. 외상으로. 그래 그걸 끌고 왔는데 혜산 내에서 기름값이 막 올라가고. 또 그 날 이 집에서도 맥주 있다고 날 주고, 이 집에서도 맥주 있다고 날 주고, 이 집에서 기름이 20통인가 있다고 주고 해서, 가자마자 활 팔려요. 그 다음에 기름값이 쫙 올라가서 하루에 중국 돈 300원 벌었거든요."

networks and whether they were successful in their market activities. A, who gave low importance to social networks, had the highest level of informal income and the best utilization of networks. B, who placed a high value on social networks, had the lowest level of informal income and the lowest level of network utilization. C's income level and network utilization were low, and the importance of social networks was low.

Table 8. Summary of Awareness on Social Network

	Thickness of social network	Successful Market Activities
A	Importance of social network, 3rd * Family background (power, family of police, security officers) > money > social network > reputation, credit	Highest economic class Best use of network (10/10)
B	Importance of social network, 2nd * Money > social network > family background > type of business	Lowest economic class Worst use of network (1~2/10)
C	Importance of social network, 3rd * Family background > money > social network > reputation, credit	Lowest economic class Worst use of network (1/10)

In the cases of the three interviewees, their subjective awareness of social networks was related to their experiences in the market rather than to their market activities. B lost her political status in the course of her informal private economic activities and was lowered to the lowest economic status. She was able to utilize her family's network to form connections with police and security officers, but due to financial difficulties, she was unable to utilize the officer network well. Therefore, she seems to give more importance to money than to family background.

On the other hand, A and C said that belonging to a powerful family is the most important thing in North Korea. This suggests that it is not easy to overcome the constraints of the political class system in order to move up the economic ladder. Choi (2008) concluded that economic class alone could not overcome political class in North Korea in the early 2000s, and A and C's perceptions suggest that this reality has not changed much in the late 2010s.

A, B, and C all rated money as the first or second most important factor. This

is because money plays the most important role in maintaining and managing social networks. Choi (2008) also sees the establishment and mobilization of informal networks as a channel through which some of the economic surplus generated by the private sector is transferred to those at the top of the political hierarchy.

Through the interviews, even interviewees not mentioned directly, I could find that credit and reputation are important factors in maintaining and developing economic networks that contributed to increase in actual income. The importance of credit is likely due to the fact that most economic activities for informal income in North Korean society are illegal.

This made it difficult to confirm the study's second research question, 'Among North Korean women who engaged in market activities, those who perceived social networks as important were more successful in their market activities than those who did not.'

5.4. Impacts of Sanctions on Market Activities

1) Around 2013

The international community, including the United Nations, has continued to impose sanctions on North Korea as the regime continues to develop weapons of mass destruction, including nuclear tests. The effectiveness of sanctions against North Korea is affected by the cooperation of relevant countries. If there is a 'black knight' in the implementation of sanctions, the policy effectiveness of sanctions is reduced (Hufbauer, Schott, Elliott, & Oegg, 2007). In the case of sanctions against North Korea, the effectiveness is greatly affected by the cooperation of China. Since 2013, China has shown some cooperation with implementation of sanctions against North Korea. Leaving aside how the adoption and implementation of these sanctions have affected the North Korean regime, this chapter examines the impact

of sanctions on the livelihoods of people along the border.

Interviewees did recognize the existence of sanctions when they lived in North Korea.

> C: “We heard about sanctions. So through so called ‘news.’ it is repeatedly mentioned in news and in newspapers. The American invaders are pressuring us economically and isolating us in the world, but we stand proud kind of stuff.”[63]

While interviewees did not know how China implemented the sanctions directly at the government level, they noted that there were changes on the Chinese side of the border starting around 2013. This was particularly felt by A and B, who were primarily doing business across the border, rather than C, who was doing business inside North Korea. A noted that China began to tighten smuggling controls in 2013, which led to the demolition of most of the barracks on the Chinese side of the border. In fact, in early 2013, China issued instructions to its maritime customs, public security, and frontline troops to strictly implement the Security Council sanctions against North Korea (UNSCR 2087, 2013, January 22) in response to North Korea’s long-range missile launch in late 2012 (Cha, 2013, Mar 8). Later, an additional sanctions resolution (UNSCR 2094, 2013, March 7) was adopted in response to North Korea’s third nuclear test on 2013, February 12. As a result, the frontier forces were reinforced, and smuggling crackdowns were intensified.

> A: “I think in 2013? It was a year before North Korea strengthened its monitoring, things started to show. In China, there were saying that special forces came, and the Chinese people made their posts along the border and removed sites used by smugglers and closed the route.

[63] C, “(제재를) 알거든요. 그러니까 여기로 말하면 뉴스지. 뉴스에도 계속 나오고 신문도 계속 나오고. 무슨 미제 침략자들이 우리 무슨 경제적으로 우리를 압박시키고 세계적으로 우리를 고립시킨다고 해도 우리는 당당히 나간다.”

And they set wire fence along the Chinese side of the border."[64]

B: "There was harsh monitoring. Like from 2013 or 2015 something. China set fences along the border. Some Chinese people made their own sites at the border, and they were removed by officials. These sites were used to greet smugglers, but they were gone one by one."[65]

The adoption of sanctions against North Korea and China's participation in their implementation posed a direct threat to the livelihoods of North Koreans who made a living from smuggling activities in the Amrok River border region. This reference to smuggling controls was also mentioned by B and C.

A: "As they banned smuggling, nothing's working. If smuggling is prohibited in the border area, nothing works."[66]

B: "I'm not exaggerating. 80% of people in Bocheon were involved in smuggling."[67]

C: "In Hyesan, if smuggling is prohibited, all the living goes down."[68]

The impact of sanctions on North Korea is not so much about the sanctions but about how China enforces them. When China has shown a strong commitment to sanctions, we can see the negative impact on border residents, especially women engaged in market activities, as border controls are tightened.

In 2014, North Korea also began a major crackdown on smuggling in border

[64] A, "13년도인가? 그러니까 북한에서 그러기(단속하기) 1년 전부터 그랬어요. 중국에서 그런 거는 그때 중국에서 말이 도는 게 특공대가 들어왔다고 그런 거지. 중국에서 그래서 국경 쪽에 이렇게 국경 옆쪽으로 이렇게 중국 사람들이 이렇게 막을 치고, 그리고 밀수하던 걸 그걸 막을 아예 다 폐쇄했거든 걷어버리고. 그리고 국경 쪽에 철조망을 다 친 거예요."

[65] B, "단속을 얼마나 했는지 모릅니다. 13년? 15년도부터? 그때부터 중국에서 철조망을 다 했으니까. 중국 사람들도 연선에 나와서 막을 짓고 있었는데 그 막들이 하나 둘 철거됩디다. 그 사람들이 같이 맞을 수 있는 그런 막들이 하나둘 없어지더란 말이에요."

[66] A, "밀수를 막으니까 모든 게 다 안 되는 거예요. 밀수 막으면 진짜 국경지대는 다 안 돼요."

[67] B, "보천 주민의 80 퍼센트가 밀수를 했다 해도 과언이 아니예요."

[68] C, "혜산은 밀수 막으면은 생활이 벌써 다 내려요. 밀수만 막으면."

areas. A noted that in 2015, officials of the Ministry of State Security suddenly came and cracked down on smuggling, and as the central party was involved in the crackdown, local security officers in the Ryanggang province hunkered down. Through wiretapping and surveillance, the agents caught the smuggling going to and coming from China. Since then, A's network of economic connections has become less effective, and smuggling has become increasingly difficult due to the stricter crackdown.

> A: "At the Security Department of Ryanggang, a person from the Ministry of State Security came and arrested people there. I was kept there for more than 1 month and spent a lot of money inside to get out. After I was released by spending a lot of money, everything changed. If I made a slight mistake I might have died inside."[69]

> C, "They strictly banned smuggling from 2014. During 2014 and 2015, smuggling was really banned and there were some people who were willing to spend 90 of 100 profit to law enforcement officials and just take 10. If you get caught during the crack down, if you made 100, you would have to pay 100 back to them."[70]

2) After 2016

Scholars studying North Korea focused on the development of markets from below as a factor in the stability of the North Korean economy in the early to mid-

[69] A, "양강도 보위부에 국가보위부 산하 그 사람들이 와 가지고, 잡아넣는 거는 양강도 감옥에 넣고, 취급은 국가보위부 사람이 하는거에요. 그래 가지고 한달 넘게 거기 갇혀 있었어요 그 동안에 진짜 돈을 엄청 썼거든요. 거기에다가 돈을 쓰고 그렇게 하고 나오니까 모든 게 달라지더라고요. 그러니까 그때 당시에 조금만 잘못했으면 내가 그 안에서 완전히 죽을 수도 있는 그런 상황이 됐거든요."

[70] C, "2014년 그때부터 밀수를 완강하게 딱 막았거든요. 14년 15년 이때부터 북에서 밀수를 완전히 막진짜 개인들이 내가 오늘 이 물건 넘겨서 이득이 이만한 게 나온다. 간단히 말 하면 무슨 100만이 나온다 하면은 내가 10만 원을 가지고 90만 원은 다 법관들 먹여야 될 그런 각오를 가진 사람들이 몇은 있었어요. … 여단서 들이친다던가 이럴 때는 내가 100만 원 벌자고 시작한 일이 100만 원을 거꾸로 토해 놔야 되거든요."

2010s, before sanctions were imposed (Choi, 2020). Prior to the tightening of smuggling controls, informal market activities by ordinary people were not only used to make a living, but also to meet the demand for goods in North Korea and to stabilize the economic lives of those in political power through bribes. Thus, an analysis is required to examine how sanctions influenced such ordinary people's lifestyle.

C noted that with the stopping of smuggling, North Korean companies have begun to conduct more direct trade with China after being officially granted a 'WAK.' A WAK is trade license and quota that allow North Korea's state-owned trading companies to operate.

> C: "All smugglers disappeared and what happened was that the government issued WAK and people used that to trade with China and such system developed further… So those with capital, women with money (donjus) had police and security officers working with them and got the WAK which made their work a government's work. For them with WAK, it was legal. … Chinese cars with large storage came in and took things out. Like trees, herbs and everything. And they bring back rice, to begin with and other items for living such as clothes, electronic appliances and they were all Chinese. They have also prohibited smuggling, so all individual smugglers disappeared."[71]

A review of relevant research and media reports on the background of these smuggling controls and the expansion of trade permit (WAK) issuance suggests that as sanctions reduced the North Korean authorities' foreign currency revenues,

[71] C, "(2016년 이후에는) 밀수꾼들이 다 없어지고 그 다음에는 어떻게 했는가. 국가에서 와크를 받아가지고 중국 사람들하고 이렇게 무역을 하는 이런 게 더 발전됐어요. … 그게 다 돈주들. 북한에 돈 있는 여자들이 다 끼고 법관이고 뭐고 끼고 와크를 받았다 할 때는 국가적인 장사거든요. 이 사람들은 합법적인 거예요. … 중국 차가, 적재함이 기다란 차가 저기 들어와서 싣고 나가거든요. 저 손에 나무고 약초 다 가져간다고. 그리고 넘어오는 게 무슨 중국 쪽에서 쌀 우선 첫째 들어오고, 그 다음에 물건 있잖아요. 거기 다 이 생활용품. 옷. 그 다음에 무슨 가전제품. 이게 몽땅 중국 물건이거든요. … 그러면서 밀수를 다 막았거든요. 개인 밀수꾼들이 다 없어졌어요."

they issued WAK in a flexible manner to raise foreign currency. It is also quite possible that organizations operating under the WAK may have tightly controlled individual smuggling to secure their own trade revenues.

Lee and Yang (2018) point out that the qualification requirements for trading units have been significantly relaxed in North Korea since the mid-2010s and assess this North Korea's loosening of trade permit (WAK) controls provide the state with a steady stream of tax revenue. Previously, each institution, business center, etc. had to establish a trading company and submit a plan before being able to conduct trade transactions. However, since the mid-2010s, it has been possible to become a 'trader' without establishing a company, as long as it meets the criteria for a business license. A facility called the 'General Trade Center' was established to provide a one-stop service for various procedures. In other words, since the mid-2010s, trade transactions through WAK have increased due to decentralization and efficiency. According to Lee and Yang (2018), this change in control has the effect of shifting the risk of changing market conditions to the trading entity, while the state receives a steady stream of tax revenue.

North Korea's party and trade organizations are enjoying privileges as a result of 2016 U.N. sanctions, RFA reported. According to the report, when U.N. sanctions went into effect in March 2016, North Korea restructured its trade organizations, renaming them under the Workers' Party's 39th Workers' Office and military companies and giving them a WAK. At the same time, it noted, the trade organizations have become more active under the WAK as smuggling and other trade routes into North Korea have been blocked. RFA's May-June 2016 report noted that competition for WAK has intensified among North Korea's foreign currency earning organizations, which are trying to keep individual 'donju' in check to increase their own sales (Jung, 2016, May 26; Kim, 2016, June 19).

North Korean sources who spoke with RFA emphasized that the items sold by official trading companies that have received WAKs include logs, wild plants such as ferns and mushrooms, wild medicinal herbs, minerals including zinc, copper and

gold, and soil, including limestone, all of which have been designated as WAKs and are exported for money (Kim, 2016, June 19). Most of these items that mentioned above are the main items that A was trading with China, B was smuggling, and C was supplying the smugglers. Recent reports also suggest that the North Korean authorities need foreign currency and have decided to issue WAKs to individual smugglers, allowing them not only to trade officially but also to smuggle as long as they pay the authorities (Jang, 2020, May 29). These measures result in increased competition and scrutiny between trade organizations with WAK and individual smugglers.

A, who defected in the min-2010s, said that smugglers buy and sell inferior quality goods at a lower price, but official trade requires quality assurance and high customs fees, making it impossible to source quality goods within North Korea, so it is unlikely that smuggling was controlled to expand WAK. However, based on the comments of C, who defected in the late 2010s, and related media reports since the adoption of the UN sanctions in March 2016, it seems to be true that competition for WAK has intensified within North Korea, as has competition for trade items and supplies, and that North Korea's official institutions have further restricted smuggling by ordinary people for their own trade.

In addition, as sanctions have been tightened in earnest, China has significantly increased its customs crackdown and border security. For women smuggling in North Korea's border region, this has meant the disappearance of the social network as a trade line. The combination of these factors had made it increasingly difficult to operate in the informal market in North Korea since the mid-2010s.

In border areas before sanctions, residents made a living from smuggling, but as sanctions tightened border controls, it became more difficult for ordinary people to make a living and provided an opportunity for economic gain for the North Korean authorities. As North Korea loosened trade controls in the mid-2010s to overcome a decline in foreign currency due to sanctions, trade organizations began

to compete with and control private traders. In addition to that, authorities tightened smuggling controls, which led to the defection of A, who was at the top of the economic ladder. C also felt insecure and stopped smuggling when smuggling controls were tightened, and her income dropped by 50 percent. C mentioned that many smugglers defected to China during the smuggling control. B lost her job when her employee defected. Even taking into account the fact that all three were defectors and the small sample size, it is clear that the tightening of border controls has caused economic hardship for all three interviewees. This suggests that even if tough sanctions are adopted against North Korea, if the implementation process is not closely managed and monitored, the damage could eventually be passed on to the general population.

Chapter 6. Conclusion

6.1. Summary

This study built on the existing literature on North Korean women's social networks and market activities and developed the topic to examine the relationship between the social networks of North Korean women in Ryanggang Province and their success in market activities, including informal income levels and network utilization. This study posed two research questions and sought to determine whether the cases studied met them.

Regarding the first research question, I could find out that those with stronger economic networks would have been more successful in market activities than those with weaker economic networks. When North Korean women have stronger quantitative and qualitative economic networks, they tend to have higher incomes and higher utilization of networks. On the other hand, kinship·friendship networks, even when strong, had no direct impact on income and were less utilized unless the immediate family members connected by blood were of high political status. For kinship networks to have a positive impact on income, they needed to be backed by financial resources to lead to economic networks, and when they were not, kinship networks were underutilized. The ability to build and utilize networks was a function of individual capacity, but those at the bottom of the economic ladder were structurally disadvantaged in terms of opportunities to build these networks. Community networks were also not found to be directly related to market success.

The second research question, 'women who perceive their social network as important will be more successful in their market activities than those who do not', was not supported by this study. Interviewees who did not have a political background, such as security and police officers in their family, prioritized family background as the most important factor. On the other hand, an interviewee who

had a political background (although weak) but was unable to fully utilize it due to lack of financial resources placed greater importance on money and social networks. Thus, there is no direct link between awareness of social networks and success in market activities. In addition to family background, money, and social networks, the interviews further revealed that credit and reputation could have a positive impact on market activities. This suggests that credit and reputation can lead to income disparities, especially given the illegal nature of informal private economic activities in North Korea.

This paper also examined how sanctions have affected the market economy activities of ordinary women. Prior to sanctions, border residents made a living through private economic activities targeting China. As sanctions intensified, the North Korean authorities responded by changing their policies, expanding the issuance of trade permits (WAK) to secure foreign currency, and controlling smuggling for economic benefits and other reasons. Although the sample size is small, it has been found that these changes had a negative impact on all three interviewees, all of whom were making a living in the border region. This suggests that while the adoption of sanctions against North Korea is important, if their implementation is not closely monitored, the damage could be passed on to ordinary people.

6.2. Implication and Limitation

Women's ability to form their own social networks and create economic class shifts in North Korea implies the possibility of change from below. The social networks of individuals engaged in market activities are a micro-level framework for analyzing the relationships between actors, but they are ultimately the basis for the macro-level economic structure of the market, which in turn influences political and social structures. Therefore, changes in the lives of North Korean women today may drive changes in North Korean society, which in turn may influence the social

structure of post-reunification in the medium to long term.

However, it appears that the ability of North Korean women to use their social networks for economic activity has not yet been able to overturn the political structure. Particularly at the lower levels of the political hierarchy, access to social networks appears to be limited by the constraints of existing political status. To overcome this, individuals seem to need to have excellent business or financial skills. This suggests that, according to the power conversion thesis, there is a fairly high probability of continuity of the existing elite in North Korea's transition. This is exemplified by the fact that as the North Korean authorities expanded the issuance of trade licenses under sanctions, official trade organizations colluded with emerging capitalist 'donju' to benefit themselves while preventing ordinary people from engaging in smuggling. This is expected to have a negative impact on the social structure of a unified Korea in the medium to long term.

Therefore, when formulating policies for change, such as the marketization of North Korea, it is necessary to promote change at both the micro and macro levels. In implementing policies to promote North Korea's opening and marketization, such as inter-Korean exchange and cooperation, the policies should be designed so that the benefits accrue to the general population, not the North Korean elite. Sanctions policy also requires careful policy design to ensure that the North Korean authorities do not pass on the negative effects to the general population. The U.N. and China need to do a better job of controlling the smuggling trade through customs, rather than cracking down on ordinary people smuggling across the border. Above all, sanctions need to be re-examined to ensure that they do not extinguish the spark of domestic marketization in North Korea.

This study is significant in that it empirically sheds light on the impact of North Korean women's social networks on their market activities through a micro-level approach. In particular, by focusing on interviewees who defected after 2016 in the border Amrok River region, it was found that China's actions after sanctions were imposed to North Korea have affected the informal market activities of North

Koreans in the border region. However, the study is limited in that it does not explore the relationship between informal market activities and the formal market economy and social networks that North Korea allows to some extent. It also has limitations as it was unable to examine in depth how the unprecedented increase in sanctions since 2017 has affected those engaged in private economic activities. Despite these limitations, this study is significant because it goes beyond shedding light on aspects of North Koreans' social networks and reveals the impact of social networks on market activities.

This research found that political status is still very much a constraint in North Korean society, and that ordinary people can easily lose their hard-earned economic status when external factors such as sanctions affect them directly or indirectly in response to policy changes. At the same time, however, the research found that despite the government's controls, marketization is unstoppable in both the public and private sectors in North Korea. North Korean women are likely to continue their market activities as they build their own social networks, and this study shows that the market activities of individual women are not just about securing their livelihoods but are also a driving force for social change in North Korea.

국문초록

UN 제재 하에서 북한 여성들의 삶: 양강도 시장 활동 사례를 중심으로

서영신(Suh, Youngsin)
서울대학교 행정대학원
글로벌행정전공

고난의 행군 이후 북한은 배급제가 무너지면서 시장화에 큰 진전을 보였다. 이러한 시장화를 주도한 것은 여성들이었다. 이 연구는 시장활동을 성공적으로 해내기 위한 요인은 무엇일까 라는 질문에서 시작되었다. 특히 학력, 직업, 지역은 비공식 소득에 유의미한 영향을 미치지 못한다는 선행연구를 토대로 '사회적 관계망'을 통해 북한 여성들의 시장 활동을 설명하고자 하였다. 사회적 관계망은 조현정 외(2022)의 분류를 참고하여 친분 관계망, 경제수단 관계망, 지역사회 관계망으로 유형화하였다. 연구는 양강도 혜산에서 다양한 사경제 활동에 종사했던 북한이탈주민 여성 3명을 대상으로 심층 면접을 통한 질적연구로 진행되었다.

연구 결과 다음과 같은 사실들을 확인할 수 있었다. 우선, 사회적 관계망 중 경제수단 관계망이 두터운 이들은 그렇지 않은 이들에 비해 시장 활동에서 더 성공적인 것으로 나타났다. 여성들의 경제수단 관계망이 양적·질적으로 두터운 경우 비공식 소득과 관계망의 활용도가 높았다. 친분 관계망과 지역사회 관계망에 대해서는 성공적 시장 활동 간의 긍정적 연관관계가 나타나지 않았다. 친분 관계망은 자금력이 뒷받침되어 경제수단 관계망으로 전환될 때 활용이 가능했다. 지역사회 관계망도 성공적 시장 활동에 미치는 긍정적 영향은 나타나지 않았으며, 오히려 역의 관계가 나타나고 있었다. 이는 비공식 소득이 높은 경우 돈을 내고 지역사회의 공식 조직 활동에

참여하지 않으면서 지역사회 관계망이 약해지기 때문으로 보인다.

둘째, 사회적 관계망에 대한 인식 수준과 성공적인 시장 활동 사이에는 상호간 영향이 없는 것으로 나타났다. 면담자들은 공통적으로 법관 가족이라는 배경과 돈을 아주 중요하다고 평가했다. 사회적 관계망은 2순위 또는 3순위의 요인으로 꼽았다. 그 외에 '신용과 평판'도 중요한 것으로 나타났다. 북한의 비공식 사경제활동이 불법적인 요소를 많이 가지기 때문에 신용도와 평판에 따라 소득 격차가 발생할 수 있음을 알 수 있다.

본 연구는 사회적 관계망을 통해 성공적인 시장 활동을 영위하는데 있어 대북 제재가 어떤 영향을 미쳤는지도 함께 살펴보았다. 2010년대 중반부터 제재가 강화되고 중국이 제재를 본격적으로 이행하기 시작하자, 북한 당국은 외화 확보를 위해 무역권 발급을 확대하였다. 이후 무역 기관들은 개인 밀수자들을 견제하였고, 당 차원의 밀수 통제도 강화되었다. 이는 국경지역에서 장사로 생활을 영위하던 북한 여성들에게 거래선 등 사회적 관계망 소멸, 수입 감소, 실직 등 부정적인 영향을 미쳤다. 이는 배급제 등 북한의 공식 시스템에서 제외되어 비공식 시장을 통해 생계를 유지하는 일반 주민들에게 도리어 대북 제재의 부정적 효과가 전가될 수 있음을 시사한다.

미시적 수준에서 행위자간 사회적 연결망을 형성하고 시장과 경제 계층에 만들어 내는 것은 결국 거시적으로 시장을 형성하고, 북한의 사회 경제적 구조에도 영향을 미친다. 중장기적으로는 통일 한국의 정치, 사회 구조에도 영향을 미칠 것이다. 이에 북한의 시장화와 개방을 추동하기 위한 남북 교류협력 정책, 북한 당국을 대상으로 한 제재 정책 등을 입안하고 시행함에 있어 북한의 엘리트 계층에게 혜택이 가고 일반주민들에게 피해가 전가되지 않도록 세심한 정책설계가 요구된다.

Keywords: 북한 여성, 북한 시장화, 사회적 관계망, 대북제재의 영향
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