

Rethinking the North Korean Repatriation Program: The Change from an “Aid Economy” to a “Hostage Economy”*

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This article examines the North Korean repatriation project of the period of December 1959 through 1984. The purpose of this study is to identify economic intentions of North Korea relating to the repatriation project and its impact on the North Korean economy. Though there have been many studies on the North Korean project, they mainly dealt with the processes of homecoming or superficial aspects of its political and financial intentions. There are a few cases focusing on the repatriation itself. Most studies have been conducted in Japan rather than Korea. Therefore, it is not so easy to find research on this subject in the fields of domestic and international politics. This study searches for the missing parts of the repatriation project through interviews and documents from Japan and North Korea to understand the economic intentions of North Korea. The results show that one of the main goals of North Korea in the repatriation project was to overcome its economic crisis at the time the project was planned.

Keywords: Homecoming Project, Repatriation Campaign, North Korean Economy, Aid Economy, Hostage Economy, Korean Diaspora in Japan, Korea

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I. INTRODUCTION

Half a century has passed since the North Korean repatriation or homecoming project began. Koreans in Japan who moved to North Korea between December 1959 and 1984 number 93,340, including about 6,730 who had Japanese nationality. Many Koreans in Japan who chose North Korea as their fatherland believed in Kim Il Sung's (Kim Il-sŏng's) promises to ensure a good living, education, and vocation upon their return. The propaganda of Choch'ongnyŏn (General Association of Korean Residents in Japan; pro-North Korean group) touted North Korea as the "earthly paradise," and reports by Japanese mass media showed vast improvements in North Korea's economy and livelihood. The return to North Korea by Koreans in Japan was an unprecedented mass move from a capitalist country to a socialist one.

What is the purpose of reviewing the "Return to the Fatherland Campaign" thirty years after it ended? By investigating the project, we can gain a new understanding about the formative period of North Korea's economic system. There have been numerous studies on the formation of the North Korean system and on the economic development process. But most of them were done in relation to the USSR, China, and the socialist countries of Eastern Europe. Not many researchers paid attention to the influence of the economic resources of Koreans in Japan. The project was a realistic economic solution for North Korea to fill the economic gap caused by a significant decrease in the financial aid of socialist nations during the late 1950s. By acquiring advanced technology, capital, manufacturing machinery, and labor force by repatriating about 100,000 Japanese Koreans, the repatriation program aimed at developing and maintaining the North Korean economy.

The project transformed the North Korean economy from an "aid economy" to a "hostage economy."¹ It also made the North Korean economy more closed, which eventually rendered it unable to exercise competitive power to deal with changes in the international economic environment. The North Korean economy faced severe limits from the embargo of the ship

¹ Refer to Section IV for reasons and features why that I call the return project a "hostage economy."

Man'gyŏngbong by Japan in 2006. Thus while the intentions of individual Koreans returning from Japan are important, the economic goals and results of North Korea's repatriation program are even more important.

This study investigates the repatriation program to illustrate the North Korean economic intent and analyze its impact on the North Korean economic system. There have been many studies done in relation to the project, but they focus at a superficial level on the repatriation and North Korean political economic intentions. Worse, there have been few studies done on the project itself and are especially difficult to find in South Korean political science scholarship. Rather, Japan has more active researchers in the area. It is not only because these Koreans in Japan moved from Japan to North Korea, but also because they, their wives, and offspring are anticipated to return to Japan if the North Korean regime breaks down or its political system changes. It is thought that the relationship between North Korea and Japan acted as a third factor, and has been aggravated by such matters as the nuclear issue, missiles, and kidnappings.

We can classify the studies on the project in the following manner. First are studies that justify the project's purpose and superiority.² This was most evident at the beginning of the project. The studies also focused on the economic rehabilitation and improved life of returnees in order to eagerly promote optimistic viewpoints and propaganda on the repatriation to North Korea. Thus, this academic research is largely based on records of trips to North Korea, films, and memoranda that implicitly advocate repatriation. Second are studies that deal critically with the project.³ They

² In particular, Telao (1959), reporters who visited North Korea (1960), and Taihei Shuppansha (1972) introduced audiences to the rapid industrialization and improvement of living standards of post-war North Korea and greatly influenced Koreans in Japan in their determination to return to their mother country in the early stage of the repatriation program. Additionally, the *Asahi Shimbun* (1959/12/25) carried an article, "Strongly Advancing Horses-Skillfully Working People," on the rapid restoration after the war and amelioration of North Korean residents' lives. Aside from this, director Mochizuki (1960) and director Urayama (1962) had a profound effect on Koreans in Japan and their return, with a film that showed the fervent atmosphere at the moment of their return.

³ The following texts constitute some representative studies. Min, G. (1962); Kim, Y. (1999; 2000); Jang, M. (2003); The Institute for Northeastern Asia Studies (2004);

center on the reasons why Korean in Japan returned to North Korea, the returning process, and the veiled political and economic intentions of North Korea, Choch'ongnyŏn, and Japan. Most of the studies on the project fall in this category. Third, there are some studies that focus on the lives of the returnees.⁴ These experiential studies show and analyze the experiences of the people re-naturalized as Japanese citizens after escaping North Korea. Fourth are studies that do not deal with the repatriated Koreans directly, but survey the formation, conflicts, and the development of the unification movement of Zainichi (Korean residents in Japan) organizations and deal with the returnee problem.⁵

Hence many studies on the project have generally focused on these four issues but few have closely analyzed the project in the economic context of North Korea or its impact on North Korea's economy. I will show North Korea's involvement in the project and from that, demonstrate North Korea's economic goals. It will become clear that it is necessary to examine the project in the context of North Korea's economic goals in that the project was a practical solution to overcome North Korea's economic crisis. Through this examination, we will discover various shortcomings in North Korea's economic system. This study utilizes North Korean and Japanese authorities' official records, writings and letters of the repatriated, the experiences of the people involved in the project, interviews with the Koreans in Japan who have

Suzuki (2005; 2007); Yoshiaki (2008; 2009); Hidenori et al. (2009); Kim, G. (2010). In particular, the research of Jang, M. (2003), Yoshiaki (2009), and Suzuki (2007) reveal how the Japanese government and neighboring countries were involved in the repatriation project by utilizing data of the International Red Cross Committee and the Japanese Red Cross.

⁴ Exemplary studies include those of Lee, J. (1999), Kang, I. (2006), Han, S. (2007), and Jung, E. (2009). Lee, Ju Cheol's study on the system adaptability of Koreans from Japan is important as an early study on the life of repatriated North Koreans but is limited in that it lacks Japanese data and interview data. Jung, Eun Lee's study not only supplements the research of Lee, Ju Cheol by using interviews with North Korean defectors in Japan, but also analyzes the influence on the formation and development of the North Korean system. Han, Suk Kyu describes how the returned Koreans in Japan lived. Using letters written between 1960 and 1988, Kang, Il Mae shows indirectly how the author's elder brother, who was repatriated, lived in North Korea.

⁵ Chin, H. (1995); Nam, K. (2010) etc.

family members in North Korea, and with Mindan (Federation of Korean Residents in Japan; pro-South Korean group) and Choch'ongnyŏn.

II. KOREANS IN JAPAN AND THE “RETURN TO THE FATHERLAND” CAMPAIGN

1. The First Campaign (1946-1950): Period of Small-Scale Voluntary Returns

Because the Soviet army was occupying North Korea, the return of Koreans in Japan to North Korea was not implemented right after the 1945 Liberation.⁶ The returns were made possible when the American-Soviet agreement on the Soviet withdrawal was signed on December 19, 1946. According to the agreement, they decided that the return to North Korea should include those 10,000 people who had resided above the 38th parallel of the Korean peninsula. And it was scheduled to be implemented between March 9 and March 15, 1947. The figure includes 9,701 who applied to return when the Japanese government surveyed the 647,006 Koreans in Japan in March 1946.⁷ But when reexamined in late January 1947, just 14.5 percent (1,413) of those who volunteered to return still wanted to return. Those who actually returned to North Korea amounted to just 351, including 233 by the Sasebo (Japan)-Hŭngnam (North Korea) route on March 15, 1947 and 118 more on June 26 of the same year (Kikuchi 2009: 20-21). This is just 3.6 percent of those

⁶ Unlike the return to North Korea, the return to South Korea was executed right after Japan was defeated. About 1,340,000 among the 2 million Koreans in Japan returned to South Korea from August 1945 to March 1946. 940,000 Japanese-Koreans were among these returned according to the planned repatriation and the remaining 400,000 people went back for of their own accord (Japanese Red Cross Society 1956: 2). From then on, about 100,000 Korean Japanese returned before the Korean War, so the Koreans in Japan who returned to South Korea number 1,400,000 altogether.

⁷ In March 1946, the Japanese government established and promulgated the “edict to register those who were Korean, Chinese, or Hondo people (Japanese residents in Hokkaido, Honshu, Kyushu, Shikoku) and those who were domiciled in Kagoshima prefecture and Okinawa prefecture located below 30° north latitude” and examined the potential returning people on this basis (Japanese Red Cross Society 1956: 2-3).

who had originally applied to return. After this, the project was officially halted when Japan stopped the repatriation project as soon as the General Headquarters of the Allied Powers (GHQ) sent the message that “from now those non-Japanese who voluntarily return are on their own” to the Japanese government with the outbreak of the Korean War (Japanese Red Cross Society 1956: 5).⁸

There are many reasons why the number decreased from 9,701 to 351. First, those who volunteered to return changed their minds after hearing of the political confusion on the Korean peninsula, as well as the unemployment problem and poor living conditions in South Korea. Second, after the 1945 Liberation GHQ restricted the amount of money that could be carried into North Korea to 1,000 yen per person.⁹ Most of the researchers attributed the reasons for delay to the above factors.¹⁰ But there are also other reasons. Third, they felt that the returning process seemed apprehensive.¹¹ Fourth, Koreans in Japan had little or no memory of life in their hometowns, for they had lived so long in Japan. They were thus apprehensive of planning lives in North Korea.¹² Fifth, family members became sick or they postponed their moving for other personal reasons. Meanwhile, the Korean War broke out in

⁸ The return to North Korea ended officially, but according to the testimony of Shin Chang-seok (from Tokyo, born 1930), many people smuggled to North Korea by boat during the Korean War, though there are no accurate statistics (Korea Institute of National Unification 2006a: 90).

⁹ The maximum amount of money that a returnee could take was 1,000 yen per person at first, then relaxed to 20,000 yen and raised again to 45,000 with the sixth provision of the return agreement concluded between the North Korean Red Cross and the Japanese Red Cross in 1958.

¹⁰ According to surveys done by G-2 of GHQ Staff section and Japanese-Korean youth committees, reasons why returnees were reluctant were political uncertainty on the Korean peninsula, unemployment and general difficulty of living in North Korea, and the restrictions on taking money to North Korea (Kikuchi 2009: 22-23).

¹¹ Some Japanese-Koreans sent a part of their property before their return. But when money sent to their hometowns went missing and rumors spread, some delayed their repatriation (interviewed by Lee, Young Soo).

¹² Park, Myoung Soo (from Kaechŏn, P’yŏngnam, born 1926) is said to have given up on repatriation, for he was not sure how he would survive in North Korea because he did not know the situation in his hometown (Oguma and Kang, S. 2008: 372).

1950, and so they could not go into North Korea (interviewed by Han, Wook Soo).¹³ Sixth, the Federation of Korean Residents in Japan (hereafter referred to as the KF), established in October 1945, was not linked closely with North Korea.¹⁴

North Korea carried out democratic reform through the North Korean Provisional People's Committee during the repatriation movement. North Korea's most urgent task was to set up the foundation of a new country by accomplishing a democratic revolution against imperialism and feudalism. So they could not afford to prepare themselves to promote repatriation and welcome the returnees; all they did was show interest and amity toward Koreans in Japan.¹⁵ But North Korea arranged for a makeshift repatriation reception center and provisions for the temporary accommodation of 10,000 returnees in Hamhŭng, Hamgyŏng province before taking them to their final destinations, adopting the 13th determination of the North Korean Provisional People's Committee, the "Issue on the Chosŏn People's Homecoming from Japan" on December 26, 1946 right after the conclusion of the American-Soviet agreement.

The first campaign occurred voluntarily among the Koreans in Japan after liberation. And most of the returnees had hometowns below the 38th Parallel. So the majority of them moved to South Korea. In those days, Koreans in Japan preferred to return to their fatherland rather than settle down in Japan. Therefore, the return right after the Liberation was determined not by political inclination but by their desire to return home.

¹³ According to the data from Japanese Red Cross (1956: 4-5), there had been 1,413 Japanese-Koreans who had hoped to repatriate to North Korea when authorities re-examined the potential for return in January 1947. There were 627 Japanese Koreans who could not return to North Korea because of illness or other personal reasons.

¹⁴ According to Lee, Yong Soo, who was a branch manager of Choch'ongnyŏn and had studied at the political academy under the KF, the KF reflected the mass education and return movement and its close relationship with the Japanese Communist Party, supporting neither South Korea nor North Korea.

¹⁵ Through a "Letter Sent to Korean residents in Japan on December 13, 1946," North Korea announced that it would welcome Japanese Koreans when a unified government was established, though it was not yet prepared to accept Japanese Koreans at that time, for the unified government had not been established. It also sent the message to strengthen their fight until then (Kim, I. 1979: 575-577).

2. The Second Campaign (1953-1955): Restricted Campaign by The Democratic Front For Reunification In Japan (DFRJ)

Unlike the first campaign, the second campaign was directed by the pro-North Korean Democratic Front for the Reunification in Japan (hereafter referred to as the DFRJ)¹⁶ as ordered by the Japanese Communist Party (JCP). The DFRJ was established in January 1951 after Choch'ongnyŏn was forcibly dismissed by the Japanese government. And around the time of the armistice agreement, it again pushed ahead with the campaign that had been suspended after the start of the Korean War.¹⁷ The DFRJ's movement was inaugurated to repatriate about 1,000 Koreans in Japan who had been imprisoned in several camps, including the Omura camp. The DFRJ specifically requested the Japanese-Korean prisoners' embarkation on a ship intended for the mutual repatriation of the Chinese in Japan and the Japanese in China according to the Peking Agreement between China and Japan (Kikuchi 2009: 42). But the campaign which exploited the repatriation of the Chinese in Japan was shifted for two reasons.

First, it was reproached by the JCP and the JCP ordered the DFRJ to fight for free visits between North Korea and Japan, for Koreans in Japan to gain rights, and for the nullification of the South Korea-Japan Talks together with the repatriation campaign instead of just promoting the movement utilizing the return of the Chinese in Japan (Kikuchi 2009: 45). Second, after the motto "preferred development of heavy industries and simultaneous development of light industries and agriculture" had been adopted as the fundamental line

¹⁶ It said, "We will gather together all the patriotism of all the Koreans in Japan, be closely united under the Democratic People's Republic of Korea (DPRK), sweep the American and English imperialists who invaded into our fatherland with the military forces and puppet Syngman Rhee [Yi Süngman] regime, achieve the complete unity of territory and national unification and fight for the security and the prosperity of the mother land." in the first provision of the doctrine draft adopted at the Third DFRJ Conference held on December 18, 1952 (compiled by Park, K. 1983: 300).

¹⁷ According to the "The Recent State of Our Diplomacy" published in June 1960 by the Japanese Department of Overseas Trade, some Koreans started to prepare for their return to North Korea after the armistice agreement was signed. Through this, we can see that the post-war return campaign was led by the DFRJ.

of the post-war rehabilitation and reconstruction at a plenary meeting of the Central Committee of the North Korean Communist Party on August 5, 1953, the need to support this came to be realized. The DFRJ accepted criticism of the JCP and did not adhere to the previous campaign of the 11th Central Committee held on August 25, 1953. Instead, the Central Committee decided to collect 100 million yen over three months from September 9 to December 8 as a recovery fund for the mother country and send a fatherland-visitation delegation composed of 60 or so members to support the rehabilitation and reconstruction of the nation's economy as well as a group of engineers to North Korea (*Liberation Newspaper*, September 1, 1953). At the 11th Central Committee meeting, the order for the repatriation movement converted from the return of Japanese Korean prisoners to the aid rehabilitation and reconstruction of the nation's economy and fight for free visits to North Korea.

But the fundraising campaign for the motherland recovery was not successful, with the result at 10 % of the target figure.¹⁸ The fatherland-visit delegation and engineer-dispatch movement were also unsuccessful. The DFRJ established a "home-visiting delegation of Korean residents in Japan to congratulate victory in the fatherland liberation war," composed of 60 members on September 11, 1953 (*Liberation Newspaper*, September 17, 1953) and actively developed a passport acquisition campaign that commenced in

¹⁸ The deadline to finish the fund-raising on December 8 was postponed to the end of January 1954 at the fourth plenary conference on November 13, 1953 (*Liberation Newspaper*, November 10, 1953). It was extended to February 15 and then extended again to the end of March by the determination of the meeting of the 14th Central Committee on December 20, 1954. The fundraising movement for fatherland recovery was stopped tentatively after that. The reason for prolonging the fundraising movement was that just 10% of target goal was achieved at the time of the fourteenth Central Committee meeting (*Liberation Newspaper*, February 5, 1954). A reason for the failure of the movement, according to an editorial in the *Liberation Newspaper*, was not because Koreans in Japanese were poor, but because activists could not organize the movement systematically. According to the testimony of Park, Jin-san and Shin, Chang-seok, who were activists of the DFRJ, some of the executives of the DFRJ appropriated the collected money, through which we can guess that the fundraising movement was not so systematic (Korea Institute of National Unification 2006a: 90-92).

July 1953. However the North Korea visit failed, for the Japanese government would not issue the exit visas to North Korea (*Liberation Newspaper*, May 20, 1954).

The second campaign had several unique characteristics. First, the direction of the repatriation movement changed from one focused on prisoners' repatriation to an extension of the political struggle. Second, it did not proliferate into a massive homecoming movement. Third, the campaign was the first repatriation movement actually promoted by the pro-North Korea DFRJ. Fourth, there were limits: the DFRJ was under orders from the JCP, so North Korea could not forcibly interrupt a movement that was advocated by the DFRJ.

3. The Third Campaign (1955-1958): Realizing the First Return Led by Choch'ongnyŏn

The homecoming movement that the DFRJ unfolded had been directed by the JCP since August 1953 and faced a shift again with the advent of 1955. Just after the DFRJ was dismissed in May 1955, and Choch'ongnyŏn was formed at the direct command of the Korean Workers Party (KWP), the campaign was developed under the guidance of North Korea on a full scale. The reason why the DFRJ was disbanded was that it was limited in carrying out the campaign. It is no wonder that North Korea encountered limits in developing the repatriation and unification movement through the DFRJ, because the DFRJ was the group whose purpose was to bring about a revolution in Japan under the direct command and guidance of the JCP. The DFRJ was dismissed by the sixth plenary session of the DFRJ held on May 24 and Choch'ongnyŏn was formed under direct orders of the KWP. From then on, the repatriation movement was virtually under the leadership of Choch'ongnyŏn, under the command of North Korea.

The homecoming movement led by Choch'ongnyŏn greatly differed from that of the DFRJ. The DFRJ's campaign was developed within the boundary of a Japanese revolution, while the movement of Choch'ongnyŏn unfolded toward that of repatriating Koreans in Japan. The Japanese Koreans' voluntary returnees' meeting took place in Tokyo on July 15, 1955, just after the foundation of Choch'ongnyŏn (Kang, C. 2002: 338). North Korea also took

measures to assure the education and scholarships to cover school supplies, footwear, and life-preparation funds of 20,000 won per capita, with the seventh cabinet's ruling on January 16, 1956 according to the repatriation order on Koreans in Japan (Academy of Social Science 1981: 456). North Korea's homecoming movement was developed into a direct action around 1956. Forty-eight Koreans in Japan protested in front of the headquarters of the Japanese Red Cross, asking for repatriation and were allowed to do so in July by the Japanese government. This was the first demonstration of Koreans in Japan demanding to return to North Korea. North Korea established measures for stable living and security adopting the 53rd cabinet command on June 30 in preparation for the return of Japanese Koreans. Meanwhile, the return was blocked by opposition of the South Korean government. But twenty-three people, including twenty protestors and three students who hoped to study in North Korea, all departed from Moji seaport and arrived at Pyongyang (Academy of Social Science 1981: 460). The remaining twenty-eight returned to North Korea with the official permission of the Japanese government in March 1957 (Suzuki 2007: 174).

The return in 1956 was significant in terms of the first realization of the return through Choch'ongnyŏn as directly ordered by North Korea. North Korea also thought highly of the movement as "the first victory accomplished in the struggle of opening the return path to the fatherland" (Academy of Social Science 1981: 460). But North Korea did not mean to execute a mass repatriation. There were no preparations for a large-scale return since North Korea was in a period of recovery and reconstruction after the Korean War. Furthermore, the ardor for a massive return was not existent, as North Korea had not yet propagated the idea of North Korea as an "earthly paradise" to the Koreans in Japan.

4. The Fourth Campaign (1958-1984): Mass Repatriation Movement Led by Choch'ongnyŏn

The campaign converted into a massive one around 1958 after it was changed into a practical campaign with the formation of Choch'ongnyŏn. The watershed moment of the massive campaign was the "remembrance assembly of August 15" held at Nakadome, Kawasaki in Kanagawa prefecture.

The attendees decided to send a letter to Kim Il Sung, saying “We hope to participate in the construction of the motherland after repatriation.”¹⁹ The central conference to commemorate Liberation was held on August 12 after the Nakadome resolution adopted a resolution to require the Japanese government to guarantee repatriation to North Korea and ask Kim Il Sung to welcome the Koreans in Japan to North Korea. The chairperson, Han Duk-soo, insisted on the superiority of the North Korean socialist system and officially called it the “earthly paradise” (Jang, M. 2003: 55-57). The campaign developed in a totally different way around August 1958 after the Nakadome resolution to the extent of holding 19,400 large- and small-scale assemblies all around Japan for the realization of repatriation (Kikuchi 2009: 169).

Responding to the request, Kim, I. (1981a: 504) issued a welcome to the Koreans in Japan, proclaiming their right as citizens to return to their fatherland and live a happy life. At the “Congratulatory Conference for the Tenth Anniversary of the Inauguration of the Republic” on September 8, 1958, he promised to guarantee the returnees’ life in North Korea. Foreign Minister Nam Il and the First Vice-premier Kim Il respectively repeated assurances of returnees’ life and education in speeches on September 16 and October 16 of the same year (*Rodong Sinmun*, September 17, 1958; October 17, 1958). Also, Kim, I. (1981b: 83-84) even said to the chief director of Chochongnyŏn upon his arrival in North Korea that Kim were prepared to accommodate even hundreds and thousands of Koreans in Japan, for all their needs, including housing, workplace, and education. The evaluation of Kim Il Sung was generally positive among Koreans in Japan because North Korea had sponsored an education fund and scholarships to Chochongnyŏn since 1957.²⁰ So the welcoming remarks and guarantees by Kim Il Sung and

¹⁹ But it seems that the Nakadome determination was not decided at the branch level but by the order of Chochongnyŏn. According to Jang, Myoung Soo, who was the executive of Chochongnyŏn, the key figure in the repatriation plans at the time was the one who was appointed by Chochongnyŏn’s leadership and the written oath was also prepared before by the leaders of Chochongnyŏn.

²⁰ It seems that the trust in Kim Il Sung and North Korea was great to Koreans in Japanese of pro- Chochongnyŏn at that time. According to testimony by Yeo, Il Hwa, who was a teacher at a Korean school (from Osaka, born in 1930), as an education aid fund and scholarships were delivered from North Korea in 1957, and the assembly

dignitaries heated up the repatriation zeal among the Koreans in Japan.²¹

The Japanese government gave what amounted to formal recognition repatriation to North Korea with Foreign Minister Fujiyama Aiichiro's January 29, 1959 affirmation of the right of Japanese Koreans to choose their residence and by a cabinet meeting resolution of February 13, 1959 officially sanctioning the return (Kikuchi 2009: 102). North Korea also adopted the 16th cabinet determination about the reception of Korean citizen coming back from Japan and established a reception committee, making Kim Il the first vice-premier chairperson on February 16 (Jang, M. 2003: 41). At the first visit, 975 people returned from Niigata port to Ch'öngjin on December 14, 1959 according to an agreement between North Korean and Japanese Red Cross organizations on June 10, 1959 regarding repatriation to North Korea. The number of Koreans in Japan who returned to North Korea was 2,942 in 1959, and 49,036 in 1960, but decreased from late 1961 to 1984 and terminated with a total of 93,340 returnees (Kim, Y. and Takayanagi 1995: 341).

welcomed those in the society of Koreans in Japanese (Oguma and Kang, S. 2008: 630). Additionally, according to testimony by Park, Yong Cheol (from Nonsan, Ch'ungnam province, born 1929) who was an activist in Choch'ongnyön, a movement promoting the reading of memoirs by the participants in anti-Japan military struggles became nationwide, led by Choch'ongnyön, from November 1958. And the memoirs were popular enough to be a bestseller book among Koreans in Japan (Oguma and Kang, S. 2008: 512).

²¹ The propaganda of North Korea, Choch'ongnyön, and the Japanese media had an important role in the repatriation fever of those days, but the economic and psychological factors of Koreans in Japan greatly influenced the phenomenon so this propaganda could permeate quickly into the Japanese Korean society. The most important reason why the Koreans in Japan were determined to repatriate was economic, for they wanted to escape from other difficulties. Other psychological reasons included wanting to return to their homeland, preparation for unification led by North Korea, reunion with family members, avoiding compulsory repatriation to South Korea, and the need of Choch'ongnyön executives to prove their patriotism. For further detailed content on the determination of Koreans in Japan, refer to Kikuchi (2009, 150-162).

III. NORTH KOREA'S ECONOMIC INTENT ON THE DRIVE FOR THE MASSIVE RETURN MOVEMENT

Here, we have to think about the reason why the repatriation campaign became massive in 1958. The massive homecoming movement was not merely raised by Japanese Korean community, led by Choch'ongnyŏn. North Korea's intention had a great influence on the massive campaign.²² North Korea has yet to publish data on the return project, so it is not easy for us to find out its purpose. Therefore, we have to analyze the political and economic conditions in those days from the viewpoint of the domestic and international situation in order to understand North Korea's purpose. The political reasons why North Korea led the massive repatriation campaign are as follows. First, domestically, the year was when the first party representatives' meeting was held to conclude the incident that had occurred at the plenary session in August 1956 and when Kim Il Sung's mono-system was being established. So having people return from capitalist Japan to socialist North Korea was a good chance to fortify the internal political standing of Kim Il Sung and his aides.²³

Second, internationally, it was also a suitable opportunity to propagate the superiority of the North Korea system, for the massive return marked the movement of people from a capitalist area to a socialist one. It seems that they had the intent of promoting the superiority of North Korea's system among Koreans in Japan to return just as the preliminary negotiations for the third North Korea-Japan talks showed some progress in December 1957. Third,

²² The changes of position and policies of Japanese government, the Japanese Red Cross, and the International Red Cross committee had a significant effect on the massive change. But the analysis goes beyond the scope of this writing, so I'll delete it. For further detailed analysis refer to Jang, M. (2003), Suzuki (2007), Yoshiaki (2009).

²³ Oh, Ki Hwan (exiled to South Korea in 1963) who was the first deputy vice-prime minister and a member of the welcoming committee said that the committee members gave addresses every day in the political propaganda conference insisting on that they should welcome the Koreans in Japanese, for they wished to return to their motherland due to living difficulties in Japan in an interview with the Japanese *Monthly Asahi* in August 1991. These political propagandas are said to have had a big influence domestically (Jang, M. 2003: 42-43).

North Korea seems to have had the intention of exploiting the repatriation campaign for Japanese domestic politics. North Korea had the purpose of rallying the Japan-Korea Association, the socialist party, and the communist party for the pro-North Korea movement in the process of directing the return campaign (Takasaki and Park, J. 2005: 30). Fourth, North Korea had the purport of using it for South Korean strategy. According to Kikuchi (2009: 136-139), North Korea had the intention of increasing pro-North Korean support by promoting a positive image of North Korea to the unemployed and needy by means of the homecoming movement. He also insisted that North Korea had the intention of utilizing the returnees as activists and guiding members in South Korea after the reunification of Korea, as a great majority of them had come from the south.

But North Korea's intent is not a sufficient answer as to why this happened specifically in 1958. Instead, an economic purpose, rather than a political one, had a larger influence on the massive homecoming campaign. North Korea accepted the preferred development of heavy industries and simultaneous development of light industries and agriculture as the fundamental line on the postwar rehabilitation and reconstruction at the sixth plenary session of North Korea's Central Party Committee on August 5, 1953 and commenced the rehabilitation and reconstruction of the nation's economy for three years from 1954. North Korea lacked the workforce, capital, technology, material, and overall preparation of society to drive the massive campaign, for it had suffered tremendous damage during the Korean War.

Also, there had been no strong economic incentive to promote the return of Koreans in Japan in the immediate post-war period, for the Chinese People's Liberation Army greatly helped North Korea with postwar rehabilitation and reconstruction while it was stationed there, and North Korea received large-scale economic aid from socialist countries in Eastern Europe. North Korea had rather just wanted a small-scale return of proficient technicians and an economy recovery fund. In this context, we can understand why the DFRJ converted the homecoming movement from repatriation of prisoners to a recovery fund and call for technicians. But foreign aid decreased dramatically around the late 1950s. According to Japanese Foreign Ministry data (Ministry of Foreign Affairs of Japan January 16, 1960: 44), the ratio of foreign aid in the national budget of North Korea

reached a peak in 1954 at 29.3% and dropped to 21.7% in 1955, then to 16.2% in 1956 and 14.4% in 1957, with a further plunge to 4.2% in 1958, 4.9% in 1959, and to a mere 2% in 1960.²⁴ Foreign aid decreased more rapidly in the 1960s, when credit assistance and grant-type aid and loans from the Soviet Union, China and socialist countries dropped by 80% from \$1,653,360,000 in the 1950s to \$336,680,000 (Yang, M. 2004: 305). When foreign aid decreased, North Korea tried to rehabilitate on its own by singling out domestic preparation and appealing to socialist countries for continued aid.²⁵

Kim Il Sung visited the Soviet Union and Eastern European socialist countries and asked for economic aid to accomplish its five-year plan (1957-60). But when he could not get aid, he had to promote the five-year plan under the motto of self-reliance. In 1958, as agricultural cooperation and the nationalization of commerce and industry were completed, the material foundation for the socialist industrialization was prepared, too. But North Korea was deficient in its workforce, capital, and technology needed to advance rapid industrialization for material basis. The workforce shortage was especially at a terrible stage, which Kim, I. (1983: 342) had predicted an improvement by 1974. Worse, however, was that the deficiency in labor force was aggravated when the Chinese People's Liberation Army wholly withdrew in 1958. Thus, although North Korea had established the material basis for industrialization, it came to face a situation of having to prepare its labor force and resources on its own due to the decrease of foreign aid and the withdrawal of the Chinese People's Liberation Army.

Therefore, it seems reasonable to conclude that North Korea moved forward with the massive homecoming campaign around 1958 to supplement its labor force and receive capital and skills from the Koreans in Japan. We can understand why Kim Il Sung had stated to the chief director of Japan-Chosŏn Association on January 10, 1959 that he could accommodate even hundreds and thousands of Japanese Koreans who repatriate. In actuality, 51,978 Japanese Koreans from December 14, 1959 when the first repatriation

²⁴ Refer to Lee, Y. (2000: 137) for the data after 1958.

²⁵ The Internal preparation in North Korea means the effort, the equipment, and materials which are not used in production or not utilized effectively (Kim, I. 1994: 250). They began to emphasize the internal preparation from the period of people's economic recovery construction (1954-56).

began, to December 18, which accounted for 55.6% of the total number of 93,340 of returnees through 1984. And the number of returnees through 1967 when the first seven-year plan was finished and the “return agreement”²⁶ expired, was 88,611, which accounted for 94.9% of the whole returnee total (Kim, Y. and Takayanagi 1995: 341). Of course, it is true that we can cast a question on the economic purpose of supplementing the labor force when we investigate the returnees by age group. According to a study (Takasaki and Park, J. 2005: 30-31) that raised the question, 62% of those who returned in the tenth group, in March 1960, were between the ages of 18 and 55. Also, 83% of the 11,022 who returned in the eleventh group, in March 1960, were illicit and reportedly 2,400 of them received medical treatment. They insist that North Korea did not promote the massive homecoming campaign to add to the labor force, for much of the returnee labor was unavailable. Actually it is somewhat controversial as to why North Korea turned its economic focus to the massive homecoming campaign.²⁷

But there is one fact not to be overlooked. It is not convincing to only select available laborers as they returned in the early stage of the repatriation program when North Korea coined a motto of humanitarian enterprise, propagating itself as the “Earthly Paradise.” Rather, it was more effective to accept all the applicants regardless of age, gender, nationality, occupation, health in the early period of the program.²⁸ But labor discipline was loose,

²⁶ Refer to Kim, Y. (1999, 2000) as to return agreement.

²⁷ Min, G. (1962: 36-37) who took part in the return movement as a Choch'ongnyŏn executive, considers the security of the labor force to be the most important reason for the shift to a massive homecoming program. On the contrary Oh, Gi Hwan once said that massive return might have been a little help to guarantee the labor force, but the security of the labor force was not the main purpose (Jang, M. 2003: 43-44). Koh, Y. (1992: 279), a North Korean diplomat, said that the repatriation program was a project to show the superiority of the socialist system. Han, Duck Soo, the president of Choch'ongnyŏn, also mentioned that one of the significances of the homecoming project was to show the world the superiority of the socialist structure.

²⁸ Exceptionally in some cases, return applications were not accepted, for if all of the applicants were approved of, there would be no one to work in Choch'ongnyŏn. Actually Lee Yong-soo, who worked as a branch chief of Choch'ongnyŏn, was rejected eleven times, for Choch'ongnyŏn wanted him to manage the organization in Japan (Lee, Yong Soo interview). Lee, Dahl Wan, who worked as the branch committee chief

for many returnees in the early stages asked to live in P'yöngyang and to have their assigned workplaces changed.²⁹ So Choch'ongnyön, as guided by North Korea, decided to accept the unemployed, the poor, and students who wanted further education, so the Central Committee let persons with technical skills return first on November 26, 1960. Furthermore, the Central Committee was determined to suppress the return of Japanese wives whose mindsets were hard to change (Korean Institute for Politics and Economy 1974: 255-257).

According to data analysis of the occupations of 21,773 men among the total 88,611 returnees through 1967 when the repatriation campaign ended, the jobless numbered 8,640 (39.7%), which is a high number relative to 4,528 (20.8%) who were farmers, construction laborers, and day workers, with another 2,014 (9.2%) who were factory workers (Cabinet Intelligence and Investigation Office 1968: 69). North Korea once again decided in July 1961 to promote the repatriation of mechanics and entrepreneurs along with Japan-DPRK trade (Kikuchi 2009: 118). North Korea's economic intention lay behind this decision to selectively welcome workers who could help their economic development. We can also see North Korea's economic intent in the belongings that the returnees took with them. Items like trucks, machinery, and machine tools, increased after 1964. The per capita luggage allowance increased from twelve items in 1964 to sixteen in 1965 (Kikuchi 2009: 195).³⁰ We can guess through this series of measures that they meant to include a labor force with the skills and technology necessary to fulfill the first seven-year-plan. Accordingly, it is logical to see that North Korea's economic purpose was an important factor in promoting the massive homecoming.

of Choch'ongnyön in Tokyo, also couldn't return to North Korea though the whole family applied, with the order that he and his elder brother should pay attention to organization activities (Lee, Dahl Wan interview).

²⁹ Refer to Nam, K. (2010: 166-169) for more discussion on labor disciplines.

³⁰ It seems that the amount of material goods increased, for the returned who had repatriated in advance sent the letters to their family members, relatives, friends still in Japan, in which the list of the necessary items were written. And the materials were passed through the homecoming ship. The returned sent many letters which contained the message of sending daily commodities and various materials. Refer to Min, G. (1962: 191-219); Kang, I. (2006) for the content of the original letters.

IV. THE TRANSFER FROM THE 'AID ECONOMY' TO 'HOSTAGE ECONOMY'

The role of aid was crucial in the early period of the campaign, as North Korea was able to establish a basic economic framework with the economic assistance of socialist countries. In particular, the recovery and reconstruction of the public economy was completed quickly with the help of socialist countries. Japanese Foreign Ministry (Ministry of Foreign Affairs of Japan, January 16, 1960: 43) analyzed two reasons why socialist nations supported North Korea. First, the USSR and Eastern European socialist countries had money in reserve to aid North Korea, for they had entered a period of economic construction at that time. Second, the USSR needed to stabilize North Korea's status domestically and internationally by rehabilitating North Korea's economy. North Korea was able to get grant-type-aid amounting to 2.5 billion rubles (\$625,000,000) from these nations from 1953 to 1957 thanks to the economic development of Eastern European socialist states and USSR's assessment of the situation. 77.2% of the aid was concentrated in the 1954-1955 period. The importance of the support will be more evident if we compare the scale of the aid from socialist nations with the national budget invested in the recovery and reconstruction of the public economy of the time. According to Japanese foreign ministry data (Ministry of Foreign Affairs of Japan, January 16, 1960: 44), North Korea expended 97.3 billion yen for three years' recovery and construction of the public economy. Meantime, foreign aid income was 66,573 million yen, which amounted to almost 70% of the budget spent for economic development during the same period. It is not far-fetched to say that the early achievement of recovery and construction of the public economy was the result of aid from USSR and Eastern European states.

But the decrease in foreign aid acted as a tremendous hindrance to achieving the five-year-plan successfully and executing the subsequent first seven-year-plan. The massive homecoming campaign was a practical economic prescription for compensating the decrease in aid. The returning Koreans from Japan supplied North Korea with a labor force and also brought various goods with them. Additionally, remaining family members and relatives in Japan sent them daily necessities and/or a lot of money.

Affluent Koreans in Japan who dealt in commerce and industry donated a large amount of money to North Korea whenever they met repatriated family members in order that they might have secure livelihoods. Aside from this, Koreans in Japan directly helped North Korea's economy by founding factories there or through promoting Japan-DPRK joint businesses. North Korea supplemented its labor force with about 100,000 repatriated Japanese Koreans, and extracted significant economic assets from the Korean community in Japan by keeping them as hostages. North Korea's economic system was transformed from an aid economy to a so-called hostage economy from late 1950s, extracting a labor force and a variety of forms of economic assets from the Japanese Korean community by holding Koreans in Japan as hostages.

This hostage economy emerged in late 1950s in North Korea and because of its features, we can call it as such. First, North Korea received a great deal of daily necessities from the returnees. The returnees moved to North Korea believing the propaganda of North Korea, Choch'ongnyŏn, and the Japanese mass media. But the returnees were not guaranteed a stable living as the propaganda promised. And those who were ensured jobs, educations, and lives in Pyongyang were mostly Choch'ongnyŏn executives and their offspring (Han, S. 2007: 44, 88-91). Most of the other returnees were placed outside Pyongyang. The most critical issue they faced was poor living conditions due to the shortage of daily necessities.³¹

The miserable living conditions of early North Korea came to be known through various means, including letters from the returnees to their family members and relatives in Japan. The letters that mentioned poor living environments were censored by North Korean authorities, so living conditions were mentioned indirectly instead of directly, but in a way the letter recipients could understand.³² The returnees sent letters saying they

³¹ For the poor living conditions which the returned Koreans in Japanese experienced, refer to the following data. Han, S. (2007); Sakanaka et al. (2009: 282-292).

³² A returnee told his family when he repatriated that if he could not live in North Korea, he would send a letter telling his family to come after having so-and-so (a 3-year-old child) married. Since it would be some twenty years before the 3-year-old child married, it was a secret code meaning they should not come (Min, G. 1962: 63-64). Lee, Yong Soo was a Choch'ongnyŏn executive whose family member returned,

required almost all of their everyday needs, ranging from daily necessities like toothpaste, soap, clothing, and footwear, to school supplies and medical supplies.³³ And when they could not even buy subsistence goods with money, they asked family members and relatives in Japan to bring them daily necessities instead of money when they visited North Korea.³⁴ In reality, to examine the amount of money the returnees carried with them (Sekino 1960: 102), the money which those in the first repatriation group took was 8,120 yen per person on average, but those in the second repatriation and later gradually took less money. By the 31st repatriation on July 22, 1960, the average amount was only 828 yen per person, according to a survey.

We cannot know the exact statistics on the amount of goods sent to the returnees, but we can assume that a considerable amount of supplies was conveyed to North Korea through the fact that the returnees all sent letters requesting daily necessities.³⁵ The goods that the returned carried with them were not only for their personal use, but some of them were circulated in North Korean communities. The supplies from the returnees were like currency in North Korea, where daily necessities were severely scarce.³⁶ The

and he says that his repatriated relative sent him a letter that the relative was living well in the countryside, as when they had taken refuge before Japan was defeated. The comparison of the life in North Korea to refugee life implied that living there was hard.

³³ There are many letters from the returnees asking for daily necessities, based on letters collected by Min, G. (1962: 191-219), Kang, I. (2006), Yang, Y. (2007).

³⁴ Refer to Min, G. (1962: 192) for the content of the letters.

³⁵ For example, Kang Il Mae's mother is said to have spent 100,000 to 200,000 yen on goods to send to her returned son, just on one occasion in 1960. To examine Japan prices in 1960, the starting pay of a bank clerk was 15,000 yen, and the annual income of a salary man was 500,000 yen, while a day laborer's daily wage was 407 yen. Meanwhile, 10 kilograms of rice cost 847 yen, and one bowl of ramy n was 45 yen. Accordingly, it is assumed that a large amount of daily necessities were sent to North Korea if the value of a single shipment was 100,000 to 200,000 yen (Kang, I. 2006: 47-49).

³⁶ According to Lee, J. (2009: 218-219), a Japanese Seiko watch was said to have been sold for 400 to 500 won each among the materials the returnees took with them in the 1960s. Considering the pay condition of 1962 (Korea Institute of National Unification 2006b: 140), miners and steel industry laborers earned about 90 to 100 won, textile factory workers about 30 to 40 won, engineers with a Bachelor's degree in engineering

approximate 100,000 returnees comprised just a minority in North Korea at large, but their influence on socialist North Korea was not minor. The returnees influenced the formation of a capitalist consumerism and a black market, but it is obvious that daily necessities, consumer goods, school supplies, medical supplies, and such that were scarce in North Korea could be provided to the communities.

Second, among the belongings brought by the returnees were many items that could be directly used for economic construction. According to the Japan Ministry of Justice (Immigration Bureau of Japan 1971: 78), the baggage that the returnees took by the sixth group to on January 29, 1960 contained 73 vehicles (such as cars, trucks, and buses), 165 bicycles, 14 typewriters, 32 sewing machines, and 83 items of manufacturing machines and equipment. The gross weight amounted to 2,704.475 tons. And according to other data (Sekino 1960: 92), the cargo conveyed to North Korea by the returnees in the 47th repatriation group on November 18, 1960 was 129,703 items weighting 5,643.582 tons. These supplies contained not only the personal needs of the returnees, but included items selected by Choch'ongnyŏn as necessary for North Korea's economic development. According to Cabinet research data (Cabinet Intelligence and Investigation Office 1968: 69), Choch'ongnyŏn pointed out that some returnees took goods that were not requisite for North Korean economic development but were for speculative, or selfish, intentions, and the returnees ended up asking their families or relatives in Japan for daily necessities and reported to Choch'ongnyŏn that they needed supplies conveyed to North Korea.

This was confirmed by the increase in the weight of the returnees' cargo although the number of returnees after 1965 dropped to below 300. According to data (Cabinet Intelligence and Investigation Office 1968: 69), after the weight of the average returnee's belongings exceeded 2 tons per person, the weight of the average cargo per capita steadily increased with 124th homecoming group of April of the same year taking 3.4 tons, the 142th group of October 1966 took 3.2 tons, the 147th group of March 1967 took 3.1 tons, the 148th group of April took 3.6 tons, the 150th group of June took

earned 60 won, and someone in a light industry earned 25 won. So, one Seiko watch amounted to about 6-12 months' income.

4.3 tons, and the 151st group of July took 5.8 tons, respectively. The most important reason for the weight increase in returnees' cargo per person was that they included many industrial machines and equipment necessary to run the heavy machinery and factories. According to data (Cabinet Intelligence and Investigation Office 1968: 70-71), among the cargo sent to North Korea were all sorts of industrial machines and equipment as well as automobiles from the 122nd return of 1965 to the 155th of 1967 when the repatriation project was ceased. We cannot be sure with accuracy how much the machines and the equipment were actually utilized in North Korea,³⁷ but it is certain that those goods played a key role in accomplishing the first seven-year plan, for a considerable amount of goods were shipped into the country. North Korea compensated for the economic loss due to the decrease in foreign aid with the manufacturing equipment that the returnees brought with them.

Third, there were many technicians among the returnees. As described above, Choch'ongnyŏn was ordered by North Korea to let technical experts and entrepreneurs repatriate first in July 1961. According to Joung, Eun Lee's study (2009: 215), technician groups were formed with 50 to 60 members each, divided by occupation.³⁸ What is important is that the repatriation of technicians was carried out by the organized leadership of Choch'ongnyŏn following North Korea's directions, though it was also executed individually. According to data (Cabinet Intelligence and Investigation Office 1968: 69), it is said that Choch'ongnyŏn ordered technicians to compile reports

³⁷ According to testimony, the machines and equipment the returnees took were not all used in industrial sites and were neglected. Hong, Sang Gong who was the teacher at Chōsen Daigaku and an executive in the commerce and industry division of Choch'ongnyŏn said that the returnees took cutting-edge machines and equipment of the time, but actually North Koreans did not know how to use them and eventually ignored them in many cases (The Institute for Northeastern Asia Studies 2004: 95-96). Lee, Young Soo also told that his relative had bought woodworking machines at a cost of 200,000,000 yen or so and took them with him when he repatriated, but he could not utilize all of it.

³⁸ For example, a vinyl-processing technical group, sewing-machine manufacturing group, underwear group, vinyl shoes group, leather shoes group from Osaka, and a net group and veneer group from Aichi prefecture, a clothing group from Gifu prefecture, a bag group, automobile maintenance group, plastering group, manufacturing publishing group from Tokyo were formed and repatriated (Joung, E. 2009: 215).

on groups of technical experts and entrepreneurs detailing the amount of individual investments, hardware, and raw materials when they returned. And Choch'ongnyŏn directed them to surveys and report returnees who could provide equipment, documents, and details on facilities, as well as on the equipment, materials, and data beyond that which was for personal use after they returned to North Korea. Thus, North Korea made use of cutting-edge Japanese technology, hardware, and equipment acquired by holding the technicians effectively hostage.

Fourth, another example of how this was a hostage economy was the donations by Koreans in Japan who dealt in commerce and industry. The repatriated Japanese Koreans by 1967 numbered 88,611, 94.9% of the total. From then on, only 4,728, or 5.1% of the total, returned from 1971 when the return project recommenced until 1984 because North Korea was no longer recognized as the “earthly paradise” among the Japanese Korean community any longer. Accordingly, North Korea felt it hard to expect labor, daily commerce, machines, and material from the Japanese Korean community from the restarted repatriation campaign in 1971.

Instead, North Korea changed its homecoming project into extracting capital from Koreans in Japanese who dealt in commerce and industry and had financial strength. The extracting method was to use the Homeland Visit Groups. North Korea began to form Homeland Visit Groups made up of respective occupations: people of in arts and culture (artists, athletes, etc.), educators, students, scientists, and merchants and industrialists when North Korea recommenced the homeland campaign in 1971. Among these groups, the Homeland Visit Group composed of Koreans in Japan who dealt in commerce and industry and shows a phase of the typical hostage economy. There were many Koreans in Japan who dealt in commerce and industry whose family members and relatives had returned to North Korea. They visited North Korea to meet their family members through the Homeland Visit Group when the homeland campaign restarted in 1971. But the meeting was accomplished by paying money to North Korea authorities. According to Han, Wook Soo, it is said that the leaders usually paid 10 million yen and the others 3 to 7 million, for a total of 50 million per each visit to North Korea as participants of Homeland Visit Groups in the 1970s, though there was no set amount of money. We cannot be sure how much the Koreans in Japan

who dealt in commerce and industry paid to North Korea, but supposedly a considerable amount of money was sent to North Korea, for Korean Japanese Commerce and Industry Assemblies of every region in Japan visited North Korea to see their family members.³⁹ North Korea took enormous capital from the Korean Japanese for the purpose of family reunions.

Fifth, another phase was the tremendous capital taken to North Korea by the returnees. The capital included the payments made by the returnees and the remittance from their family members in Japan. The payment of the returnees decreased after the first repatriation as illustrated above. The major reason was that they could hardly get daily necessities with money. On the other hand, remittance was done by two methods: one was by sending money through the Chōsen (Chosŏn) Credit Association and another was through family reunions of Homeland Visit Groups in which the family members directly sent money. In Japan, the average remittance from the first return to the 37th return in September 1960 per capita through the Chōsen Credit Association was 16,000 yen to 30,000 yen, which was greater than the money taken directly by the returnees.⁴⁰ The total was 127, 540,173 yen. Aside from this, the money that was sent by family members of the returnees was allegedly substantial after those family members were allowed to visit North Korea via the Homeland Visit Groups from the 1970s. We are, however, unable to know see exact amount.⁴¹

³⁹ As to the reason why it is difficult to ascertain how much money the Japanese Koreans who dealt in commerce and industry paid to North Korea authorities, Han, Wook Soo said, "At the time, Chochōngnyōn could not donate to North Korea publicly. They did it off the record, secretly. Because once the donation was revealed, who and which branch paid would be known immediately. And the tax problems arise. Japan authorities would search for the source of the money sent to North Korea, then the tax problem would arise. In the end, the headquarters of Chochōngnyōn would find itself in trouble, so they did everything in secret (Nam, K. et al. 2010: 140).

⁴⁰ Through the letters of Kang Il-mae's elder brother, it is claimed that there were many letters demanding the remittance from the middle of 1970s, so her mother sent 20,000 to 30,000 yen irregularly (Kang, I. 2006: 109-119).

⁴¹ Joung, Kap Yeol, who returned in 1959, graduated from Kim Il Sung University, and worked in a National Science Society physics laboratory, said that he received \$300 to \$500 yearly from a Japanese relative who visited North Korea in a homecoming visiting group. In North Korea, there was a domestic currency for public use and an

The 100,000 or so repatriated Japanese Koreans were a strong motive for the change from the aid economy to the hostage economy in North Korea. One of the reasons the North Korean economy from the 1960s could sustain itself was that it could be provided with daily necessities, capital, technology, and production equipment from the Japanese Korean community by holding the returnees hostage. North Korea could establish many factories around the 1970s with the various resources extracted from those above. In particular, on May 26, 1973, Kim Il Sung instructed the Koreans in Japan who dealt in commerce and industry to revive the manufacturing sector. According to Hong, Sang Gong (The Institute for Northeastern Asia Studies 2004: 104), Kim Il Sung's instruction aimed at setting up an industry superior to that of South Korea by bringing funds and technology from the Koreans in Japan who dealt in commerce and industry. Also, Kim, Il Sung issued an instruction outlining and urging investment by merchants and the industrialists in the presence of representatives of Choch'ongnyŏn merchants and the industrialists on February 23, 1968. Following the instructions, the North Korea-Choch'ongnyŏn economic cooperation and interaction prospered. According to Hwang, Young Man, the central chairperson of Korean Residents Union in Japan, about 120 members of the Japanese Korean community who dealt in commerce and industry and were pro-Choch'ongnyŏn invested 15,000,000,000 yen at that time. The homecoming project was a practical economic remedy to compensate for the economic loss caused by a decrease in foreign aid and actually, significant labor force, daily necessities, capital, technology, and production equipment were invested in North Korea through 1967 when the homecoming campaign and homecoming agreement ended. When the homecoming project recommenced in 1971, many factories were set up through the infusion of capital and technology by Koreans in Japan who dealt in commerce and industry. Consequently, we can say that the massive repatriation campaign developed from 1958 acted as an important force that enabled the conversion of North Korea from an aid economy to a

exchange currency which could be converted for foreign exchange. With exchange currency 1 won amounts to domestic currency of 50 won. Two hundred won of exchange currency equaled \$100. It has been said that it would take ten years for an ordinary worker to save \$100 (Oguma and Kang, S. 2008: 167).

hostage economy.

V. CONCLUSION: THE RESULT OF THE HOSTAGE ECONOMY

The return project was a pragmatic economic cure to overcome the adversity of the rapid decline in aid from socialist countries in the late 1950s. That is, the repatriation project played a significant role in maintaining the North Korean economy by holding hostage the 100,000 returnees. Of course, North Korea could also get political benefit collaterally through the homecoming project. But the project brought North Korea practical economic gain. The positive aspect of the homecoming project on the North Korean economy was that the country could supplement its insufficient labor force and utilize the tremendous capital, technology, and manufacturing machines provided by the Japanese Korean community. But the hostage economy made North Korea weaker in the end. The North Korean economy had such a highly controlled economic system that it could develop without being influenced by external forces in the short term. But a controlled economic system has the limitation that it cannot support itself without external inflow of resources and capital needed for production in the long term. North Korea maintained a controlled economic system in the way it self-rehabilitated by mobilizing domestic reserves and extracted a variety of resources necessary for production from the Japanese Korean community rather than attracting the investment of foreign capital through opening when foreign aid decreased in the late 1950s.

The significance of domestic reserves in North Korea is that it can be a staple source of preserving production without additional investment. The resource-supplying method of mobilizing domestic reserves is still the main way of resource provision. But the resource mobilization method relying on internal reserves obviously reveals the actual limitation that there is no countermeasure when it is depleted. In addition, it brought about a bureaucratization of the department and officials managing economic resources and institute's egoism such as saving the producer's goods or labor force voluntarily to secure scarce production resources in the manufacturing

department. This phenomenon derives from the North Korean economic system in which the state supplies the production line with limited resources so the line can accomplish the planned goal as ordered by the government, mobilizing domestic reserves on its own. The return of Japanese Koreans was carried out to deal with limitations in North Korea's labor force, and enabled the influx of capital, technology, and manufacturing machinery, but it could not be sustained indefinitely. Also, North Korea did not pay attention to the investment in the production line or quality improvement with the resources extracted from Koreans in Japan. Consequently, the change in the economic system of self-reliance and the limits of the hostage situation forced North Korea to depend on resource extraction from within rather than one from outside, making itself more closed. This closed nature of resource mobilization made North Korea unable to establish a competitive economic structure that could actively deal with the changes in the international economic environment. The feebleness of the hostage economic system became evident in that North Korea could not get economic aid from socialist communities and extract resources from the Japanese Korean community any longer after the collapse of the Soviet bloc in the 1990s and the embargo of the Japanese ship, *Man'gyŏngbong*, in 2006.

These days, North Korea has not received aid from the old Soviet bloc, nor has it gained any material aid from Japanese Korean community. In reality, North Korea has sustained its economy with aid from South Korea, China, and international organizations. There is a difference between the two types of aid. The current aid acts as a buffer that prevents North Korea's economic crisis from becoming worse, while the aid from socialist countries after the war contributed to its structural stability by establishing a foundation for recovery from the damage due the war and to economic reconstruction. This becomes evident if we examine the amount and application styles of aid from international organizations (except China) to North Korea from 1995 to 2005. According to Stephen Haggard and Marcus Noland (Stephen Haggard, Marcus Noland 2007, 134), international organizations of this period gave \$2,427,000,000 in support to North Korea. Of this, 67% was in food aid, and 9% fell under the category of agricultural restoration and development. That the aid was centralized on food aid and agricultural recovery rather than manufacturing basis, increase, or technology investment means that

the characteristic of foreign aid has been done to prevent the exacerbation of economic crisis, unlike in the past. As to why the foreign aid suppliers have not supported areas other than food and agricultural, Stephen Haggard and Marcus Noland (2007: 136-138) accurately indicated that North Korea approached the economic crisis not in a systematic, political aspect, but as that of natural disaster and a decrease of international trade. North Korea has the intention that it only needs to acquire the amount of aid that can maintain the economy without aggravation, rather than aid that can trigger systematic change.

Thus, the most realistic prescription to cure the current economic crisis is to reform North Korea's economic structure into one that has the ability to stand on its own and can be managed actively instead of the current feeble economic structure, which is not responsive to changes in the international economy environment. Though the year of *kangsŏng taeguk* ("strong and prosperous country") begins in 2012, there is a high possibility that the North Korean economy will be stuck in a state that is impossible to revive, if a strong country in science and technology cannot be accomplished, because it is one of the three pillars of a strong and prosperous country. So North Korea has to find the spark of economy recovery in resource mobilization from the outside, not from within. Integrated into the international economic system through opening up, North Korea can be offered many benefits in various ways because the opening can attract various goods, services, systems, and ideas. But a prerequisite should be whether they can change their systems. There should be a systematic apparatus that can control the friction among interests, for overseas investment and resource introduction can be accomplished only when there is no conflict of interest between the foreign suppliers and North Korean recipients. Therefore, a systematic reform is mandatory so the interests between the both parties do not conflict, if North Korea wants the interests of the suppliers who provide the investment and resources and that of North Korea as recipient to be harmonized. In the end, North Korea will have prospects for the future when the policymakers in North Korea correctly perceive the changes in the international economic environment and prepare for systematic change to respond to the changes.

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