

## The First Year of Kim Jong-un's Reign and the Consolidation of a New Ruling Coalition in 2012

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In 2012, Kim Jong-un concentrated on consolidating his political power. This has been implemented in the context of three factors. First, the internal and external circumstances were rather congenial to his focus on the consolidation of power. Second, the consolidation attempts were done in all three levels of the upper, middle and lower ladders of power hierarchy. Third, among others, the central aspect of Kim Jong-un's power consolidation has been the project to replace the old with the new ruling coalition.

### Consolidating Kim Jong-un's Power in a Friendly Environment

This can be observed in two dimensions: economics and politics. Let us first observe this from an economic perspective in three points. The first is related with the fact that the year 2012 was a period of harvesting the results of the "Grand Upsurge," a mobilization of economic policy started in 2009 to "open the gate of strong and prosperous country in 2012." Therefore during the first year of his reign, Kim Jong-un held festivals all year round, and roamed Pyongyang to participate in many tape cutting ceremonies for completion of showcase construction works. The second is related with the fact that he could evoke an image as a "provider." He parceled apartments to some citizens of Pyongyang and also increased, though not much, the ration of goods and food in general in commemoration of festivals including the centenary of Kim Il Sung's birth on April 15. Based on such decisions, Kim Jong-un was able to portray himself as a caring leader. The third is that the North Korean

authorities did not have to burden the population with a new mobilization of economic policy in 2012. This year, they concentrated themselves on completing the showcase construction projects and taking care of the neglected sectors including education during the period of mobilization.

Next, let us analyze from a political perspective. The year 2012 was a time in which the elite and the populace in North Korea had to remain strongly attentive on domestic issues. There are two points that must be noted. First, North Korea's isolation has strengthened. With the increased tensions between the North and South Korean governments, inter-Korean exchanges had been suspended. In addition, relations between the United States and North Korea had been also shelved following the annulment of the February 29 Agreement by the latter. As a consequence, both the North Korean elites and the people had to focus only on Kim Jong-un's "one-man show" without distractions from outside its borders. The given situation actually benefited Kim Jong-un in effectively implementing his political campaign. Second, it became easier for the Kim Jong-un government to take control over the people through strengthening the blockade along the border with China. Following the blockade, there was a decrease in the number of defectors and outflow of information from North Korea. In addition, the North Korean authorities have taken measures such as anti-defection propaganda utilizing returning defectors, strengthened control of smuggling, and the increased number of mass rallies in support of the regime held throughout the year. All these appear to have produced some effects in favor of the government's increased control over the population.

## Power Consolidation in All Three Ladders of Hierarchy

Measures for consolidating power have been implemented in all three dimensions of hierarchy of the lower, middle and upper classes. There are four relevant points. First, the project for restructuring the central political institutions as well as leading figures started in 2009, and was completed by April 15, 2012 at the latest. Second, the restructuring of middle and low level of the power hierarchy has started. The North Korean authorities held several mass rallies of major social groups including boys and girls, the youth, workers, women and mothers and strengthened mass organization for each of these groups. Third, Kim Jong-un exhibited particular interest in bolstering internal security organizations in 2012. Mass rallies of judicial officials and chiefs for local police stations were held, while the headquarter of people's interior guard was visited two times by Kim Jong-un. Fourth, Kim Jong-un showed off his special concern for the living of the loyal groups, who are fundamental to his political standing. Only the members of these groups could enjoy the entertaining and residential constructions, for the completion of which Kim Jong-un went personally for tape-cutting. In addition, he visited Mankyungdae revolutionary school for the children from the regime's loyal families and other selected military camps. He also reportedly distributed special foreign-currency cards to each key member of the Party, military and politics.

## Pushing Forward the Project for Consolidating a New Ruling Coalition

The center piece of consolidating Kim Jong-un's power in 2012 was that of a new ruling coalition around

him. As the Kim Jong-un regime was established in mid-April, the replacement of the old ruling coalition with the new one had also been formally completed. The new ruling coalition was centered on by members of royal family and party-civilians mainly from the 2<sup>nd</sup> generation of anti-Japanese partisans. The new one replaced the old one of “Military-first” ruling coalition, which was formed in the past through coalition of the military generals and the Central Party officials.

The project of replacing power coalition from the military generals to the party-civilians has been in place since 2005. It has been progressed with the gradual rise of Jang Sung-Taek. In the meantime, a new group of generals (Ri Yong-ho and Kim Yong Chol) replaced the old one (Jo Myong-rok, Kim Yong-Chun, and Kim Il Chol), who were the mainstream of power since 1995. From 2009 to April 2012, the new group of generals and the party-civilians around Jang Sung-Taek seemed to have clashed and competed politically. It must have been a period of transition, when the party-civilians, concentrated around Jang Sung-Taek, competed against the new group of generals in order to win Kim Jong-un’s support. In a political system such as in North Korea, whichever group succeeds in capturing Kim Jong-un’s support, it would enjoy power and wealth. After series of complications, it was revealed that a coalition of members of royal family and party-civilians had succeeded in gaining Kim Jong-un’s support, not the new group of military generals. As of April 15, 2012, a new ruling coalition finally revealed its composition. The new ruling coalition under the Kim Jong-un era consisted of Kim Jong-un, his aunt Kim Kyong-hui, his uncle Jang Sung-Taek and Choi Ryong-hae, along with other members of public and state security organizations and party-civilians.

Several months after inauguration, the new ruling coalition initiated the project of restructuring and debilitating the military. The objective of this project was for Kim Jong-un and the new members of the coalition to divide and rule the military by utilizing internal rifts and conflicts. There were two cores in this respect. First, nullify the high-ranking officers promoted during the military-first era, who provided the political support for the old military generals centered on power coalition. Second, split the new group of generals that makes the backbone of the current high command, through co-opting some and excluding others. Ko Jae-Hong, a South Korean analyst, provides an interesting observation regarding this matter.<sup>1)</sup> The group that was promoted to Major General during the period of military-first politics between 1997 and 1999 had been excluded from current promotions. The policies of partial co-optation and partial exclusion were implemented on the group of generals promoted to Major Generals by Kim Jong-il in 1992, all of whom hold high positions in the current military hierarchy. In this context, Ri Yong-ho, Chief of Staff and member of Standing Committee of the Political Bureau, was dismissed in July along with 6 of the 9 commanders of front line army corps, who were also subsequently replaced. Hyun Yong-chol, the newly appointed Chief of Staff, and Kim Yong Chol, Head of the Reconnaissance Bureau, were relegated under the direction of the Political Bureau. Moreover, the military was reportedly demanded to transfer its various commercial licenses to the Cabinet. The measures for weakening the economic basis of the military were carried out partially in the name of “economic reform.”

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1) Ko Jae-Hong, “View on the Composition of Inter-Korean Military Relations,” refer to *The Korean Society for Defense Policy*,” a paper presented on December 7, 2012.

The major shareholders in the Kim Jong-un regime are Kim Jong-un, Kim Kyong-hui, Jang Sung-Taek and Choi Ryong-hae. They consist of the new ruling coalition, sharing the benefits of stabilizing Kim Jong-un's personal power as well as his regime as a whole. Under the justification of stabilizing Kim Jong-un's personal power, this new coalition is expanding and stabilizing its own power as well. By claiming to safeguard Kim Jong-un's personal power, the new coalition reaps the benefit from these activities, which in turn give them enough power to counter challenges from other factions. The members of the new coalition would like to weaken the military generals from the old ruling coalition not only by restricting their commercial licenses but also by increasing them under their charge and dividing them amongst themselves. In a nut shell, this is the essence for understanding the internal politics in North Korea in the year 2012.

North Korea's internal economic policies in 2012 are related to the new ruling coalition's attempts to seize economic leadership. The nature of the North Korean regime ensures that the share of political power and economic power is to be equalized. Therefore, the shares of economic wealth among members will change concurrently with the changes in the allocation of political power among them. This signifies that if the political ruling coalition changes, then the spectrum of economic licenses and resource allocation shifts as well. Specifically, the new coalition has to greatly restrict the economic licenses of the old coalition and to increase them under its charge. As part of this political project, it appears that the policies of increasing the role of the Cabinet and the transfer of commercial licenses from the military to the Cabinet have been initiated. At this juncture, it must be noted that the Cabinet is essentially a technocrat organization without much political influence. The Cabinet serves under the most influential political faction and provides benefit to them by enacting policies under the nominal name of "National Economic Policies."

The command of the new coalition's economic power project is more effective under feasible justification. This is provided under the theory of strengthening the Party-state regime and the theory of "reform." In reality, the Party-state regime in North Korea has not been in a normal shape. Many special institutions of the party and the state divide commercial monopolies among themselves and generate heavy revenue while ignoring their official duties as public institutions. On the other hand, the national budget is depleted and the Cabinet cannot function due to the lack of funds. Therefore, it will be difficult to refute that these abnormal circumstances must be changed, and the institutions must focus on their official public businesses, rather than justify their commercial activities.

The Kim Jong-un regime and the new coalition have attempted to strengthen the function of the Party-state regime with these sorts of justifications. They will continue to increase Kim Jong-un's personal power as well as their own, under the thin veil of nominal justification of strengthening the Party-state regime until they can overpower the other factions. As a consequence, the policies under the Kim Jong-un regime will only be reformed on the surface.

However, such policies of redistributing commercial licenses in favor of the new coalition at the cost of the old group are essentially a zero-sum game, which eventually evoke strong dissent from the victims.

So, the new coalition has attempted to create new commercial opportunities and generate new revenues under the name of economic reform or national development. For the new coalition, creating these opportunities and taking control is a far better policy than simply redistributing the military's existing commercial licenses based on its preference. This is due to the fact that such action will violate the vested interests and create opposition, whereas opening of new commercial opportunities will minimize such violations.

The new revenue project of the new coalition has been conducted in the following manner. In its center, there is the Joint Investment Committee managed by Jang Sung-Taek. Through this institution, he appears to be involved in most of the new commercial businesses tried by the regime. He is in the front lines of the Hwanggeumpyong development project with China, increased export of the labor force to China and Russia, development of tourism, and persuading the Chinese government to consider encouraging Chinese shareholders to invest in North Korea for development of mines and Wihwado, etc. Moreover, the National Sports Guidance Committee, also led by Jang Sung-Taek, seems to have brought into the original party to justify the increase in Jang Sung-Taek's share of economic licenses. Now, on to Choi Ryong-hae. After his promotion as the Chief of the military's General Political Bureau, Choi Ryong-hae has firmly supported and made significant contribution to Kim Jong-un and his regime by overseeing various construction and other engineering projects implemented by the military. As usual, he can apply for increased share trading licenses to self-finance the grand construction projects by the military, while benefitting personally from them.

The primary victims of the new coalition's political and economic power consolidation project appear to be the old militarists, the excluded portion of the new militarists, and the semi-civilian merchants, who enjoyed intensive connection with them. The new ruling coalition seems to be in the process of forcefully relegating these groups from businesses opportunities and relocating them to members of their own faction. Due to the flow of events, Ri Yong-ho must have resisted claiming that institutional gains (rations, military budget, the officers' other means of income) are being greatly violated. Therefore it is possible that Ri Yong-ho expressed an opinion that opposes the new coalition's economic project under the guise of protecting military's institutional interests for survival.

## Conclusion

It was incredibly lucky that Kim Jong-un took control in 2012, the year in which the fruits of the Grand Upsurge for building the "Strong and Prosperous Country" were harvested. Kim Jong-un can boast success, while he executes relatively moderate economic policies to reduce the burden on the people. Meanwhile, the formation of the new ruling coalition under the Kim Jong-un was completed in mid-April. With this basis, the new ruling coalition began implementing projects to secure their political and economic positions. There were two cores. One, to exclude the remnant forces of the old "Military-first" advocates and two, co-opt and exclude the new militarists with the intention of weakening and splitting it. These projects were enacted concurrently with the project to reallocate economic licenses. The nature of the North Korean regime has made political power and economic power equal. Therefore, the rise of

the new coalition has inevitably weakened the economic positions of the old mainstream through the initiation of projects that empower the new coalition's economic control. The new coalition currently appears to be implementing a project of forming the basis of an interminable allegiance in its favor by reallocating the confiscated as well as newly created revenue opportunities to its loyal members. © KINU 2012

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