FAMINE IN NORTH KOREA

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Markets, Aid, and Reform

STEPHAN HAGGARD AND
MARCUS NOLAND

FOREWORD BY AMARTYA SEN

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To Sharon Crasnow and Christina Wood

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LIST OF ABBREVIATIONS

Agricultural Recovery and Environmental Protection Plan	AREP
Consolidated Appeals Process	CAP
Democratic People's Republic of Korea	DPRK
European Commision Humanitarian Aid Office	ECHO
Flood Damage Rehabilitation Committee	FDRC
Food and Agricultural Organization	FAO
Food and Agricultural Organization and World Food Programme	FAO/WFP
Food and Agricultural Organization Statistical Databases	FAOSTAT
General Accounting Office	GAO
General Affairs and External Relations Council	GAERC
International Federation of Red Cross and Red Crescent Societies	IFRC
Korea Development Institute	KDI
Korea Institute for International Economic Policy	KIEP
Korea Institute for National Unification	KINU
Korean Buddhist Sharing Movement	KBSM
Korean Peninsula Energy Development Organization	KEDO
Médecins sans Frontières	MSF
metric ton	MT

normal trade relations	NTR
Office for the Coordination of Humanitarian Affairs	OCHA
Proliferation Security Initiative	PSI
public distribution center	PDC
Public Distribution System	PDS
state-owned enterprise	SOE
Supreme People's Assembly	SPA
United Nations Commodity Trade Statistics Database	UN-COMTRADE
United Nations Office for the Coordination of Humanitarian Affairs	UN-OCHA
United States Agency for International Development	USAID
United States Department of Agriculture Foreign Agricultural Service	USDAFAS
United Nations Development Program	UNDP
weapons of mass destruction	WMD
World Food Programme	WFP
World Food Programme International Food Aid Information System	WFPINTERFAIS

FOREWORD

Amartya Sen

In 1844 a young but fast advancing British politician, Benjamin Disraeli, described the unusual features of a famine-ridden Ireland: "you have a starving population, an absent aristocracy, and an alien Church, and in addition the weakest executive in the world." "That," Disraeli went to say, "is the Irish question." This remarkable book is a treatise on what can be called "the North Korean question."

Stephan Haggard and Marcus Noland have presented here a penetrating investigation of the North Korean famine that started almost exactly 150 years after the Irish famine. The famine in North Korea has already killed a great many people, possibly as many as a million (about the same as the Irish famine of the 1840s), and it may kill many more unless the underlying causes are addressed and overcome. The Irish famine also led to a massive emigration from Ireland, particularly to North America. Many North Koreans too have tried to move out of their stricken country, especially to China, but the political barriers to such movement make the process hazardous and often unsuccessful.

Like its notorious Irish predecessor, the North Korean question too cannot but lead to a many-layered answer. It involves *economics* (especially the proximate as well as long-run causes of the failure of a huge section of the population to command enough food for survival), *politics* (in particular the nature and operation of the government that influence—often adversely—the deprived people's ability to have enough food), *practical ethics* (including the dilemmas faced by the international community in providing humanitarian aid that would actually help), and *social organization* (varying from the old socialist entitlements to the newly emerging marketized allocation). Stephan Haggard and Marcus Noland have greatly advanced the understanding of these difficult

issues in the specific context of North Korea, but their study is likely to be of wider interest as well, since starvation and famines associated with economic malfunctions, organizational quandary, and political authoritarianism have had other victims across the world and may continue to flourish in the future, unless the causal processes are arrested and reversed.

Despite many similarities in outcome, the societal process that led to the North Korean famine is, in many ways, very dissimilar (as one would expect) to what happened in British Ireland in the 1840s. And yet there are also some odd resemblances between the two famines, respectively in the most thriving empire in recent history and the most problematic communist state in the contemporary world, separated by a century and a half. Even though Haggard and Noland do not get into this comparison (they have other—more immediate as well as more basic—issues of the nature, causation, and consequences of the North Korean famine to address), it is instructive to see the similarities between two very different famines, drawing on the rich investigation of the North Korean famine presented in this book, in addition to other studies on the North Korean famine, and of course the comparatively voluminous literature on the Irish famine. (An illuminating and impressive study can be found in *The Great North Korean Famines* by Andrew S. Natsios, published in 2002.)

The dictatorial North Korean regime cannot certainly be described as "the weakest executive in the world," in the way that Disraeli described London's rule of Ireland. In fact, the North Korean administration is one of the most forceful and intrusive; it is also, as dissidents know chillingly well, extraordinarily fierce. And yet that ruthless state, with its well-oiled machinery of authoritarian repression, was also remarkably feeble in executing even the most elementary policies that could help the famine victims.

Haggard and Noland do not suggest that the leaders of the Korean regime were deliberately aiming at mass starvation and death, despite the contrary impression generated by the lack of any serious preventive action taken by the North Korean regime. The same, as it happens, can also be said about the Irish famine, since no one in office in London tried to kill the Irish—the rulers managed to do so merely through a mixture of negligence, obduracy, and confusion. And yet the suspicion that starvation was generated in Ireland by the British as a matter of policy would still color the way the British rule would be viewed by many in Ireland for a great many decades to come: Mr. Malone in George Bernard Shaw's *Man and Superman* articulates this thesis with much sharpness ("When a country of full o food and exporting it, there can be no famine. . . . Me father was starved dead, and I was starved out to America in me mother's arms"). The tenuous official attempts at remedying the respec-

tive famines did little in either country to eradicate the principal sources of adversity, and the real culprit is callousness, combined with a determination, again in both countries, by the rulers not to allow any political change in the respective regimes, nor any radical re-examination of the basic political agenda of the two ruling groups. In addition—and no less importantly—there was in each case a fairly comprehensive failure to understand what exactly causes starvation and famines.

Why, then, did the Irish and the Koreans starve? The question takes us to different levels of investigation, including the proximate economic factors and the underlying political causes. A family will certainly starve when it is unable to own enough food to eat. That issue of ownership—or more generally of entitlement (since there are economic and legal systems in which a person is entitled to get some food to eat even without actually owning that food)—can be distinguished from the question of availability of food in an economy, which a starving person can, as it were, "see" without being entitled to eat. The availability of food would typically be one influence among many that determines the entitlements of different persons. Sometimes a sharp fall in total food production would go hand in hand with a fall in the outputs of individual producers, leading to starvation of the families dependent on self-produced food. In other cases, even though there is no general decline of total food production, some individual producers may have a fall in their own production of food, or of other goods, by selling so that they could buy food in the market. So a disastrous failure of food entitlement on the part of a substantial section of the population can take place with or without any overall reduction in food availability for the country as a whole. And nevertheless, in almost all cases the total availability of food would tend to have some influence on the prices that prevail in the market, thereby influencing food entitlements of people to a varying extent.

In the Irish case the reliance on the market was very pervasive (as one would expect), supplemented—often very inadequately—by public distribution. The crisis in the production of potatoes, thus, contributed greatly to the emergence and continuation of the Irish famine. But here too it would be a mistake to concentrate only on the reduced food output, since the distribution of hardship and starvation calls for a fuller analysis of how the process of ownership and entitlement works, along with the many economic influences that shape them. At the height of the Irish famine, ship after ship sailed down the Shannon carrying expensive food items, from meats to dairy products, taking food from starving Ireland to well-fed England where the buyers could afford to pay a higher price than what these commodities could fetch in Ireland itself. Who

can buy what—or get what through a public distribution system—is a central issue in all famines, and it is critically important in understanding the North Korean famine as well as Irish starvation.

Haggard and Noland investigate these issues quite extensively. They show the role of so-called socialist entitlements in North Korea, determined by the state (with fairly powerful biases in the distribution of food), the breakdown of the public distribution system, and the growing role of the market mechanism (emerging in a rather ad hoc way in response to the crisis, rather than as a determined and elaborately planned public policy, as in post-reform China). They also examine the policy failures that made agricultural production quite unreliable, generating recurrent supply problems, while the production of non-food goods was severely compromised by the regime's "rigid pursuit of self-sufficiency" in food, making it harder for North Korea to buy food from abroad through exchange based on selling non-food goods (thereby compromising the food entitlements that could be generated through trade with abroad, and not just through growing more food at home).

Revealing as the economic analysis is, the authors also identify why—and how—the roots of the famine extend deeply into politics and cannot be adequately assessed through economic analysis alone. Disraeli had noted that the alienation of the British rulers in Ireland was reinforced by "an absent aristocracy and an alien Church." North Korea did not have these problems, and yet the rulers clearly were quite firmly distanced from the more miserable of their subjects. The priority of the military was strong; regional diversities were very considerable; and the official faith in a centralized food distribution system remained strong even as it crumbled all around. The emergence of markets appeared threatening to the regime, though they had to settle for an uneasy equilibrium with it. Given the authoritarian nature of the government, there was no way of making the rulers change track, nor of course any hope that the rulers with fixed views and priorities would make way for a different government.

An important role in the hunger scene in North Korea has been played by humanitarian aid coming from abroad. But the aid agencies were troubled by the fact that the regime could not be made to allocate the received food in the way that humanitarian concerns would demand. There have been persistent wrangles between the givers and the receivers, and while the authors show how the dictatorial character of the regime—with a powerful personality cult—has been a major problem, they also discuss the infelicities of the aid arrangements, with difficulties on the donor side as well as on the side of the recipients.

There is a lot more in the story than can be quickly summarized here. But this is just as it should be. It is a book that must be read by people interested in the economics of poverty and hunger, or in the politics of authoritarianism, or in the role—and the difficulties—of international assistance in the miserable world in which we live. The North Korean question proves to be rich, and begins to parallel the seriousness of the old Irish question. This book goes a long way in pursuing that new question. It is an admirable contribution on a truly important subject.

PREFACE AND ACKNOWLEDGMENTS

This book is an outgrowth of an earlier report commissioned by the U.S. Committee for Human Rights in North Korea. We owe the committee, and its executive director, Debra Liang-Fenton, an enormous debt of gratitude.

In preparing that earlier report, and now this book, we have benefited enormously from a large virtual college of policy makers, humanitarian workers, and academics with an interest in North Korea. We would like to thank Jaehoon Ahn, Jagdish Bhagwati, Jon Brause, Maria Castillo-Fernandez, Christine Chang, Nicholas Eberstadt, L. Gordon Flake, Ruediger Frank, Lola Gostelow, Cormac Ó Gráda, Han Ki-Soo, David Hawk, Amanda Hayes, Christopher Hughes, Erica Kang, Byung-kook Kim, Yeri Kim, Young-Hoon Kim, Tae-jin Kwon, Andrei Lankov, Sue Lautze, Suk Lee, Young-sun Lee, Wonhyuk Lim, Mark Manyin, Chun Sang Moon, Chung-in Moon, Sang-wook Nam, Takeshi Nagasawa, William Newcomb, Syungje Park, Raphael Perl, Ed Reed, Hazel Smith, and Jae-Jean Suh. David Kang, Miles Kahler, Hans Maretzki, Barry Naughton, and Scott Snyder took the time to read the entire manuscript and offered particularly valuable comments. We a special debt of gratitude to Daniel Pinkston, who not only provided detailed comments on the whole manuscript but provided assistance with romanization. We also benefited from the comments on our earlier report provided by three anonymous readers commissioned by the U.S. Committee for Human Rights in North Korea.

Among those we interviewed were members of the South Korean Ministry of Unification, the Korea Institute for National Unification, the Korea Rural Economic Institute, the Korea Institute for International Economic Policy, the Korea Development Institute Graduate School, and the World Food Programme. We also benefited enormously from off-the-record conversations with

a number of current staff at official and nongovernmental relief agencies, who, for obvious reasons of political sensitivity, requested anonymity.

Earlier versions of this work profited from presentations at the East Asia Institute and the KDI School in Seoul and workshops organized by the Korea Economic Institute at the University of California, San Diego, and Portland State University; our thanks to Scott Rembrandt for his role in these efforts.

Haggard would also like to thank the students in his course on the North Korean nuclear issue at the Graduate School of International Relations and Pacific Studies in the spring of 2005 and an independent study group on food aid to North Korea that included Yeri Kim, Amanda Hayes, and Takeshi Nagasawa, who wrote insightful papers on the Chinese and Japanese aspects of the issue. Haggard would also like to thank Bob Kaufman for his forbearance.

Erik Zhang did additional fieldwork for a project with Tai Ming Cheung on the China–North Korea economic relationship that is reported here. Paul Karner's assistance in pulling together the data for this report was invaluable; we could not have done this without him. Yeon-Kyeong Kim, Yeri Kim, and Ketki Sheth also provided essential research assistance.

A NOTE ON ROMANIZATION

All Korean terms and proper names are transliterated according to the McCune-Reischauer system. North Korean and South Korea have separate romanization systems, which may cause confusion. All systems have imperfections, but the McCune-Reischauer system remains the standard for scholarly work in English. Readers might be more familiar with the North Korean or South Korean transliterations of the names of public figures Kim Il-sŏng (Kim Il Sung), Kim Jŏng-il (Kim Jong Il), No Mu-hyŏn (Roh Moo-Hyun), and No Tae-u (Roh Tae Woo) or common terms such as *chuch'e* (*juche*). We also follow the Korean tradition of family name preceding the given name, which is separated by a hyphen. In cases of North-South dialect differences regarding provincial names, we use standard South Korean spellings. Some maps were drawn from sources that did not adhere to the McCune-Reischauer system.

Some time later many of the people, both men and women, began to complain against their fellow Jews. Some said, "We have large families, we need grain to keep us alive."

Others said, "We have had to mortgage our fields and vineyards and houses to get enough grain to keep us from starving."

Still others said, "We have had to borrow money to pay the royal tax on our fields and vineyards. We are the same race as our fellow Jews. Aren't our children just as good as theirs? But we have to make slaves of our children. Some of our daughters have already been sold as slaves. We are helpless because our fields and vineyards have been taken away from us."

When I heard their complaints, I grew angry and decided to act. I denounced the leaders and officials of the people and told them "You are oppressing your brothers!"

—Nehemiah 5:1–7, *Good News Bible*

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