

JANG SONG-THAEK'S FALL IN NORTH KOREA

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Executive Summary

1. The execution of North Korea's Jang Song-Thaek in December in 2013 (hereafter the December Incident) was the result of group competition for economic interests. Group competition has intensified from the years of the hereditary power succession.
2. Jang's expanded economic power threatened the military's interests and eroded the Cabinet's authority. For the new young leader Kim Jong Un, it was a huge threat to his powerbase.
3. Kim tries to become the balancer between competing groups. While empowering overall economic affairs to the Cabinet, he returns economic interests, seized by Jang before, to the military.
4. Kim Jong Il controlled both politics and economy, whereas Kim Jong Un has to face group politics in economic affairs, if not in the political realm.
5. An immediate result of the December Incident is the promotion of Kim Jong Un's personality cult. In this respect, Kim Jong Un obtains the highest payoff. The military, led by Vice Marshal and Political Commissar of the People's Army Choi Yong Hae, spearheaded the task. In return, the military regains its fishery rights.
6. North Korea is likely to continue with its external economic relations particularly with China. It is also likely to activate four special economic zones and launch 14 local development zones. The competition between trading companies affiliated to the powerful organizations such as the military, the party, and the security agency are highly likely to continue.
7. Kim Jong Un's strategy is to entrust the Cabinet with the overseeing of economic affairs. The Cabinet does not pose a threat to Kim's political power as it is subject to Kim's control. But the probability of success of such a

strategy is low as the Cabinet lacks the control of a substantial portion of external sources obtained through trades.

8. Choi Yong Hye, the Number Two man, is in a dilemma. If he defends the economic interests of the military as a collective institution and becomes its patron, he will face not only Kim Jong Un's severe scrutiny but also checks by other groups. By not doing so will however render him a mere figurehead of the military.
9. North Korea is likely to undergo more purges and executions much like the December Incident, albeit with different political implications. The turmoil will eventually exhaust the existing regime's institutions and resources.