

Industrialization and Development Model in Socialist Korea

The roots and perspectives of the Juche idea in comparative studies



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I

The importance of industrialization in modern societies is not any longer matter of controversies among social scholars. The attention is instead concentrated in recent decades on the forms it assumes in different countries and on the factors that influence the change. The various forms industrialization has

taken in capitalist countries depend on the differences in the economic policies pursued by the states, and in socialist countries are determined by the various forms of planning systems. The interaction between industrialization forms (corresponding to different levels of technological development and capital accumulation) and economic policies or planning systems gives rise to various forms of

capitalist and socialist systems.

This statement might appear obvious, but it is not. The dominant theories in social sciences—the bourgeois as well as the Marxist one—highlight the non-relevance of economic policies and planning systems, beside the reference to their disturbing function on the functioning of market and capital accumulation. The development trend, following these theories, depends on “objective factors” such as the level of capital accumulation, productivity, investment, the cost of money, etc. They constitute the objective constraints for any society, while the need expressed by the people and state policies ought to be interpreted as ideological manipulation, political intrusion, bureaucracy, etc.

Differences among social systems are, of course, not relevant for those approaches. They are considered transitional phenomena toward a common model. Instead they are fundamental in our analysis. Economic policies in capitalist countries can be assumed as expression of different levels of strength and control capitalists have on their working class. Planning systems in socialist countries are expression of the unity and maturity the working class has reached in the realization of their aims.

Dealing with what we consider the real constraints of development in the establishing of the Juche idea in different countries, President Kim Il Sung wrote:

“Establishing Juche means that the people approach to the revolution and construction in

their own country as masters. In other words, it means the embodiment of independent and creative spirits; the people must adopt an independent and creative stand to solve mainly by themselves all the problems arising from the revolutionary struggle and constructive work in the context of their own country’s actual conditions.”

(KIM IL SUNG, 1974 (1972), p. 191)

In order to analyse in a correct way their internal contradictions and shortcomings, it is important to take into consideration differences in social systems. The economic policies of capitalist states, even in the most developed forms of welfare states, are mainly the strategic decisions taken by private interests at the expenses of the broad masses. The social planning system ought to actively reflect people’s will and decisions putting “economic constraints” at a less important role.

By this I am not defining the form taken by economic policy or planning system in specific capitalist or socialist countries. However, I am assuming that any manifestation of undemocratic methods, bureaucratic manipulation, resource waste, damage to natural environment, labour exploitation are in line with the inner logic of capitalist development, while they would be openly in contrast with the inner nature of the functioning of a socialist society.

The history of the Korean revolution has to be studied as a classical example of this complex and very fascinating interaction between politics and economy, planning

systems and industrialization. Industrialization started in Korea during the years of Japanese colonialism and the applied policies were rigorously functional to this. These events have been analysed and interpreted by President Kim Il Sung with the purpose of understanding both the economical strategy of colonial domination and the process of national liberation. In his speech: "Everything for the Postwar Rehabilitation and Development of the National Economy", held in August 1953 he said:

"In the rehabilitation and building of industry we should pay serious attention to the redistribution of our country's industry. Out of sheer necessity the Japanese imperialists built a deformed, colonial-type industry in our country in the closing years of their colonial rule. In doing this, they were in no way motivated by any concern for the future development of our country and the good of the Korean people. They built industrial establishments in places convenient and easy to ship materials from Korea to their own country, entirely for the purpose of colonial plunder. This is apparent above all in the fact that they set up all major plants on the east and west coasts of our country. As a result, these plants, far removed from the production centers of raw materials, posed tremendous difficulties and troubles in transportation and, in particular, they all suffered serious damage from the enemy's naval bombardment during the war.

"In the rehabilitation and construction of industry, therefore, we should not follow the course of mechanically restoring the destroyed

factories on their former sites, but should redistribute industry. Of course, no small number of factories ought to be restored just where they were before for the sake of speedy reconstruction and economy. But new plants and mills, especially machine-building plants, should be located in new places. We should set up factories in places easy of access where raw materials and products can be transported readily."

(KIM IL SUNG, SELECTED WORKS, Vol. I, p.421)

The existing interdependencies between industrialization form and development model, widely affecting the people's life, are also clearly pointed out. This urban colonial structure; "which was uncivilized and catered to the selfish ends of the privileged classes" was corresponding to the industrial colonial structure. A new industrialization form is necessary to an urban structure able to satisfy "the convenience of the working people's life and a modern, cultured life." The old planless and bourgeois-oriented priority system should be replaced by a properly urban planning system in which:

"...the necessary area of the city and its center should be rightly laid out on the basis of a correct estimate of the rate of population growth, and the main traffic network and thoroughfares should be properly planned.

"...hygienic conditions for the people should be the first consideration; and in thickly populated major towns and factory districts attention should be paid to the building of waterworks, sewerage, and recreation grounds,

ensuring of enough sunlight and good lighting, and heating systems. The building of cultural and welfare facilities such as schools, cultural institutions, cinema houses, theaters, hospitals, bath-houses and, especially, of safety facilities should be envisaged to provide conveniences for the life of the working people.”

(KIM IL SUNG, SELECTED WORKS, Vol. I, pp.434-435)

The inability of social sciences to interpret from one side the phenomena on which the dynamics of capital accumulation and development process are relying (industrializations and technology), and to study from the other side the interaction existing between technological and institutional innovation has been pointed out from scholars in several occasions. Unable to overcome this serious shortcoming, or perhaps unwilling to do it, the dominating theories and policies have mainly engaged themselves in legitimating the existing development by declaring its objective necessity, by blindly supporting technological changes and by hiding certain contemporary distresses behind the uncertain future.

It has been very difficult to seriously analyze the postwar industrialization in capitalist countries, characterized by its rude exploitation, destruction of social structure and cultural traditions, devastation of human and natural resources, without questioning the legitimacy of capitalism. The solution to this problem has to be found by introducing a new concept into social sciences—the concept of “miracle”. In this way the worst experience of

capitalist industrialization became “the Italian miracle”, “the German miracle”, and “the Japanese miracle”.

The reaction to all this literature by the workers’ movement, the left, the intellectual in Western Europe has been weak and contradictory. And it is necessary to highlight this “reality” in a self-critical way. Problems have often been pointed out in a right way and at the right time. But the economic and deterministic base of the European culture, widely incorporated by Marxism, has always stopped this process. This is probably the true explanation of the “limits” proceeding from social and historical experiments like “the third way” of the Euro-communists, or the reformist project in the Scandinavian countries.

Economical and international factors have always been mentioned as constraints that make impossible and utopian any national or socialist-oriented development policy. As if these constraints were not the results of decisions taken in some way, and therefore changeable, but “natural laws”. These ideas have supporters also in the workers’ movements and in socialist government of Western European countries. They are based on two main assumptions that are often coexisting: 1) an overestimation of the power of imperialist countries; 2) an overestimation of the help that other socialist countries can give to our own revolution.

What both positions have in common is an underestimation of the creativity and consciousness of the working people in each

country. Furthermore, they represent the consequences of the weakening of men alienation theory in Marxism, in favour of the “economic” analysis of the mode of production. The result of this theoretical development has been that almost all socialist countries have exchanged the means—the elimination of capitalism—with the aim. In this way the concept of revolution has been identified with the concept of the mode of production, and all countries that have introduced a socialist system have promoted themselves as a “model”.

The Korean revolution, by restoring the correct distinction between aims and means, is also as Kim Il Sung stated: “the first revolution that does not present itself as a model”. But its contribution and international significance is much more important than that. To make a revolution means to realize a strong degree of Chajusong for the working people. It has originally developed the philosophical basis for the theory of revolution by transforming the dialectical and historical materialism into a new synthesis—the Juche idea.

With its ability to combine theory and practice and clearly expressing rather complicated problems, President Kim Il Sung has in many occasions presented the essential feature of the Juche Idea:

“...in order to carry out the revolution in each country, the people themselves as the masters of the revolution, must endeavour and fight, and through their own intelligence, judgement and efforts, solve all the problems that

arise ... in terms of the situation in their countries. This is the only way to successfully carry out the revolution and construction.

“Establishing Juche was especially important for us. Long ago some people in our country developed flunkeyism toward great powers—the servile attitude of not believing in their own strength but worshipping other whether right or wrong and serving those powers. ...As a result, our country was eventually ruined at the hands of others.

“There are such instances not only in our country but also in some other countries.

“We learned from this the serious lesson that when a person takes to flunkeyism he becomes an idiot, when a nation takes to flunkeyism the country is ruined and when a party takes to flunkeyism it makes a mess of the revolution.”

(KIM IL SUNG, 1974 (1972), pp. 192-193)

II

The crisis that for more than a decade has seriously hit capitalist industrial countries, had recalled attention to some critical contributions made by social scientists in the past that had been neglected because of the dominant optimism during the years of “miracles”. I will limit myself, for obvious reasons, to the contribution of the economists and I will take into consideration only the topics relevant to our discussion here. These critical contributions and development experiences will be confronted with the theoretical and historical

contribution made by the Korean socialist development model.

A) Problems of development are often presented as problems of productivity.

The unsolved question in capitalist industrial societies is—as Arthur M. Okun pointed out—how: “to give some efficiency to equality and a little fairness to efficiency”. The prudence by which this requirement is put forward is justified by the fact that it is in conflict with the core of capitalist accumulation. But today we all know that this problem is not completely solved even in socialist countries. Has a Juche-oriented economy in Korea given a satisfactory answer to this question? And by which means?

Let us start with the latter question, concerning the means. Traditional economists divide problems into macro-level (national economy level) and micro-level (enterprise or citizens level).

To analyse the macro-level in socialist economies we have to watch into the planning system. The history and reconstruction of the Korean economy shows that the particular strength of the planning system in the DPRK must be searched in: a) the basic structure of the economy; b) the theoretical understanding of the functioning of the socialist system; c) the way in which a proper planning system is organized.

(a) About the first, basic structure of the Korean economy was laid down by avoiding copying

experiences from other countries, as I have already pointed out, with a great understanding of the relations between industrialization and the model of development.

In order: “to lay the foundation for an independent national economy and to ensure rapid improvement in the impoverished lives of people in conditions of the severe ravages of war”, it was necessary to give: “priority to the growth of heavy industry simultaneously with the development of light industry and agriculture”. Both these decisions and the one of establishing: “a policy of cooperative development in agriculture to reorganize the economy forms prior to technological reconstruction”, “were original and unknown in other countries” and they were reached: “by correctly reflecting the demands of our own economic development and through the creative interpretation of the Marxist-Leninist theory.”

(KIM IL SUNG, 1974 (1972), p. 195)

(b) About the second, the elaboration of a correct understanding of the functioning of a socialist system has been a permanent care of the Korean leaders. Korean scholars give rightly a great importance to a speech made by the President in September 1965, “To Give Full Play to the Great Vitality of the Unified and Detailed Planning of the National Economy” and to his contribution on March 1, 1969: “On Some Theoretical Problems of the Socialist Economy.” Discussing the limits and potentials in developing a socialist economy, he wrote:

“The ‘theory’ that as industry reaches a certain stage of development the reserves diminish and a high rate of growth cannot be ensured in industrial production, has nothing to do with Marxist-Leninist economic theory. The ‘theory’ that large-scale economies cannot develop rapidly is just a sophistry brought forward by some people to justify the fact that their technological progress is slow and their economy stagnant because they have been talking about ‘liberalization’ and ‘democratic development’ instead of educating their working people, who, as a result, have slackened ideologically, fiddle about and loaf on the job.”

(KIM IL SUNG, SELECTED WORKS, Vol. V, pp. 300-301)

A general step toward general reforms of the planning system in Korea was taken in 1965. It established a “unified and detailed planning of the national economy”, consisting in a National Planning Commission articulated by cells in all sectors of national activities and at all levels of society. Also in this case the Juche inspiration of the reform has been explicitly mentioned:

“For several years, we have contemplated doing away with the unreasonable points in the previous planning system of our country.

“I have read works of Marx, Engels and Lenin. I have read also the works of Stalin who had the experience in personally leading socialist economic construction. I have studied many foreign planning systems as well. But no reasonable system of planning suitable for our specific conditions was to be found in any

Marxist-Leninist classics or in books written by foreigners. We had no alternative but to develop the universal Marxist-Leninist theory on planning in conformity with our country’s reality and to perfect the planning system of our country with our own brains. So, we went to the factories in order to study and, often visited the countryside for the same purpose. In the course of this, we came to consider it most reasonable to set up a system, in which state planning functionaries, well acquainted with the intentions of the Party and the general economic life of the country, would go down to the location themselves and consult with the broad masses of producers who are more familiar with the specific production reserves in order to draw up the plan. Thus, we concluded to establish a unified system of planning.

“This system, an embodiment in planning of the great *Chongsan-ri* spirit and *Tae’an* work system, is the most powerful system which correctly combines centralized guidance with local initiative, and proletarian dictatorship with the mass line.”

(KIM IL SUNG, SELECTED WORKS, Vol. IV, p. 267)

Now, let us see which means have been applied at micro-level. They were already introduced in the end of the last quotation by mentioning the *Chongsan-ri method* and the *Tae’an work system*. The former has been developed in the agriculture, the latter as system of economic management in the whole economy and at factory level.

The *Tae’an work system* has put an end to the one-man management introducing a

system of collective leadership. At a managerial level there are a technical and administrative and political body (the factory Party Committee), which corresponds to the highest level of production leadership at a factory level.

The collective leadership requires a vertical well-developed communication system between the three managers—the director, the chief engineer and the factory Party Committee chairman—and their respective decentralized body at different levels. It is an integrated part of their duty, in order to avoid subjective, arbitrary decisions to go down to do work with the producers and help personnel instead of sitting at their desks, just giving instructions and orders. Inspired by the principle stated in the Socialist Constitution of the DPRK: “One for all and all for one”, this system requires that: “...superiors help their subordinates, the well-informed are teaching the less-informed, all the people are helping each other as comrades, and all the workshops are cooperating closely.” (KIM IL SUNG, SELECTED WORKS, Vol. III, p. 424)

If the links among the three managers and the lower units are working well, the collective leadership can become more effective.

“...The chief engineer would be a good choice, because the manager must see to the general affairs of the factory. ...the chief engineer must know all about production and direct all the different processes in a unified way.” (Ibid., p.431)

“It (the Party committee of this factory) is, therefore, able to take into full consideration the

real conditions in the factory—the mentality and technical level of the Party members and workers, as well as technical preparations and supplies of materials and consumer goods, etc.—before laying down a correct line and taking the appropriate measures.” (Ibid, p. 427)

The introduction of the collective leadership reflects both the qualitative changes in industry (scale and technology) and the changed position of the workers in the production process who through the Party Committee become the real “managers” of the factory. Therefore the leading function of the Party Committee has a formal manifestation. In my opinion there is no doubt that the importance of the *Tae'an work system* for a socialist economy corresponds to the one of the *Taylor system* for the capitalist economy. Their effectiveness is due to the fact that they both synthesize in an operative way the inner logic of the two economic systems.

The main features of the *Taylor system*, further developed by capitalist management theory but without significant changes in its nature are:

- a) the total alienation of workers in production by segmentation and fragmentation of production activities;
- b) the centralization of leadership in technical-administrative bodies;
- c) the supremacy of economic and technology considerations on man power.

The main features of the Juche-oriented *Taean work system* are:

- a) the reconstruction of the unity or the production progress by the total involvement of workers in the management of the factory;
- b) the decentralization of leadership under workers' control;
- c) the supremacy of producers' needs and wills on economic and technology considerations.

In conclusion, going back to the first question of this chapter about the answer Korean socialism has given to Okun's request, we can say that both the analysis of 'means' and the one of the interrelation between efficiency and equality have been dealt with in a positive way.

B) The devastating effects of capitalist industrialization on social and natural environment have been emphasised by scholars and caused anger in popular masses in the last decades.

An eminent economist—William Kapp—by studying the “social costs” of capitalist enterprises came to the conclusion that: “capitalism can be seen as a system of unpaid costs”, of course, unpaid by capitalists, but paid with the health of the working people and by the impoverishment of their natural and social environment. The “decadent international but individualistic capitalism” has been denounced

by J. M. Keynes, who was heavily protesting against the destructive logic of capitalist financial calculation:

“We destroy the beauty of the countryside because the unappropriated splendour of nature have not economic value. We are capable of shutting off the sun and the stars because they do not pay a dividend.” (J. M. Keynes, 1933, p. 764)

The attention devoted by Korean socialism to these requirements is well known. That is the result of an effective system of physical and territorial planning that was fully institutionalised in 1977 by the approval of the Land Law by the Supreme People's Assembly. But the Law is the accomplishment of a political, legislative and cultural process that has lasted for many decades.

Until 1977 problems concerning the planning of land development and conservation have been considered and solved in the economic planning, in the agrarian reform law, in the thesis of the socialist rural question and in the Constitution. Administrative and legislative regulations can be founded in the rules concerning the cooperative farms, the land use, the management of state enterprises and civil service establishment.

In addition the internal logic of a Juche-oriented socialist planning system quickly showed and made even measurable the wastes and inefficiency in relation to land. The land conservation and development, therefore, are not problems that have been raised in Korea at a certain level of socialist construction, but that

have been growing together with it from the first early stages. The cultural maturity by which the problem has been met and the clear conscience of the interdependences this relies on have been made explicit by President Kim Il Sung:

“Land is an important factor of production, a precious asset that is vital to the development of the economy and the life of the people. Therefore, we should conserve and administer land with care, develop it more efficiently to make effective use of our land for building our economy and improving people’s lives. That is why we need a law.”

(KIM IL SUNG, SELECTED WORKS, Vol. VII, p. 310)

C) The experiences of the first industrialization period and the big crisis of capitalist economies in the thirties brought J. M. Keynes to conclude that an “open economy” is not desirable and efficient solution to the problem of national development and sustainability.

The losses of such development are too high in terms of national culture, tradition, balanced economic growth. He used also many words in rejecting the idea that technological development requires it. On the contrary, technology, when it is subordinated to the national interests controlled by the people, can reduce the necessity of an uncritical internationalization of economic relations.

The Korean revolution, by building an independent national economy based on the principle of self-reliance, gives clear evidence

of the right way to answer for all these problems. Less known, though as much important, is the Korean answer to the problem of technology in an economical frame of self-reliance.

“Let me cite few examples. Under Japanese imperial rule there was hardly any textile industry in the northern half of our country. There were no more than a few thousand spindles and the per capita output of fabrics was barely 14 centimetres. Even after liberation it was not so easy to ensure adequate clothing for the people. Our country has a poor harvest of cotton because we have much rain in summer, and the question of fibres still remained a headache.

“Our scientists, displaying a spirit of self-reliance, satisfactorily solved this difficult question. Some scientists devised a method of making vinalone from limestone which abounds in our country, and other invented a method of producing fibre from the reeds which grow in plenty in Korea. Thus we came to solve completely the problem of clothing for the people by using the efforts of our own scientists and domestic raw materials.

“Our iron industry, too, faced many unsolved problems. Coking coal is not produced in our country, and we had to import it to produce iron with anthracite of which we have inexhaustible supplies. The result was that we opened up an avenue to the production of iron with our domestic raw materials. This was another great contribution to consolidating the foundation of the country’s independent economy.” (KIM IL SUNG, 1969, p. 92)