

Whither Korea?



After the Singapore meeting between Trump and Kim Jong-un, questions loom large. What is the path ahead for North Korea? What chances are there for a lasting peace on the Korean Peninsula? South Korean socialists weigh in.

The original version of this article was published May 6, 2018, by 노헤투노헤투 (No He Tu—Solidarity for Workers' Liberation Struggle), a revolutionary socialist organization based in South Korea. For years, No He Tu militants have focused their activities on organizing among industrial workers and, through struggle, cultivating political leadership within the working class. Recently, they played a pivotal role in the SK Broadband workers' strike in Seoul (interview forthcoming). In addition to its website, No He Tu publishes a biweekly newspaper and journals covering global imperialism, Marxist theory, international politics, and the Korean labor movement. The following is their analysis of the shifting relations between North and South Korea. The views expressed in this article do not necessarily reflect the positions of Left Voice's editorial board.

Seoul, South Korea, It is still unclear how the situation in Democratic People's Republic of Korea (DPRK) will develop. Beyond the process of negotiations and trade agreements among rulers, there is an urgent need to establish a class policy for the workers on the Korean Peninsula. How the Korean political situation develops will reveal itself only in the struggles between the capitalist and working classes. How

should the workers' movement operate in the context of this class struggle? The specific means may vary according to circumstances and conditions, but they will inevitably be connected to the fundamental problem, "capitalism or socialism?"

Declaring Peace in an Unending War

The meeting between South Korean President Moon Jae-in and North Korean Leader Kim Jong-un took place April 27, 2018. That day, the two Korean leaders issued the *Panmunjom Declaration for Peace, Prosperity and Unification on the Korean Peninsula*, in which the leaders "solemnly declared before the 80 million Korean people and the whole world that there will be no more war on the Korean Peninsula and thus a new era of peace has begun."

The statement, fashioned in abstract terms, was said to be a kind of road map for denuclearization talks between the United States and the DPRK. Then, on June 13, the on-again, off-again meeting between President Trump and Kim Jong-un finally took place in Singapore.

Although these meetings have captured the media's attention and earned President Moon a favorable rating among South Koreans (and international media), these peace maneuvers are in fact unsustainable and can never guarantee permanent peace. Instead, the situation in the region has become extremely dangerous amid increasing tensions between imperialist powers, particularly the United States and China.

In the absence of a worldwide workers' revolution, we cannot begin to expect a lasting peace on the Korean Peninsula. More importantly, the various peace treaties stem from the expansion of "dirty trade" among the ruling classes of North and South Korea and of the imperialist powers (United States, China, Japan and Russia). This trade is based on the exploiters' interest in stabilizing the Korean Peninsula and

expanding their profits.

South Korean Capitalists' Plan for the North

Lee Jong-seok, senior adviser of the inter-Korean summit and former South Korean Minister of Unification, praised the North Korean workers at Kaesong Industrial Complex for their 100% literacy rate, high level of discipline and “diligence” rated among the best in the world. Lee said DPRK workers are “South Korean workers without unions,” exemplifying South Korean capitalists' perspective on denuclearization and inter-Korean relations.

South Korean capitalists do not oppose inter-Korean rapprochement; they generally support it, whether implicitly or explicitly. They regard the North Korean working class as fodder. DPRK workers speak the same language, have not waged any class struggle for decades and lack independent organization. The full and open opportunity to exploit North Korean workers can serve as a potent weapon against the South Korean working class, increasing the rate of exploitation by oppressing the more disobedient ones.

South Korea's approach to North Korea can thus be described as establishing a prospective internal colony.

New pressures will likely be placed on South Korean workers through the use of subcontract orders (i.e., Original Equipment Manufacturer deals), the transfer of production bases to the North and the development of large-scale production facilities in inter-Korean border areas that employ low-wage North Korean workers. These would be useful means of suppressing a generation of young workers in the South, who in the coming decade would otherwise probably earn higher wages (thanks in part to a low birth rate in the South) and gain the confidence to organize themselves. Furthermore, North Korea's

abundant mining resources, such as iron, tungsten, molybdenum and magnesite used to produce high-tech devices and systems, could reduce the costs.

The advancement of inter-Korean relations opens up opportunities for South Korean capital to penetrate the enormous market in China. Breaking from its dependence on shipping, South Korea's trade with China via railways traversing North Korea would speed up transport and reduce logistics costs threefold. Using cheap labor in the North to export products to China, as well as to Russia, would maximize this effect.

We can also expect massive investment opportunities in social overhead capital (SOC) and infrastructure in the process of the DPRK's primitive accumulation. For example, the cost of modernizing railways and roads in North Korea is estimated at 150 trillion won (US\$150 billion), matched by expected investment opportunities in the electricity sector. The share of South Korean companies in the electric power industry is already surging by over 40 percent. Steel and construction capital are salivating over future demand in the North, which is increasingly seen as a prospective oasis for South Korean capital, which has searched in vain for suitable investment markets after recently experiencing a sharp fall in investment rates.

Thus, improving inter-Korean relations and economic cooperation would allow the Korean capitalist class to achieve a variety of goals, including an increase in the rate of profit, the opening of new markets, heightened exploitation of South Korean workers and the sweeping exploitation of North Korean workers.

In this way, Korean capital sees *inter-Korean problems* as an opportunity to relieve the catastrophic crises that it faces and will face in the future. South Korea's approach to North Korea can thus be described as establishing a prospective

“internal colony.”



The North's Plans

In exchange for nuclear disarmament, the North Korean capitalist class seeks to draw a promise of security from the imperialist powers surrounding the Korean Peninsula, especially from American imperialism. But the North Korean capitalists are not foolish. To them, the guarantees of a new arrangement must not only be etched in politics and diplomacy, but also in economic terms. They are clearly aware that if the material lives of North Korean workers who have fallen to the bottom do not improve, the regime will eventually collapse.

So far, North Korean rulers have placed most of their social resources and capabilities in military power and nuclear weapons. For them, nuclear power is practically the only “fruit” of North Korea’s social capacity. Their current strategy is to use the nuclear program as crucial collateral to expand trade with imperialists—thereby obtaining a base for economic growth (electricity, rails, roads, ports)—and to shift the country’s capacities toward capital accumulation (not unlike the Vietnamese reforms and the Chinese open-door policy).

Hundreds of billions of dollars would be necessary for such an undertaking, which is what the DPRK desperately requests in exchange for abandoning nuclear energy. But who will invest these billions? Negotiations for nuclear dismantlement, which have taken place several times over the decades, have repeatedly failed because the United States refused to pay and demanded total nuclear dismantlement—no railways or power lines in exchange.

Perhaps counterintuitively, this has reflected U.S. imperialism’s weakening economic power. After WWII and during

the Korean War, the burgeoning U.S. empire had enough power to “support” a postcolonial South Korea. But the U.S. imperialism of 2018 is not that of the 1940s and 1950s. This old and infirm imperialism lacks the economic capability to embrace the DPRK rulers’ requests. The United States today can only survive by brutally exploiting weaker countries. Even faced with the golden opportunity to expand its political influence in the DPRK, U.S. imperialism cannot bear the cost.

But South Korean capital may be able to accomplish what U.S. capital cannot. The South has become economically powerful enough to meet the demands of the North Korean ruling class, despite some foreseeable challenges. The crisis of South Korean capitalism—a huge surplus capital and declining rate of profit—has pushed the country’s capitalists to look to the colossal project of economic investment in North Korea. Cheap labor power, abundant minerals and the potential for massive markets in North Korea, China and Russia are seductive enough for South Korean capital to consider the task.

If the U.S.-DPRK summit is the “political stage” for North Korean nuclear disarmament, then the inter-Korean summit is the “economic stage.” As the Moon Jae-in government promises to make such investments on behalf of the South Korean capitalist class, the current deal is being made.

By trading nuclear power for economic support, the North Korean ruling class seizes the opportunity for primitive accumulation, seeking to build a strong enough economic base to overcome major threats to its political system. Besides new foreign investment, the other decisive means for the North’s ruling class to mobilize is the country’s workers—who will be ruthlessly exploited as part of the regime’s plan to rapidly accumulate capital. As can be seen from the example of the Kaesong Industrial Complex (KIC), which provided a large-scale labor force for South Korean capitalists, the NK ruling class will guarantee miserably low wages and use the remains for accumulation.

In short, the North Korean government will play the role of “human resource intermediary” between South Korean capitalists and North Korean workers. The commission for this mediation is sure to be tremendously high, and it will be used as primary capital for the development of North Korean capitalism.

Let’s take the case of the KIC. In February 2016, North Korea’s Minister of Unification Hong Yong-pyo stated, “Seventy percent of workers’ wages in KIC go into the [North Korean Labor] Party Secretariat, and this money is used for nuclear development.” But the government takes 100 percent, not 70 percent.

After the North Korean government receives wages in dollars from South Korean companies, it pays the North Korean workers with North Korean money or in kind, at a very low rate. Former U.S. ambassador Alexander Vershbow has even argued that the KIC actually plays a role in funding North Korea’s nuclear development, since the KIC’s workers do not directly receive wages from Korean companies. But Hong Yong-pyo and Vershbow did not mention the North Korean government’s role as a labor-power intermediary, which it plays by brutally repressing unionization and strikes.

Both the North and South Korean capitalists assume that the North Korean government will freely exploit and repress the North Korean working class to no end. This is a very dangerous calculation.

The KIC can be seen as a tiny fraction, or foreshadowing of the so-called planned “economic cooperation” between the Moon Jae-in and Kim Jong-un governments. The North Korean government’s intermediary role will be greatly expanded. But there will be a departure from the past: the enormous profits extorted from North Korean workers through economic cooperation will be used not for nuclear development, but for primitive accumulation in the North.

The ROK government and Korea Railroad Corporation (KORAIL) estimate that the costs of restoring and modernizing the Gyeong-eui, Dong-hae and Gyeong-won rails (for uninterrupted service to China) would be cut in half if the North Korean government provides free labor. They arrived at this calculation from the following: In various areas, South Korean capital will draw profits by investing capital in North Korea, paying only the minimum wage to North Korean workers; the North Korean government then takes the extraordinary profits for capital accumulation funds. In addition, some profits will be collected regularly from South Korean capitalists by the North, in exchange for passage through their territory. Through these sorts of tariffs from China and South Korea, they will try to gain the means of capital accumulation. According to their calculations, capitalists on both sides of the DMZ [Demilitarized Zone that separates North and South Korea] could make huge profits and break out of their respective crises.

But these projections presuppose an infinite, joint exploitation of the North Korean working class. Both the North and South Korean capitalists assume that the North Korean government will freely exploit and repress the North Korean working class to no end. This is a very dangerous calculation. Chinese capitalists are also creating plans that do not conflict with those of the North Korean capitalists. The Chinese rulers have no choice but to agree to establish a peace regime on the Korean Peninsula at the moment because they want to avoid a nuclear crisis. China appears to be alienated from the current flow of events, but we can expect China to be the most influential player in the long term.

What will happen if an inland economic network that runs from South Korea, through the North and into China, and, as a result, China's economic power grows to challenge the United States? Chinese capitalists believe that this enormous economic influence would be paired with decisive influence on

the rulers of both Koreas.

Therefore, although it appears that the Chinese state capitalist bureaucracies have given the United States the upper hand in its initiatives on the Korean peninsula, they can be sure that their interests will improve naturally with the smooth expansion of the economic link between the two Koreas.

Of course, unlike the expectations of Chinese state bureaucrats, the reality will be very complicated and contradictory. The reform and opening of North Korea will go along with the utmost utilitarian calculations, as in the Vietnamese model. The North Korean ruling class will likely pursue utilitarian relations between China and the United States, swinging back and forth like a pendulum. In the process, the United States and China will compete fiercely for control of the Peninsula, bringing crisis to the region in various forms. This would ultimately become the crisis of global capitalism, expanding the unresolved crisis on the Korean Peninsula beyond the region.

The North Korean capitalists are now convinced that it is time for them to be bold, taking advantage of the various contradictory interests of Korea, the United States and China. It is a great opportunity, perhaps the only opportunity, to stabilize the North Korean state capitalist system.

For or Against the Current Peace Process?

What should be the attitude of the South Korean working class toward the agreement to end the war, the peace treaty and the declaration of denuclearization? Ultimately, we do not oppose these aims. But we approve them only conditionally.

First, these various peace treaties can have only a temporary and limited effect, because real peace on the Korean Peninsula can never be achieved without cutting the roots of imperialism and capitalism, which lead to the threat of war. True peace on

the Peninsula can be achieved only through the international unity of the working class and the revolutionary action of eliminating capitalism based on this unity—not through peace agreements between capitalists.

Second, we conditionally approve the peace agreement only in terms of advancing the unity between workers in both Koreas, and the development of the working class' power to struggle.

At present, the workers of the two Koreas and the worldwide working class have not reached the stage of unity and revolutionary preparation to end capitalism at once. In this situation, peace provides more favorable conditions for the total unity of the working class, compared to the condition of war, which forces the working class to point their guns at each other. More opportunities for communication may make it possible for once-isolated segments of the working class to better understand each other and unite.

The denuclearization, expansion of North-South exchanges and the peace agreement will provide the chance for revolutionary advancement within the working class of both Koreas.

Unlike the hopes of the North Korean capitalist bureaucracy, the North Korean system, punctured everywhere by economic cooperation, will be unable to prevent the awakening of the North Korean working class. North Korean workers will become increasingly aware of the regime's backwardness and the vicious oppression with which it rules, wiping out the illusions that the North Korean rulers have imposed through external containment and media control. They will realize quickly that their suffering is not solely caused by U.S. imperialism but by the oppression, exploitation and incompetence of the North Korean rulers.

Of course, the North Korean rulers will try to stabilize the system and consolidate control by attracting public support à la Park Jung-hee (the former South Korean president who took

power through a military coup in 1963), with speedy industrialization and economic development through economic cooperation and the opening of North Korean markets. But things will never happen according to their expectations, because North Korea's rulers will try to absorb the fruits of economic growth for the rapid accumulation of capital, forcing high rates of exploitation; the fruits of economic development will not return to the North Korean working class quickly.

As a result, the growth of awareness, consciousness, enthusiasm and resistance of the North Korean working class will not keep pace with changes in living conditions, which will improve very slowly. The North Korean regime will be shaken by this gap, as the struggle, resistance and independent organization of the North Korean working class will spread.

Moreover, the North Korean hereditary system and state organization is too old and rigid to cope with rapid economic changes, and will collide everywhere with the demands of emerging capitalists, who are rapidly growing in accordance with private capitalization. This results in a struggle for leadership between the old and new bureaucracies among the North Korean rulers. The unity of the North Korean ruling class will face risks from time to time. And this crack in the North Korean ruling class, coupled with the growing resistance of the working class, is likely to bring great upheaval to North Korea.

Resolving the inter-Korean conflict will have a great effect on the advancement of the South Korean working class. After the fall of the South Korean Park Geun-hye government in 2016, the Moon Jae-in administration, seeing itself as a descendent of the candlelight protests, has put various democratic policies into practice.

But workers increasingly ask, "Why is there no change in the lives of workers? Why is it that poverty, inequality,

irregular employment, layoffs and instability still determine our realities? Why is power in society still monopolized by capitalists? What is democracy today?"

Marx and Lenin were correct to argue that workers' movements should support bourgeois democratic revolution and the advancement of bourgeois democracy, not because something revolutionary will automatically result. The more bourgeois democracy is completed, the more it cannot transcend fake democracy unless it abolishes capitalism; workers' democracy can be achieved only through the realization of socialism. Following the government of Kim Dae-jung and Roh Moo-hyun, the government of Moon Jae-in today plays a historic role in proving this point.

The expansion of inter-Korean communications will declare bankruptcy on nationalism. The Korean working class will learn that *peace and cooperation* on the Korean Peninsula is no more than the cooperation between the ruling classes of the two Koreas for the exploitation of the working class, and that the two Korean capitalists nations will strengthen the oppression, control, division and exploitation of the working class.

It will be revealed clearly to workers that the *prosperity of the nation* is no more than the prosperity of the ruling class of the two Koreas, and the prosperity of working class can be achieved only through the unification of the workers in both Koreas, and the unification of the working class around the world. This will undermine the illusion of nationalism and the illusion of bourgeois democracy, which has been the decisive obstacle to the development of vigorous class struggle.

What will emerge as an alternative for the workers' movement when these fantasies are stripped away? A revolutionary awareness of workers' internationalism, that is, the union of the working class all over the world, including the working class of the two Koreas, and awareness that the fundamental problem lies not in democracy or national division, but in

capitalism.

And finally, there will emerge an awareness of socialism as the only alternative to capitalism. The historical mission for socialists and militant workers in South Korea is to promote this alternative.

Two Prospects

We are passing through vile times. Trump, an imperialist gangster, is emerging as a Nobel Peace Prize nominee. Moon Jae-in has referred to Trump as a contributor to peace in Korea, stating, "We can take peace, and Trump can take the Nobel Prize." It shows the weak position of a South Korean capitalist government, which can gain only temporary peace through its obedience to the U.S. imperialist government.

In addition, the imperialist powers of the United States, China, Japan and Russia, along with the South and North Korean capitalists, all share a common interest: intensifying the exploitation of the working class on the Korean Peninsula. The rulers of the two Koreas are hiding behind the curtains of inter-Korean exchanges and peace and seeking the prosperity and stabilization of the capitalist system of the two Koreas by collateralizing the sacrifice of the working class of the two Koreas. Will the events proceed according to their wishes?

There are other prospects. As the tensions between the two Koreas and the threat of war temporarily decrease, it will become clear where the real problems are to all the working class. The capitalist system of exploitation, once hidden behind the fog of democracy and nationalism, will reveal itself more clearly. This will open up possibilities for working-class unity and the chance for joint struggle against the rulers. Thus, we will open the way for socialism on the Korean peninsula.

Which of the two prospects will come true? Nothing is decided.

Only the unity and struggle of the working class will determine the result. In the meantime, South Korean workers are forced into the vanguard of building unity between the workers of the two Koreas. North Korean workers, who have not had class struggle in recent decades and have not had the right to organize independent organizations, need time to play a role.

First, the Korean working class needs to actively intervene in the current phase with the following demands: "Open up all borders for complete inter-Korean exchange! Ensure that all workers on the Korean Peninsula are free to travel and have the freedom to get a job! Let all South Korean companies that directly or indirectly employ North Korean workers apply South Korea's minimum-wage policy! Pay all wages to North Korean workers directly! Ensure freedom of thought, freedom of assembly and freedom of speech, both in North and South Korea! Ensure that North Korean workers are free to form trade unions and political parties!"

The struggle to support the North Korean working class and to promote the unity of the North and South Korean working class is also effective in protecting the rights of the South Korean working class. Unlike the expectation of the South Korean capitalist class that North Korean workers are "South Korean workers without labor unions," the North Korean working class should rise as workers who struggle with unions, so that the South Korean workers can also resist the pressure of the *race to the bottom*.

The barriers of bourgeois democracy and nationalism are rapidly collapsing. The capitalist class seeks to establish a capitalist kingdom on the ruins of nationalism. But, through the struggle for solidarity between the workers of the two Koreas, they can take a precious opportunity to advance to socialism under the banner of total unity of the international working class, staring capitalism in face.

In these circumstances, we conditionally approve the denuclearization of the Korean peninsula, the end of the war and the peace agreement, with no illusions. We declare, however, that we cannot stop there, but must push forward for internationalism and socialism on the Korean Peninsula!

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