Caricatures are the accomplices of misunderstanding. The view much of the world has of North Korea is replete with grotesque exaggerations. To be sure, North Korea has unwittingly fed some of those caricatures, often through the rococo flamboyance of its political rhetoric against the backdrop of a very different reality on the ground.

But North Korea is changing, if ever so slowly — and not in such areas as human rights and its seemingly unstoppable pursuit of nuclear weapons and ballistic missiles.

Few Westerners have visited the country as often as Rüdiger Frank. Spread out over more than two decades, those visits have given him a window on a North Korea few outsiders know. Here he chronicles his latest trip.
NORTH KOREA has nuclear weapons, a missile program and prison camps. It restricts the travel of its citizens, it pays only lip service to religious freedom and has established a system of hereditary rule that does not shy away from purging even top officials. So far, so bad. All of this has been communicated rather extensively over many years by the international media and will not be questioned here.

But this is not all there is to North Korea. In the search for non-military solutions to the problems above, knowledge and understanding of the dynamics of micro-level domestic developments is essential. Some changes on the ground in North Korea may seem minor, but they could well be indicators of crucial movement at a much deeper, less visible level.

So what do we see when we look past the standard images? What else is there beyond a densely crowded Kim Il Sung Square on a holiday with the ubiquitous images of goose-stepping soldiers, huge missiles and faceless flag-waving masses — images so often captured on TV footage of North Korea?

There is a lot: A country with 25 million individuals who are becoming more and more diverse in their standards, quality of life and level of information. A middle class is emerging that is larger and much more visible than the tiny upper elite of a few thousand individuals who are still hidden away inside exclusive compounds. This new middle class strongly challenges the hitherto almost unbroken coherence represented by the majority of North Korean society.

The leaders are aware of this trend, and they worry about it. At the same time, they know that abruptly ending the ongoing, if modest, market opening and eliminating the middle class would be dangerous if not impossible. So, they are reluctantly riding the tide, trying to slow it down now and then, only to be forced to let it grow, lest the pressure build, resulting in a social explosion.

All this might sound rather general and abstract. But as I witnessed during my latest trip to North Korea in mid-February this year, the reality is complex and worth pondering, because of the continuing changes it confirms. I have visited North Korea numerous times over the past 25 years, providing me a rare opportunity to chronicle a country that is not always what the outside world perceives it to be.
It would be unprofessional to use such a momentary experience to draw far-reaching conclusions, especially since experience tells me that the situation could be completely different — in a negative sense — the next day. However, it was interesting to note that despite fresh Chinese sanctions on North Korea, a political crisis in South Korea, an upcoming major holiday, the annual military exercises of South Korean and US troops and an increasingly assertive US administration under President Donald Trump, the authorities were obviously not anywhere close to their highest level of alert.

Besides, even more than one year following the reopening of the new airport, there is still no image of Kim Il Sung to greet visitors on the front of the building.

NEW LICENSE PLATES
License plates in North Korea indicate the type and purpose of cars. A black plate with white script is used by military vehicles, which is good to know because taking photos of these too aggressively can at times cause trouble. This knowledge is still valid — but forget about the rest. The most frequently used white plates with black script for state-owned cars are about to disappear. They are in the process of being replaced with blue plates that look very much like their Chinese counterparts, except for the Korean letters. The formerly yellow plates for individually owned cars have now been changed to green. Cars with yellow plates are now those owned by foreign businesses and joint ventures. License plates of foreign diplomats, which were formerly blue, are now red, but still marked with “woe” (외) for “foreign” (see Photo 1).

Without further information, it is hard to tell what the license plate changes mean. At best, it implies that the North Korean authorities have nothing bigger to worry about than license-plate colors. That provides another contrast to the alarmist image produced by Western media.

In addition, I was told that since 2016, travel on Pyongyang’s roads has been restricted: on even-numbered dates, only cars with even-numbered plates can be used, and on odd dates only cars with odd plates. From my observation, this rule does not always seem to be followed strictly, but it is nevertheless notable that the authorities feel compelled to reduce traffic in a once rather quiet city.

NEW BUSINESS IDEA: CAR WASHES
More cars imply more affluence. More affluence usually goes along with more attention to detail. This seems to be no different in North Korea, where owners are now obviously concerned about the cleanliness of their cars. In addition to a skyrocketing number of gas stations, I noticed a dozen or so car-wash stations, some explicitly marked “ch’usech’ŏk” [차세척] in Korean, while others are still rather makeshift (see Photo 2).

It is hard to know whether this represents individual pride in driving a clean car, or a state order requiring residents of Pyongyang and visitors not to taint the showcase city by driving dusty rust-buckets. In any case, it is noteworthy that, as an economist would put it, the supply side of the service sector reacted swiftly to a demand. This is normal in a market economy, but it is certainly largely unexpected in North Korea’s state-socialist system.

CAR TOO DEAR? ENTER AN ELECTRIC BIKE
Although the number of cars in North Korea has indeed grown massively in recent years, it started from a very low level and cars are still far beyond the reach of most North Koreans. This applies even to members of the new middle class, the size of which we can estimate roughly by the number of registered mobile phones, which cur-
The country is steadily moving from a homogeneous environment where people almost exclusively depend on state handouts to a more diversified society with a vibrant market economy, at least in some areas like the services sector.

In Focus: Frank

The required investment includes about 780,000 won for a one-by-half-meter sized solar panel (t’aeyang ch’ŏnja’ip’’an) plus installation and a power inverter (yŏkbyŏnhwan’gi) costing another 600,000 won and a large battery for storage.

TAXIS IN THE PROVINCES

For a number of years now, I have noticed the emergence of taxis in Pyongyang and then the growing number of competing taxi companies, ranging from one under Air Koryo to the operator of the Masikryeong ski resort or the Kŭmgang Passenger Transport Company, part of KKG, the Korea Kŭmgang Group. A ride costs 49 won per kilometer during the daytime and on weekdays and 98 won per kilometer after hours. Note that these prices are in “foreign currency won” (woehwawŏn) (외화원). This is an accounting unit for hard currency, with an exchange rate about 80 times lower than the market rate, i.e. 1:100 rather than 1:8,000. A taxi ride thus costs between 50 cents and US$1 per kilometer. A sign on the dashboard reminds customers that neither smoking nor taking off their shoes is allowed inside the car (see Photo 5).

Taxis are also increasingly available outside

rently stands at about 3 million. In addition, owning a car makes you dependent on a steady supply of fuel, which is a major problem in a country that so far produces no crude oil and has to rely on an increasingly less trustworthy China for its supply.

In 2014, I noticed in Rasŏn what would be the obvious solution for North Korea’s individual traffic woes: electric bicycles, a trend supported by the close proximity to the Chinese border and a rather liberal access policy that even allows Chinese to drive their own cars into the Special Economic Zone. The supply of electricity has become more stable in recent years, as I have observed during my frequent visits. But even during a blackout, there is power available through solar panels, despite the significant cost, which amounts to roughly US$250.1 But this seems affordable for most North Korean households, given the fact that solar panels are ubiquitous, especially in the countryside (see Photo 3).

E-bikes have now spread to the rest of the country, and in particular to the capital. My rough estimate is that one out of every 20 bicycles in Pyongyang is now supported by a huge battery. I was lucky enough to find out the price for such a vehicle in the Kwangbok Area Shopping Center, which, at 2.7 million won, or US$340, is about the cost of two or three mobile phones. In other words: expensive, but not out of reach.

NEW MOTORBIKES FOR TRAFFIC POLICE

More traffic means more trouble, in Pyongyang as everywhere else in the world. It is thus no surprise to note the new camouflage-style motorbikes, still bearing the North Korean brand name “Pot’onggang,” but now looking more like something out of the 1990s rather than the 1950s. The officers of the traffic police (kyot’ong anch’ŏn) in their blue uniforms seem proud of their new equipment, but also rather busy (see Photo 4).
the capital, although competition seems to be less stiff there. In addition to Rason, they can now be found in provincial capitals such as Ch’ongjin or Pyongan. This indicates the emergence of the necessary supply (cars, fuel) and demand (purchasing power) and speaks for my long-held observation that Pyongyang might stick out as the most advanced and affluent part of North Korea, but that the new wealth is also trickling down to the rest of the country, however slowly.

DISAPPEARING IRON BARS
Since the late 1990s, visitors to North Korea have noted the presence of iron bars over windows and balconies on the lower two floors of residential buildings across the country. These were an obvious expression of security concerns that had their origins in the hard times of the Arduous March, as the period of famine in the mid-1990s is officially called in North Korea. Later, they became a sign of the growing wealth gap in the country and the security concerns of those who now had something to lose.

The bars were still in place in 2016, but when I visited in February 2017, they were suddenly gone in Pyongyang. Unless all citizens simultaneously decided that they now feel much safer and so took down the bars, the most reasonable explanation would be a central ordinance to remove these embarrassing signs of growing inequality and resulting crime. In the countryside, the iron bars were still in place. Even in the capital, they could still be seen here and there, although they have in most cases been moved to the inside of windows and are thus less obvious (see Photo 6).

This is a reminder to visitors that the state is actively shaping the country’s appearance not only to emphasize strengths, but also to hide weaknesses. It also confirms that the North Korean regime is concerned about its image, both in the eyes of the world and of its own citizens.

SPORTS LOTTERY
The fledgling free market also offers North Koreans a number of new opportunities to earn and to spend. Aspiration for more consumption seems to be uniform, but many North Koreans are still stuck in the low-income brackets. The way out? Try to be lucky: There is now the chance to win money through a sports lottery. Distinctive blue kiosks with the Korean sign “ch’eyukch’uch’on” [체육추첨], followed by a number, are usually staffed by women and can be found across the country. Lotteries are nothing new for socialist countries; we had one in East Germany, and even the “people’s life bonds” issued in North Korea in the spring of 2003 promised to pay their returns based on a lucky draw, not a fixed interest rate. Nevertheless, the sports lottery is one more indicator of the availability of spare money among the population and growing material desires. The latter inevitably come at the expense of ideological motivation (see Photo 7).

BICYCLE TAXIS
Winning a lottery is an elusive goal, so some people need to be more creative if they want to participate in the upward movement that can be observed, to varying degrees, everywhere in North Korean society. It seems that the market for private restaurants, which first emerged about 15 years ago, is now largely saturated or in the hands of an oligopoly. It is hard to tell how many more of the numerous small stands selling snacks, cigarettes or Eskimo ice cream could survive. Even fruits, mostly apples and a few bananas and oranges, seem to be broadly available, despite the fact that it was February when I visited. Such relative affluence is far from the normal image of a socialist country. There are few intersections left without an old man with an air pump offering quick help for punctured bicycle tires, and even the most destitute still try...
to make a few won by selling refills for gas lighters (see Photo 8).

The need for new ideas has led to a grey market for transport, offered by bicycle or, as I was told, by electric bicycles and electric scooters. I saw them mostly in Pyongyang — men waiting in front of markets and other places for customers. There is typically a quick discussion over price, an exchange of money, and then the housewife hops on the reinforced rear rack of the bicycle or the more comfortable padded seat of a scooter, holding her bags tight and enjoying the fact that she does not have to carry them all the way home.

SO, WHAT DOES IT ALL MEAN?

These were, in a sense, just accidental observations. I visit often and thus notice changes, of course, but there is always the chance that some things that I have regarded as new just had not caught my attention before. Even seasoned observers are not safe from what is the typical fallacy of a one-time visitor. So, what I have said above needs to be interpreted with some caution.

I feel confident, however, that North Korea continues to undergo a transformation of sorts that began after the announcement of the July 2002 reforms; I first saw evidence of it in 2004. The country is steadily moving from a homogenous environment where people almost exclusively depend on state handouts to a more diversified society with a vibrant market economy, at least in some areas like the services sector. The deeper effects of this are as substantial as they are well known, thanks to the well documented experience of the formerly socialist countries of Eastern Europe and the Soviet Union, Vietnam or China. Provided that we believe North Koreans are as much human beings as their peers elsewhere, we pretty well understand what the consequences of this must be even without having hard factual evidence for all these effects.

I have been preaching this for many years, including in Global Asia (Vol. 8, No. 2, Summer 2013, pp. 84-89). So why, one might ask, write about it again except to provide a load of fresh evidence? The immediate reason is that North Korea is again high on the international agenda, promoted by a series of events that include the election of new presidents in the United States and South Korea. None of the problems I mentioned at the opening of this essay has so far been resolved. The prospect of a forceful solution, be it by surgical military strike, an all-out attack or economic sanctions that — perhaps — finally manage to lethally suffocate the North Korean economy, is not encouraging. Aside from the question of effectiveness, any of these would come at a price that many people, especially in Korea, would consider as too high.

Assuming that my observations and interpretations are even remotely correct, it seems to be the most reasonable and at the same time least risky option to support the positive trends I have observed. It has worked before in other countries. It will work again. Perhaps not in exactly the same way, since the North Korean leadership, too, has kept its eyes open and learned from history. But they have also seen what China was able to achieve, and despite all the alleged distaste for the “filthy wind of reform and openness blowing in the neighborhood,” as Kim Jong Un put it in his speech at last year’s Party Congress, they want their own, Koreanized version of the same thing. To support this would be in the interest of all, including the new presidents in the White House and the Blue House and their people, not to mention those of North Korea.

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