EVER since communism collapsed around the world, the natural expectation seemed to be that North Korea's regime would follow shortly. With the loss of subsidies from its Russian and Chinese friends, the North's economy is reckoned to have shrunk by about a quarter between 1990 and 1994. Dissidents escaping to the South report food shortages in the countryside. Last year the North had to come to terms with the death of Kim Il Sung, the "Great Leader" who had run the place since 1945, when the Korean peninsula was divided. Having suffered both economic and political blows, North Korea seemed likely to implode, as East Germany did, handing a huge unification bill to its southern neighbour.

So far the natural expectation has proved wrong. The Great Leader's son, Kim Jong Il, seems to be consolidating his grip on power, although his reluctance to appear in public suggests that the grip is not yet complete. The economy has been helped this year by infusions of foreign aid delivered in exchange for North Korea's promise to halt its production of plutonium (from which nuclear bombs can be made). Moreover, a visit to the North supports the impression that the regime may hold on for the time being.

This can be no more than a guess, since the North Koreans are so anxious to withhold information. The few foreigners allowed into Pyongyang sit in semi-lit, empty hotels, swapping stories about how little they know in the rare moments when a North Korean minder is not watching and listening. Still, even a heavily supervised visit is enough to provoke two main thoughts. The first is that the regime is not about to collapse for lack of cash. The second is that lumping the North in with other communist regimes is a mistake. Its claim to legitimacy is based not on Marx, but on something more likely to last: a religious sense of nationalism.

Land of plenty
The evidence for the first view starts with the train journey into North Korea. At Simyung, a Chinese town a few hours from Beijing, your correspondent is joined by three men from North Korea's trade ministry. All available luggage racks are quickly filled with bags of fruit, cigarettes, Chinese liquor, shoes, thermal underwear and smart blue cartons labelled "First Class Men's Shirt" --all "souvenirs" from Chinese friends, explains one member of the trio who speaks
English. His boss wears a gold watch, a silk scarf and crocodile-skin shoes. Along the way, the three consume banquet-sized meals and half a crate of beer. The men from the ministry are conspicuously comfortable.

The streets of Pyongyang tell a similar story. Important people go about in new Mercedes cars, acquired at a time when the economy was supposedly on its uppers. A new bowling alley has been built in the centre of the capital, complete with fancy score-keeping computers. A foreign technician talks about installing 12 lifts in six new apartment blocks this year; he assumes that these new buildings, hidden behind a high wall in a wood outside Pyong-yang, are for army officers and their families.

The capital is a showcase town, full of heroic squares and monuments. Its roads are in good shape and it has an underground train network. Tellingly, some of the grand exhibits were built during the recent economic contraction. A tomb erected on the supposed burial ground of Tangun, the mythical king of ancient Korea, was completed last year. A monumental granite staircase, flanked by granite statues three times life-size, has been cut into a hill; at the top four Korean tigers, each weighing 90 tonnes, guard the tomb's comers.

None of this proves that life is good for ordinary North Koreans. There are few cars, other than those for VIPS; outside Pyongyang people walk along the side of the road bent under vast bundles of wood. Pyongyang itself has few shops, and most of their wares can be bought only with hard currency. Rows of longing faces stare across the counter at the most basic goods: instant coffee, shampoos, chocolate. But the main pointer to the likely lifespan of North Korea's regime is that the state itself does not lack money. Anything labelled as a priority can be done, whether it is building monuments or keeping important people comfortable. In April North Korea put on a grand cultural and sporting festival which 10,000 foreigners came to watch. The performers included Muhammed Ali, a legendary American boxer. If the North's regime felt that its stability were threatened by food shortages or lack of heating fuel, it could deal with such problems.

An early change seems unlikely because pro-North Koreans living abroad will probably go on sending home a steady stream of hard currency. One reason they used to be generous was that the Great Leader, Kim Il Sung, held a romantic revolutionary appeal akin to that of Fidel Castro or Che Guevara. That appeal has now gone, but money still flows to North Korea for a different reason. One Japanese Korean on a flight from Pyongyang said she felt obliged to send money to her sister in North Korea even though most of it was taken by the government. If the money stopped coming, the regime might exact its revenge by dispatching her relatives to a labour camp.

North Korea is also good at squeezing help from foreign governments. By playing on fears abroad that it may have, or be able to develop, a nuclear bomb, the North blackmailed America into signing a deal last October that will provide it with free energy in return, eventually, for allowing UN inspectors into its nuclear plants. The North Koreans are to receive 500,000 tons a year of free oil, as well as brand-new nuclear power plants worth $4 billion. On top of this, the deal -- which was still shakily in place when this survey went to press -- may bring other forms of aid. The Americans may ease their ban on trade. Japan says it is ready to send food aid. In May a South Korean firm won government approval for the first joint venture with a Northern
partner since the second word war.

Keeping the door shut
This means that supposedly the most difficult dilemma facing North Korea may be nothing of the kind. The argument goes that if North Korea opens up to foreign investment and trade, the spreading knowledge of foreigners' affluence will provoke revolt; but if North Korea does not open up, economic seizure will bring revolt anyway. Judging from the new monuments, new apartment buildings and new Mercedes cam, not opening up may yet be an option.

True, the North Koreans have made a few gestures towards a little more openness. For the past couple of years foreigners have been invited to invest in Rajin-Sonbong, a special economic zone modelled on China's coastal experiments in capitalism. But the area was chosen for its extreme isolation, and so far next to nobody has invested there. Nor do the official views of Kim Jong Il suggest that Rajin-Sonbong will be the start of a wider opening along Chinese lines. In an article published last November in the Rodong Sinmun, the journal of the ruling Workers' Party, the North Korean leader (or his ghost-writer) takes communist reformers elsewhere to task for being "renegades of socialism" who "grovel at the feet of imperialists, expecting 'aid' and 'co-operation' from western capitalist countries, instead of believing in the strength of their people."

If North Korea is not going to collapse for lack of cash, and will not open itself to corrupting foreign influence, what else could threaten it? One possibility is that North Koreans will eventually tire of tyranny. The regime, after all, is brutal: the number of North Koreans in labour camps is estimated by outsiders at about 100,000. It is corrupt: North Korea's government is among the world's biggest customers for rare cognacs. And it is hypocritical: the article by Kim Jong Il quoted above has the gall to assert that, "In this society, people are free from all manner of exploitation and oppression, domination and subordination."

And yet there are no signs of popular cynicism. Revealing interviews are thin on the ground in North Korea, since foreigners are rarely let loose without minders. But the trade official on the train from China, a peasant met casually on a walk and a factory worker encountered in Pyongyang all proved willing to express political views-and all were profuse in their praise for the leadership. Likewise, the Japanese Korean returning from a week's stay with her sister in Pyongyang said that nobody criticises the top men, as there seems no prospect of removing them.

The state can apparently demand a great deal from its people without fear of provoking rebellion. North Koreans are not merely expected to obey the regime's rules and tolerate its frightful slogans. They are called upon to demonstrate their active devotion by providing manual labour in their free time. In town and countryside, groups of students or office workers gather in vast crowds to dig a ditch or lug building materials about. Human toil replaces machinery.

In part, the people obey because they have to. Families are organised into groups of five, sharing a bathroom, eating together, and spying on each other. Dissidence is punished by spells in the labour camps, while loyalty is rewarded with party membership, which brings material benefits. The Workers' Party has welcomed some 2m North Koreans into its embrace, while the Youth League takes in another 3m loyalists in their late teens or 20s. Between them, they account for nearly one in four adults. Add in an army nearly 1m strong, and it becomes
clear that the state has formidable powers of coercion.

Kim the Holy Spirit
But it is also possible, even though outsiders may find it appalling, that North Korea's people obey in part because they want to. To the student of communist regimes, the Kims' personality cult may seem as hollow and fragile as that of Romania's Ceausescu, felled in a popular uprising six years ago. Yet Kim Il Sungism may have more in common with religions than with other communist regimes. And, like many strong faiths, it feeds on a form of aggrieved nationalism.

In much of the old communist world, the system was enforced by Russian tanks, so any self-respecting nationalist had to be anti-communist. In North Korea, by contrast, Kim Il Sung turned Marxism into an indigenous creed with its own texts and icons. In place of Marxist theory, North Koreans study Kim's philosophy of juche, or self-reliance. Instead of statues of Marx or Lenin, North Koreans build monuments to their own leaders. North Koreans are constantly told that Kim senior liberated his people from Japanese rule, and that he defended them from American invasion (America is falsely blamed for initiating the Korean war). "Korea is Tangun's country and Kim Il Sung's country," says the guide at the new granite tomb of Korea's legendary founder.

This nationalism is reinforced by comparison with the South, whose leaders collaborated with the Japanese and whose territory still plays host to the hated American army. The South's economic success is ascribed to technology and cash from foreign masters. The North's supposed self-reliance seems to be a source of genuine pride. "There are two superpowers," declares the trade official encountered on the train: "America and North Korea."

Communism may be dead, but nationalist emotion is alive and well. In North Korea this emotion has a religious heat similar to the Islamic fire at the heart of Arab nationalism. North Korea's propagandists are often mocked for inventing myths about the two Kims: for example, they claim that the birth of Kim Jong II was foretold by a swallow and marked by a double rainbow above the holy Mount Paekdu. By the standards of other religions, however, such claims are hardly unusual. Most faiths come with a nativity myth, and most are organised around a man whose powers transcend those of humans.

Likewise, the Kims are often mocked for squandering their country's meager wealth on the grandiose monuments of Pyongyang. But every religion has its mosques or cathedrals. North Koreans wear Kim badges on their lapels in the same way that Catholics wear crucifixes. North Koreans also sing hymns. Most of the songs on a Pyongyang karaoke machine offer up praise to the Kims, and troops of children march off to school singing songs to their beloved leaders.

In front of a statue of Kim Il Sung in Pyongyang a child cries; its mother smacks it, for this is a place of worship. At the palace of gifts to the Great Leader-containing no fewer than 73,689 offerings from notables around the world -- visitors are told to put on cloth overshoes and smooth down their clothes, then bow in reverence before the leader'S statue. The chant of "Comrade Kim Il Sung will be with us forever" is not intended to ring true to secular ears. It is a religious incantation. Other communist dictatorships fell because they failed to deliver the material goods they promised. But Kim Il Sungism does not promise material rewards; it
promises the spiritual prize of national dignity. It may impose asceticism upon its flock, be ridden with intolerance and myths, and involve a leap of faith; but so do many religions that show no sign of disappearing. It is not inconceivable that Kim II Sungism will last for a while. If it does, that will cause relief not just among the North's Mercedes tribe: South Korea will be grateful too. Provided the nuclear threat can be contained, and the North keeps itself to itself, the South would rather live with it than with the consequences of its disintegration.

In Germany, sudden unification has cost former West Germany's taxpayers a packet that has made them groan a little. But at least there were four West Germans to share the burden of each East German. South Korea has only two people to foot the potential bill for each North Korean, and North Korea is much poorer than was East Germany. One study, by Korea University, puts the cost of bringing the North's economy up to the South's standard at $1.2 trillion, four times South Korea's GNP.

In the end, unification is bound to come. Korea's tradition of political unity stretches back much further than Germany's; and Koreans feel just as strongly as Germans about their shared language and culture. North Korea may shut out foreign influence for a surprisingly long time, but its walls will leak eventually. The longer this can be put off, however, the better for South Korea. Given time, South Korean firms may gain access to the North to create pockets of industry that can compete internationally, reducing the eventual cost of unification. And time will serve another useful purpose. It will allow the South to make more progress in its struggle against Park Chung Hee's legacy, and so to brace itself for the future strain of unity.

This survey is particularly indebted to "Troubled Tiger: Businessmen, Bureaucrats and Generals in South Korea", by Mark Clifford; and to a long conversation with Cho Yoon Je of the Korea Tax Institute.

A North-South divide

The Koreas compared 1993

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Sources: UNDP; EIU; Korean Unification Board

GRAPHIC: Graph, Shrinking, Sources: Korean Unification Board; EIU; Picture 1, Larger-than-life Kim the father; Picture 2, Rising Kim the son

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