From Patriarchal Socialism to Grassroots Capitalism: the Role of Female Entrepreneurs in the Transition of North Korea

Introduction

The majority of academic and media interest pertaining to North Korea is focused around its nuclear capabilities and leadership succession. However, there are changes of equal importance occurring within the country worthy of academic attention, namely, the emergence of an informal market economy. With ongoing food shortages and an unreliable government food-rationing public distribution system (PDS), markets have become the chief source of food. It is reported that private markets account for roughly eighty percent of household income and that approximately sixty percent of citizens obtain food from markets (Lee, 2016, p. 33). Due to the dissolution of the Soviet Union, a series of natural disasters, and exorbitant expenditure by the government, the 1990s was a period of financial and agricultural hardship for North Korea (Tudor & Pearson, 2015, pp. 17-18). The North Korean economy shrunk by approximately thirty percent between 1991 and 1996 (Jung & Dalton, 2006, p. 741), causing a crippling famine. While estimates vary, it is thought that between 600,000 and one million people, equating to roughly three to five percent of the country’s pre-famine population, died as a consequence of the famine (Haggard & Noland, 2009, p. 384).

Given its highly authoritarian and repressive political system, its command economy and closed society, some may question the characterisation of North Korea as experiencing any kind of transition at all. The spread of markets has not fully transformed the system from socialism to capitalism. Private business ownership, while tolerated, remains technically illegal and entrepreneurial resources and opportunities are extremely scarce. Nonetheless, informal unregulated economic activity now flourishes in North Korea, and is, in a sense, the country’s de facto real economy. North Korean marketisation presents a unique case in two
ways. Firstly, as many scholars have indicated, in North Korea, society, not the government spontaneously began to construct a market economy as a coping response to the trauma of famine and state failure (Choi, 2017; Haggard & Noland, 2005). Secondly, women have played a major role in this marketisation process, to the point where female entrepreneurs (FEs) actually outnumber males. It has been argued that high rates of female entrepreneurship are only typically seen in countries that demonstrate high levels of overall entrepreneurial activity (Verheul, Van Stel & Thurik, 2006). However, in North Korea, high levels of female entrepreneurship exist in an economy with low total rates of entrepreneurial activity, wherein there are comparatively lower rates of activity among males.

Despite the prevalence of strict state controls, increasing numbers of North Korean women have entered into entrepreneurship by identifying business opportunities, allocating resources, and creating value. This is a remarkable phenomenon with female entrepreneurship now playing a vital role in meeting the basic needs of the North Korean citizenry (Lankov & Kim, 2008; Smith, 2015). Based on forty-one interviews with North Korean defectors, this paper explores how, and in which context, FEs emerged in North Korea and whether entrepreneurial activities are gendered practices. Further, the paper questions the influence of FEs on broader North Korean society and whether women’s participation in markets has any bearing on gender relations within the household and family, as well as on attitudes toward the North Korean regime. Providing a gendered perspective into the unprecedented economic and social changes currently unfolding in North Korea, the paper adds further depth to existing scholarship on gender and entrepreneurship.

Methodological approach and description of participants
Scholars on female entrepreneurship have indicated that studies in the discipline must “move away from traditional, broad-sweeping quantitative approaches towards more focused qualitative and innovative methodologies such as in-depth interviews, life histories, case studies, ethnography or discourse analysis” (Henry, Foss & Ahl, 2016, p. 236). To fill the void in research on FEs and go beyond descriptive analysis of female entrepreneurship as gendered practice, this research is based on in-depth interviews.

Like the majority of research on developments within North Korean society, we rely on interview data garnered from defectors. This approach has been facilitated by a substantial increase in the number of North Koreans defecting to South Korea in recent years. In the early 1990s, the total number of defectors numbered in the low hundreds. By September 2016, a total of 29,830 North Koreans had made their way to the South. Approximately seventy percent of these defectors are women (Ministry of Unification, 2016). Through field work in September 2014, May 2015 and January and December 2016, we conducted forty-one in-depth interviews with female defectors resettled in South Korea. We used snowball sampling, and to diversify the sample, new contacts were made in various fieldwork sites, including NGOs and two Protestant churches that offered special services for North Koreans. Interviews were between two and four hours in length.

The majority (thirty) of those interviewed left North Korea between 2010 and 2015, with ten defecting between 2001 and 2009, and one between 1994 and 1999. Twenty interviewees were in their twenties and thirties at their time of departure, with ten in their forties, four in their fifties, four in their sixties and three in their teens. At the time of interview, eighteen were in their thirties and forties, ten were in their twenties, nine were in their fifties, three in their sixties and one in their seventies. Testimonies from participants defecting from North
Korea at various times have been included as this allows for exploration of how market activities have evolved in North Korea over time. It also allows for examination of women’s developing roles and status within society in comparison to men. In addition, consideration of the experiences of North Koreans living in North Korea during each of the three generations of dynastic rule (those of Kim Il Sung (1948-1994), Kim Jong Il (1994-2011) and Kim Jong Un (2012-the present) yields important insights into the changing attitudes toward socialism unfolding in the country.

In terms of geographic representation, the majority of participants (twenty-six) were from the North Korean north-eastern province of North Hamgyeong. Ten were from Yanggang province, three from South Pyeongan, and one from South Hamgyeong. Only one of the defectors we interviewed was from North Korea’s relatively privileged capital of Pyeongyang. This heavy representation from North Hamgyeong and Yanggang provinces mirrors a general trend in overall defector statistics. Owing to their geographical proximity to China, the majority (over seventy-five percent) of all defectors entering the South originate from these two provinces. In fact, approximately sixty percent of all defectors come from North Hamgyeong (Ministry of Unification, 2016). The proximity of these provinces to China also accounts for the high levels of economic activity engaged in by interviewees from these regions.

Those interviewed are of reasonably high educational achievement. Twenty-three noted having completed high school studies, seven having trained at vocational school, and eleven having graduated from university. Their occupations within North Korea were also diverse, ranging from none at all, to housewife, hairdresser, construction or factory worker, farmer, librarian, clothing designer, or accountant or book keeper. Some interviewees revealed that
they were doctors, nurses, teachers or even a researcher, professor or university lecturer. One of our participants claimed to have been a military security officer, one a government officer, while another was a soldier. Moreover, in the sample, thirty-nine of the forty-one had been directly involved in market trading in North Korea. To protect the identities of participants, pseudonyms are used. While the month and year of interview, together with the participants’ ages at the time of interviews are included, no other personal details are revealed. Data from defectors have been augmented with data from experts in the field, and analysis of other secondary sources to increase validity and credibility.

**Gender and entrepreneurship: Female Deficit Thesis**

The scholarship on this area has largely placed FEs “as an interloper in the field who demonstrated a relatively poor fit” (Marlow, 2014, p. 103). That is, as individuals, whom by definition of their sex and gender, lack the skills to engage in entrepreneurship as frequently and successfully as men (Marlow, Henry & Carter, 2009). Data from the Global Entrepreneurship Monitor show “women are less likely than men to engage in entrepreneurship” with only six out of the sixty-two participating economies demonstrating equal or higher levels of female entrepreneurship in 2015 (Kelley, Singer & Herrington, 2016, p. 25). Most research therefore appears to focus on the apparent deficits of FEs and ponder why they cannot “be more like a man” (Taylor & Marlow, as cited in Marlow, 2014, p. 103). Much of this focus can be attributed to the continued tendency to associate entrepreneurship with masculinity and the traditionally masculine qualities of “aggressiveness, ambition, dominance, and independence” (Eddleston & Powell, 2008, p. 247), based on the liberal feminist notion of binary/essentialist sex traits. Even when research began challenging the so-called “deficit thesis” in the 1990s, masculinity still appeared to be presented as the ‘norm’
As Susan Marlow (2014) explains, despite theoretical advancements in the field, the archetypal representation of entrepreneurial success remains “persistently male” with FEs “forever defined as other” (pp. 114-115).

This is a pattern also identified by Henry, Foss and Ahl (2016) who assert that the majority of studies on female entrepreneurship are preoccupied with the “assumed, innate sex differences” between men and women, which not only contribute to the “‘othering’ of women,” but to the view that women “need to be fixed in order to meet the norm” (p. 235). Henry, Foss and Ahl (2016) also suggest that research in the field requires more of a constructionist approach to gender, wherein gender is seen as “socially and culturally constituted,” as changing with time and context, and even the individual (p. 221). Such an approach enables researchers to study not only how female entrepreneurs ‘do’ genders, but how they construct and transform both their lives and society. It also allows researchers to explore how social systems, institutions and practices are gendered, and how gendering is constructed within social, political and cultural contexts. This research on FEs in transitional North Korea thus fills a gap in gender and entrepreneurship scholarship in that it goes beyond the ‘women’s deficit’ approach by adopting a constructionist approach to gender. It does so by considering a specific context (North Korea) where entrepreneurship is both somewhat atypically dominated and driven by women’s success.

This archetypal representation of entrepreneurial success notwithstanding, there is growing acknowledgement of the emancipatory role that entrepreneurship plays, and its ability to allow “underprivileged and disempowered actors,” including women, to showcase agency (Rindova, Barry & Ketchen, 2009, p. 484). According to Rindova, Barry and Ketchen (2009), entrepreneurship allows for a certain autonomy and freedom in settings where these liberties
might otherwise be elusive, and has the potential to “bring about new states in relevant economic, social, institutional, and cultural environments” (p. 478). In this sense, entrepreneurship is presented as a catalyst for socio-cultural change. It is with this potential and its implications that this research deals. That is, with the question of how entrepreneurial endeavours and the resulting economic agency afforded to North Korean women by their participation, have affected their socialist collective identity, their role within the family, and North Korean society more broadly.

The rise of the market and an ‘ajumma’ [auntie] economy in North Korea

As a population-driven coping response to food shortages (Haggard & Noland, 2005), markets became an increasingly apparent feature of North Korean life from the mid-1990s. Concededly, markets existed before the famine, but as “relics of capitalism”, were deemed “inappropriate,” especially in the capital (Lankov, 2007, pp. 315-316). Before the 1990s, they were largely hidden away and small scale, both in size and available wares. However, as Andrei Lankov (2007) explains, the economic difficulties of the 1990s triggered an “explosive growth” in North Korean markets (p. 317), where they grew not only in number, but also in size and inventory, becoming “the focal point of economic life in the country” by 1995 (Lankov, 2015, p. 85). It must be noted that when we refer to markets we are referring to Jangmadang (literally “market grounds”), black and grey (semi-official) informal markets (Tudor & Pearson, 2015, p. 25) that include larger general city markets, farmers’ markets, and more informal exchange networks, such as familial bartering and transfer systems (Haggard & Noland, 2005, p. 21). These markets are described as “semi-official” in that they are illegal, but tolerated by the state as they help to economically sustain the country and feed its
population. In 2015 it was claimed that 396 “Jangmadang establishments” existed throughout North Korea, each averaging “10,000 visitors per day” (Choe, 2015, p. 67).

To contextualise the situation, the PDS, on which North Koreans had relied for food since 1957, was cut (Lankov, 2015, p. 81). Food rations dropped from 450 grams to 128 grams daily, and were only available to an estimated six percent of the total population (Tudor & Pearson, 2015, p. 18). Koo was in her thirties at the time of Kim Il Sung’s death and North Korea’s subsequent economic downfall. In an interview, she described the precariousness of the situation in this way:

You could save your unclaimed rice at the rations office. My parents-in-law had about 300 kilograms saved, and my family around 100 kilograms, but we never got that rice back. There just wasn’t any rice left . . . Since Kim Il Sung’s death in 1994, the rations gradually decreased, and their delivery was delayed. Then in autumn 1996, the rations stopped altogether (Koo, 49-year-old female, interviewed May 2015).

No longer able to rely on such a system, North Koreans turned to markets for the procurement of everyday necessities. Koo began trading, first home-brewed alcohol, then pharmaceutical goods, and even illegal books, in the markets.

In discussing the rise of markets “from below”, it is acknowledged that North Korea is a totalitarian state wielding an extensive power to control and limit market activities if it so chooses. As Tudor and Pearson (2015) explain “The Kims and their associates still hold some very powerful cards. Patronage, fear of punishment, propaganda, a certain amount of residual respect for Kim Il Sung, and the seductive power of monarchy” (p. 45). Indeed, despite allowing the establishment of general markets (jonghap sijang) on 1 July 2002, as part of its
“July 1 Measures,” the North Korean government later reneged on this policy decision, implementing a series of anti-market controls. Controls intended to curb market activities, some of the most notable being between 2005 and 2009, have included imposing age restrictions on traders, limiting the days and hours of permitted operation and currency reform (Lankov, 2015, pp. 122-125).

The potential for control notwithstanding, to entirely stamp out markets would be contrary to North Korea’s ultimate quest for survival, in that it could plunge the country into famine and threaten its longevity. This oscillation between attempts to reinstate the pre-famine system and reluctant tolerance of the existence of markets is therefore a careful balancing act aimed at maintaining the economic stability of the country, while preserving the political integrity of the system. The government is thus likely to continue to allow markets, while simultaneously attempting to curb “more rapid change” and liberalisation (Tudor & Pearson, 2015, p. 45).

In analysing these effects and conceding the barriers to market liberalisation present in the North Korean context, we adopt Hazel Smith’s (2015) understanding of “marketisation” as “the institutionalisation of market dynamics throughout the society” (p. 12 - italics in original), extending to changing social and economic norms and practices. We adopt this definition in that, whatever the position of the government or system, and however informal the markets, markets are having a profound effect on the North Korean socio-cultural landscape; changes that warrant scholarly attention.

With the emergence of markets, for the first time, women have become active players in emerging market processes. The overrepresentation of middle-aged.married women (referred to as ‘ajumma’ in Korean) in marketplaces is an exceptional phenomenon. Approximately
eighty percent of market traders are women (Lankov & Kim, 2008, pp. 68-69). As such, women’s contribution to the household is no longer regarded as auxiliary, and for many families, women have become the main breadwinner. One twenty-six year-old who began market trade, primarily in diesel and fertiliser at the age of eighteen, said:

The markets were small and there weren’t many of them, but since the Arduous March [famine], most women began to trade, for their families, and that’s how the country could still survive . . . If those women went to their state-affiliated jobs like men we’d have all starved to death (Lee, 26-year-old female, interviewed May 2015).

As a ‘patriarchal socialist’ state, officially, North Korean socialist systems support gender equality through seemingly progressive laws, policies, and political pronouncements. However, due to the persistence of traditional patriarchal social values, in practice, gender inequality has been prevalent in both the workplace and family (Anderson, 2016, pp. 22-23). Interestingly, this low positioning of women within North Korean society partly accounts for women’s current prominence within the country’s market economy. Market trading is traditionally seen as a low status activity and even believed to be ethically questionable (Lankov & Kim, 2008). As such, both customers and stallholders of farmers’ markets have historically been women. This trend thus continued with their expansion.

Among North Korea’s married women, there has consistently been “an unusually high percentage of housewives” (Lankov, 2005), freeing them up for market activity. While it was typical in most other socialist countries for governments to encourage women’s continued participation in the workforce after marriage, the North Korean leadership has historically allowed women to become full-time housewives (Jung & Dalton, 2006). In fact, in the mid-
1980s, owing to a healthy workforce, between sixty and seventy percent of women quit their jobs following marriage. Almost half of these women worked in neighbourhood work units where their participation was not subject to official measurement (Jung & Dalton, 2006), thus making it easier for married women to enter the market. Conversely, the social expectation for men was that they retain their formal employment “on the assumption that the country would revert to its old ways sooner or later” (Lankov & Kim, 2008, p. 69). One of our interviewees Ryu, was a 49-year-old clothes designer. Her husband was a soccer coach (a fairly prestigious job), but after the failure of the PDS, she took on the burden of being the breadwinner by tailoring clothes and selling medicinal herbs, rice cakes, and Chinese-imported appliances. Ryu explained this situation in the following way:

Because there were no wages, people didn’t work at their official posts anymore. If you went to work, there would be nothing. But men had to go. If they didn’t, they’d be subject to forced labour. . . . So they’re effectively tied down by it. . . . But women can go out into the markets and make all the money that they want (Ryu, 49-year-old female, interviewed September 2014).

The collapse of the ration system has brought fundamental changes in the way North Korean society functions and how people live, bringing extreme poverty and food insecurity. To survive, people therefore had to rely on their own initiative, making money through participation in market business.

**Female ‘survivalist’ entrepreneurs: Beyond women’s deficit thesis**

While the literature acknowledges that the motivations of women entrepreneurs are often complex, a typology of two types of entrepreneurs has been identified: opportunity
entrepreneurs and necessity (‘survivalist’) entrepreneurs. Opportunity entrepreneurs are those who recognise and exploit available opportunities and react to various ‘pull’ motives, including the incentive of increased freedom or independence, greater financial gain, higher status, and even the presentation of a challenge. Conversely, survivalist entrepreneurs are ‘pushed’ into entrepreneurship by circumstance, due to job loss, or lack of alternative employment options (Hessels, Van Gelderen & Thurik, 2008).

Necessity is a common push factor of female entrepreneurship in transitional economies. For example, entrepreneurship flourished during Russia’s late communist and transition period as individuals worked to manage persistent scarcities (Rehn & Taalas, 2004). Welter, Smallbone and Isakova (2006) also observe that entrepreneurs from countries in the early stages of transition showcase “a persistent type of behaviour” consistent with “‘muddling through’ and ‘rule avoiding’” (p. 8) They claim, however, that such behaviours are a direct reaction to existing conditions and learned as a means of survival.

In line with these findings, we argue that North Korean FEs are survivalist entrepreneurs. North Korean women’s involvement in the informal market economy is clearly motivated by push factors such as poverty, starvation and survival, rather than pull factors such as job security, or increased freedom and independence. Fear of having no money to buy food for the family forced desperate women, especially mothers, to enter the informal economy. For the first time in North Korean history, out of ‘necessity’ and crisis, a large number of women have found the space and opportunity to enter into entrepreneurship. Dong, born in 1976, was a single mother and a primary school teacher in Hoeryeong. She worked until she had to give birth, upon which she left the profession for good. After having her son, she went out to the markets. Her first trade was fruit, which she sold at a stall at Hoeryeong markets; after that,
she sold cosmetics, fabric, and also dabbled in money exchange. She worked in the markets for three years before leaving North Korea for China in 2005. She explained:

As Kim Jong Il came to power [1994] and the Arduous March began, there were large numbers of starving people and when the rations stopped many of them died. Those of us who were left started thinking that we couldn’t live like this and that we should think about how we could support ourselves (Dong, 40-year-old female, interviewed December 2016).

These female ‘survivalist’ entrepreneurs have managed to diversify household earnings, and in the process, saved many citizens from starvation. Haggard and Noland (2010, p. 15) found that sixty-seven percent of North Korean refugees leaving the country after 2005 identified engagement in market activities as the easiest way to make money in North Korea. Though, North Korean women have had hardly any opportunity to learn how to engage in a trade. They mostly utilise what they have learned as housewives and develop their entrepreneurial skills by ‘trial and error.’ As one interviewee who lived as ‘a socialist role model’ said, “I learnt capitalism through experience” (Seol, 47-year-old female, interviewed September 2014).

In line with the findings of studies on female entrepreneurship in developing/transitional countries (Nyanzi, Wolff & Whitworth, 2005), most women interviewed started small-scale businesses and home based microenterprises, not requiring any specific skills. As one interviewee recalled of her experience:

I had to sell in the markets for my survival. I couldn’t start a large business . . .

I didn’t have that kind of money or background, so I had to start small. In Onsong, there was a business in selling grains in return for alcohol. I would
sell that alcohol in the markets, or individually to people in my region for a profit, and use that money to buy more alcohol (Sung, 51-year-old female, interviewed December 2016).

51-year-old Sung was a high school graduate. She held a state-affiliated job for three years as a hairdresser before she took up the alcohol trade for the first time.

Most interviewees began their trade by selling household items or borrowing start-up money from neighbours, friends or family. Some borrowed money from moneylenders who charge a maximum of almost thirty percent interest. Given the increased number of North Koreans living in China and defecting to South Korea, the often illegally transferred remittances serve as start-up money. Below is a story of how one interviewee started a business with the help of family living overseas:

People were dying of starvation during the Arduous March, but we didn’t suffer as much . . . We at least had our relatives in China, so when everybody else in North Korea was suffering we had our relatives in China supporting us, and through that my mother could start her business in the markets (Wang, 27-year-old female, interviewed December 2016).

Wang was seven when she started engaging in market trade by helping her mother, who began trading in 1996. Her mother would visit her relatives in China and bring back Chinese products, such as foodstuffs, clothes, and even timber to wholesale to other traders, or sell in the markets herself.

Most survived by value adding to basic ingredients such as preparing foods and brewing alcohol at home and then selling the food in farmers’ markets or on street corners: Seol, born
in 1967, was a craft factory worker who moonlighted as a brewer of alcohol, sourcing the ingredients from people who worked in the foodstuffs industry:

At first, we started with corn . . . We had rations of corn saved up, so we took those. My friend’s mother worked in a laboratory at a foodstuffs company. The lab sold bags of nuruk (a yeast-like starter culture) for 10 Won a bag, and I said, “Give them to me. I’ll take them and sell them for you.” There were quite a few people in the alcohol business, so I would sell it to them, and share the profits (Seol, 47-year-old female, interviewed September 2014).

To quickly make their business more profitable, women frequently made changes to the products and services they sold according to the availability, demand, supply, trends, market price and profitability of that time. Due to shortage in supply through PDS, food and daily necessities often became popular items. But it was not just food and basics that they sold in the market. There were also markets for fashion and beauty products, as well as electronic goods. Women often lacked (could not afford) a long-term business plan, so they just followed the market trends.

Using ‘feminine’ skills and traits such as caring and kindness, women also run various services such as food stalls, book lending services, sewing workshops and home-based clothing alteration businesses. This thirty-five year old second-hand clothing dealer describes how she took advantage of opportunities to build and expand a business in North Korea:

Women who were good at sewing could tailor-make clothes, since North Korea had hardly any ready-made clothes coming out of factories. I bought fabrics and made suits for weddings, or Korean traditional clothes. My sister was a designer. She majored in design at a vocational school and she designed
all the clothes, Western and Korean, even padded clothes, and made them. We could make a lot of money on the market, so women who had these kinds of skills were considered ideal brides (Bae, 35-year-old female, interviewed January 2016).

As women have gained more experience in trading activities, these feminised business activities have become less common, and businesses larger in size. Our interviews indicate that the recently defected are more likely to have participated in larger scale business with more workers and non-feminised business items. As one interviewee recalled:

In the beginning, I started by myself, but my trading grew and became more of an enterprise … I hired a maximum of eighteen workers and thirteen workers on average (Seol, 47-year-old female, interviewed September 2014).

Seol, made a living rolling cigarettes with her younger sister who worked at a tobacco factory. They sourced the tobacco and paper from the market and made, at first, twenty packets of cigarettes. Seol and her mother tested this in the markets at Chongjin, and took up a wholesale business with their earnings after seeing its popularity. At first, it was a family enterprise, but she soon needed to employ people, who were paid a sum of money for every hundred cigarettes rolled. She said she felt like she was “running not a business, but a corporation.”

A variety of manufactured goods, principally from China, are also traded, such as car batteries (to provide power during the common power outages), shoes, new and second-hand clothes, vinyl (a common building material) and cosmetics and accessories for women. Some interviewed were involved in trading bikes and second-hand cars from China to North Korea. Some traders live on the mark-up they can pass on to customers by transporting goods, particularly those from China, to more distant markets. Others buy seafood at fishing villages
and then sell them in inland cities. Some travel to the border to sell products such as dried fish, medicinal herbs, coal and minerals directly to Chinese merchants. Their participation in the informal economy allowed them to learn business skills and how to solve business-related problems. Understanding and knowledge about business processes and skills were accumulated through experiences and often shared, or transferred, between mothers and daughters, sisters or friends. In particular, interviewees who were born during the Arduous March and never experienced state support through the rationing system seemed to learn these trading skills from very early in their lives. For example, Do, the youngest of the interviewees, born in 1996 at the peak of the Arduous March, lived with her grandmother, who passed away when she was twelve. She sold her grandmother’s house in return for corn and grains, which was the accepted currency in her region, and asked a close neighbour to look after them for her while she looked for a smaller place to stay. The neighbour stole the corn and grain and conspired with army officials to avoid conviction. With no possessions, she left her hometown to go to Hoeryeong, the nearest major city. She drifted from house to house trying to find work and a place to stay. She began her market trade after watching and learning from an older “sister” Do’s story illustrates how she, as a teenage girl, started her own sewing business with help from her old neighbour:

We weren’t close at first, but I saw her selling noodles, so I decided to stick with her. . . . I moved in with her, where she also sewed and sold men’s suits . . . Because I didn’t have a lot to do, she gave me chores, like buying fabric to make clothes with, and taught me basic sewing skills. . . . After a while – I am quite observant, you see – I wanted to learn her craft. Because suits are expensive. So I asked her, “Would you teach me?” And she did. That’s when we started to work together. I would do the sewing, and she took the orders and measurements . . . After selling a suit, we made a forty percent
With growing business tactics, many women learned and understood the difference between the concepts of wholesale and retail, or how to save time and labour using middlemen or brokers, and increase business profits. Some women bought wholesale to sell at higher retail prices, while others hoarded scarce or popular products and necessities to sell them back for tremendously high prices. This is very evident in the story of an interviewee who left North Korea recently:

We are running our business better than the state owned enterprises do. Even we can produce better lollies than the state enterprise. We racked our brains thinking of all kinds of innovative things. That’s how we became better off like this (Kye, 67-year-old female, interviewed in January 2016).

Kye, born in 1949, began working in the markets a few years before the Arduous March, when she was in her late thirties. Her husband had died shortly after Kim Il Sung passed away. She sold seafood, or more specifically, haesam (sea cucumber) to people who would export it to China.

Many interviewees mentioned that there is nothing women cannot do. Given that women are often business owners, all business activities such as securing finance, goods and personnel and networking are undertaken by women. Production and trade of commodities that required hard work (day and night) were all borne by women. As the following interviewee notes, this extends to ‘men’s work,’ such as physically intensive labour as well:
I carried a 20kg bag of fertilisers on my back. I left home at 9PM and got back home at 9AM. I walked all night long in the sloppy mountain road. In North Korea, there is nothing a small person [women] can’t do. . . . Perhaps we could do better than men could (Eun, 24-year-old female, interviewed January 2016).

Also, in many cases, sourcing goods involves illegal activities. The bulk of manufactured goods are imported from China via clandestine supply chains. As this interviewee’s account reveals, other goods are assets stripped or otherwise stolen from state enterprises:

My sister used to work in a tobacco factory. . . . Girls would steal cartons for me to sell at the markets. In return, I would give them fifteen Won. Since rice was about twenty Won at the time, for these girls, stealing just two cartons could earn them enough money to help out their families, and leave a little for themselves. Girls would hide cartons in their pants, under their shirts, behind their backs, but their bodies [were so thin], anyone could see. Some girls couldn’t even steal one carton without getting caught. Others, like my sister, could fill whole bags, and get away with it (Seol, 47-year-old female, interviewed September 2014).

A few interviewees even dared to engage in smuggling, human trafficking and money transfer services from South Korea or China to North Korea. Most participants said “the more dangerous, the more profitable.” As one interviewee revealed:

People sold bronze, metals, or antiques for cheap. Many of them smuggled them into China. Though these types of trade were risky, one good deal could bring you big profits of hundreds of dollars. That’s why, despite the risk, people are willing to invest in those trades (Bae, 35-year-old female, interviewed January 2016).
Therefore, to overcome crisis and survive, FEs in North Korea, often lacking required skills and resources, muddle through given limited opportunities, capitalising on house-managing skills initially. As they develop their entrepreneurial skills, they expand their business to non-feminine areas. Indeed, facing crisis, North Korean women have strategically utilised both masculine and feminine traits to succeed in business. This confirms that gender roles are socially constructed and can be compromised.

**Destabilising patriarchy: relaxed gender roles in the household**

Involvement in market activities offers women access to scarce and thus highly valued resources – money and goods. In a deeply patriarchal North Korean society, market participation also affords women a “level of public visibility and unregulated social interaction” generally reserved for men (Nyanzi, Wolff & Whitworth, 2005, p. 21). This has perhaps granted North Korean women greater status and economic independence, with many assuming a more influential role in domestic decision making. One study has estimated that women can earn two hundred times more through trading than the average monthly wage of ordinary factory workers (Lee & Park, 2011). Kang was twenty years old when she left her formal job as a potato researcher and worked in various industries ranging from rice, metals, petroleum, money exchange, and eventually drugs and people smuggling, two of the most lucrative, yet risky, trades. She earned most from her lucrative business, a brokerage service for girls who wished to work in factories in China. The following account highlights her satisfaction and confidence as a breadwinner:

> What was most rewarding about the work was money . . . I could pay for my younger sister’s university tuition, as well as my step-children’s, and even buy
Party Membership for my husband, eventually making him a Party secretary ...

I felt myself maturing, and that was rewarding. I could educate my sister and
my children, and clothe them well, as well as any Party official. I could make
all that possible (Kang, 30-year-old female, interviewed May 2015).

Consequently, women’s attitude toward their husbands has markedly changed. Most
interview participants used a number of expressions that have become popular in North Korea
to highlight the ‘uselessness’ of their husbands. Most similarly noted that it was impossible to
support their families on their husbands’ wages, and that their own earnings far exceeded
those of their husbands:

During my over ten years-marriage, I received little money from my husband.
Perhaps once or twice, I received a [rations] ticket. So whenever we got into
arguments, I always said to [my daughter’s] father that his only possession
shall be the loudspeaker in the house that had been distributed by the
government in case of war. “Take only that, and leave. Everything else is mine
that I earned.” He could not object because he never contributed anything to
the house (Seol, 47-year-old female, interviewed September 2014).

In a similar vein, Ryu labelled this trend as the era of ‘the matriarchy’. She describes:

Women often say that the patriarchy has fallen in favour of the matriarchy, to
put it simply. If women were once under the thumbs of their husbands, the era
has come where men are now afraid they’ll be kicked out of their homes by
their wives. There’s a saying that if a man is divorced by his wife, he will be
the one that leaves empty-handed; no house, no money. Women are in charge
of all economic activity; the women are rich, and men are beggars (Ryu, 49-
year-old female, interviewed September 2014).
The growing number of female-headed households (widowed, divorced and single women) (Jung & Dalton, 2006) is another indicator of women’s independence and empowerment. A survey of 426 female defectors living in Seoul found that 34.4 percent had married and divorced more than once (Chang & Lee, 2009). Seventeen of the forty-one women interviewed for this study were widowed, divorced or separated when they were in North Korea.

Another socio-cultural change is an apparent dissipation of the preference for sons. Our interactions with defectors suggest that most people prefer to have daughters, especially since the Arduous March in the mid-1990s. One defector (Lim, 39-year-old female, interviewed October 2014) describes this trend as ‘daughters fever’ and this is due to parents’ recognition that females are playing a financially beneficial role in the emerging economy. Another interviewee also confirms this new trend:

[People used to want] Sons . . . But it’s different now – [people want] daughters. My sister-in-law even terminated a pregnancy after finding out that it was a boy . . . and later, bore another daughter . . . In the past, women didn't do that. Now, women make money, and don’t have to suffer so much. It’s the men that suffer now, having to go to their state-affiliated jobs, and do housework. It’s the beginning of a new era. Husbands used to say to the women, “Go out and die, you (expletive)” but they don’t dare mistreat their wives anymore. Men have become softer. I told my younger brothers, “Hey, be good to your wives.” They replied, “We are. I can hardly breathe.” . . . Because husbands don’t want their wives to divorce them (Dong, 40-year-old female, interviewed December 2016).
The rising role of ‘woman’ has also impacted marriage partner preferences. While, in the past, military officers and party members were preferred for husbands, nowadays men whose position or occupation are useful for business are desirable. For example, drivers have become the most favoured marriage partners instead of military officers, perhaps due to the malfunctioning public transport system, yet transport’s critical role in trading activities:

I declared that I would marry only a military officer or a driver . . . But people asked me, “Why would you want to marry a military officer whose only possession is nothing but dust once discharged from the military?” (Kang, 30-year-old female, interviewed May 2015).

These changes in women’s attitudes and role within the family may indeed be evidence of how entrepreneurship and related activities can be “generators of change,” both individually and socio-culturally (Rindova, Barry & Ketchen, 2009, p. 478). Prior to economic crisis in North Korea, women were dependent on the state for food through the PDS and free social services. Such dependency clearly reinforced the existing patriarchal/political system and directly perpetuated gender subordination (Jung & Dalton, 2006). However, throughout the informal marketisation process, the state became ‘useless,’ as did women’s husbands who could not participate in market activities. Women therefore branched out on their own to survive and thrive. In the next sections, we further explore how these changes in family relations and gender roles in the household have impacted broader North Korean society, and in particular, the patriarchal socialist state.
Attitudes toward the regime: ‘We are all adopting a non-socialist way of living’

An increasing number of FEs might pose a real threat to the North Korean regime by challenging socialist ideals. The emancipatory potential of entrepreneurship and the individual agency it engenders weaken collective socialist identity in North Korea through the practice of capitalism and the spreading of the capitalist principles of individualism, competition and self-advancement. As Victor Cha (2016) explains “[m]arkets create a dangerous independence of mind in a society like North Korea” (p. 266). Observing deterioration in the economy and socialism of North Korea, interviewees expressed growing support for capitalism, a market economy and financial independence. They claimed that North Korea was no longer a socialist country, but increasingly embracing non-socialism (interviewees often used this term instead of ‘capitalism’) from the bottom up:

This lifestyle is the generation that we live in now, where you will be well-off as long as you put in the effort. It’s not just me, but around eighty percent of North Koreans think that this lifestyle is good. Rather than living off rations, or receiving money from the government, this life is better (Ryu, 49-year-old female, interviewed September 2014).

Many North Korean people no longer believe in the regime and reliance on the government. One interviewee asserted that “nobody believes in anything that the government has to say, or anything that is connected with the government.” She continued: “I may not understand politics or economics, but this is what I feel” (Lee, 26-year-old female, interviewed May 2015). Also noting this wavering loyalty to the regime, another interviewee who was a school teacher who traded primarily in musical instruments revealed:
People no longer obey the government. . . We were at first, absolutely submissive to the state. All of us. But now that system of loyalty has greatly collapsed. It has, to a large extent, fallen apart… it’s not that nobody does anything that the state demands, but rather, they attune it with their own lives (Hong, 51-year-old female, interviewed January 2016). As Babson (2009) explains, self-reliance in North Korea is more in line with “self-reliance of the individual” than the Juche version of “self-reliance of the state” (p. 4). Priority is given to supporting themselves and their family over the state and the leaders, as implied in the interview below:

We [in the markets] get together and say that in theory, there is no system better than socialism. But realistically, socialism cannot exist. Why? For socialism to be sustainable, people have to be completely selfless. However, nobody is. So capitalism, while flawed, is the one that suits people best (Ryu, 49-year-old female, interviewed September 2014).

The rise of non-socialist (capitalist) ideas, such as individualism and self-advancement, is also evident in the fact that government officials regularly overlook illegal market activities, which are contrary to the ideological positioning of the state, in exchange for bribes. As Hassig and Oh (2015) explain “police officers and party officials are spending more time looking out for their own welfare and less time doing the regime's bidding” (p. 4). Iverson (2017) also writes of how government officials, including those highly ranked, have a vested personal interest in the continuation of grey and black markets, in that bribery is much more lucrative than the official salaries they receive from the state. One interviewee discussed the rising focus on bribery and private gain:
From the Kim Jong Il Era onwards, there was a saying “Money is patriotism. Whoever makes big money is a patriot”. . . . The way to engage easily and safely with the market was to ‘donate’ to the state . . . Although I got caught trafficking ice, I avoided heavy penalty or punishment for having contributed efforts and money to the state (Hong, 51-year-old female, interviewed January 2016).

The importance of bribery was confirmed by another interviewee:

Connections are important, of course. The reason that I could go to China once a year was because I had networks to help me… Money can buy connections. All I had to do was give them money (Ryu, 49-year-old female, interviewed September 2014).

Women’s increased access to information about the outside world, especially South Korea, through market activities, also poses serious challenges to the regime. FEs who travel across the border, or deal with Chinese merchants in border areas, act as a conduit to the inflow of foreign information. Through selling tuneable radios, mobile phones and movies and television shows, including DVDs/USBs of popular South Korean dramas, markets have become the main mechanism of distributing items through which North Koreans can learn about the outside world (Lankov, 2005). One study of North Korean defectors found that thirty-four percent of survey respondents watched South Korean programs daily, and forty-one percent, once or twice a month (Kang & Park, 2011). Another reported that the perceptions of North Koreans about South Korea changed due to their exposure to South Korean visual media, and that this influenced their decision to defect to South Korea (Kang & Park, 2011). One interviewee recalled how the comparatively idyllic representations of South Korea in South Korean film encouraged her to think about defection:
I thought that quite often. Because they lived a life of plenty . . . In movies, they never seemed to worry about their survival. Also, the clothes, fashion, the environment . . . it all seemed like a dream (Lim, 39-year-old female, interviewed October 2014).

Lim, 39, was an English teacher in Pyongyang who moonlighted as a private tutor. Her secondary trade was in cosmetics. She disclosed that increasing desire for the outside world and further understanding of capitalism also contributed to her decision to defect, stating “I have learnt a lot through trading. Once I became successful in business, I wished to go overseas. That motivated me to defect” (Lim, 39-year-old female, interviewed October 2014). These factors together likely account for the rising numbers of female defectors to South Korea.

As FEs learn more entrepreneurial skills, they became more interested in ‘enterprising self’ than ‘socialist subject’. Through their business, access to outside information has enabled them to realise that their country is not a paradise where there is ‘nothing to envy’. It is questionable if these changes could threaten the regime. We now move on to discuss the likelihood of political change and resistance, and if these changes do not in fact threaten the regime, how it could manage to survive.

**Political change is possible?**

Despite wavering belief in the North Korean system and the spread of grassroots capitalism, the North Korean state is still successfully controlling the populace “through fear and coercive means” (Babson, 2009, p. 4). For instance, the government makes efforts to remind women of their duty as ‘revolutionary mothers’ by frequently mobilising women into nation
building work, such as farm work, road construction and grave making. To recruit more women into public work, the authorities give permission to trade only to women who participate in public works (Good Friends, 2009b). There are reports that officials in some cities have been instructed to form ‘production squads’ made up entirely of Democratic Women’s Union (DWU) members. Women often offer party officials rice or money to be exempt from these public services (Good Friends, 2011). In propaganda statements, women have also been ‘encouraged’ to look after orphans and veterans (Lee & Cho, 2011), which has been another duty of ‘revolutionary mothers’.

The state security apparatus maintains a high degree of discretion and intermittently enforces measures specifically targeting women. In particular, FEs have become the main target of regime control, and the most onerous of all, corruption (Haggard & Noland, 2010) in the form of bribery, graft, extortion, embezzlement, nepotism and abuse of power. In May 2011, the National Defence Commission ordered that females between ten and sixty be stopped from travelling by rail or road to the North Korea-China border (“N.Korea cracks down,” 2011). To make them easier to police and regulate, some markets are enclosed in purpose-built buildings, complete with market stall spaces. As payment of a fee is required to reserve such spaces, some of these buildings even come complete with electronic systems designed to track vendors’ payments (Tudor & Pearson, 2015, pp. 25-26). Failure to pay this fee would automatically give officials the power to seize all wares, escort the merchant from the premises and prohibit any business activity for the remainder of the day. Similarly, those caught conducting business outside this structure risk having their goods confiscated, the payment of costly bribes or severe punishment. For example, one participant who has been involved in a range of trade activities involving herbs, animals, petrol, grains and human trafficking and brokering, noted being arrested twenty-three times and twice serving a jail
term (Kang, 30-year-old female, interviewed May 2015). All women voiced that corruption formed part of everyday life and posed significant challenges to their businesses:

When I had a market stall, law enforcement was problematic for me. Whenever the dreaded State Safety officials came, I had to give them at least a packet of cigarettes. Now, it’s not just the Safety Department, but State Security officials as well (Paik, 26-year-old female, interviewed May 2015).

Further, another interviewee (Sung, 51-year-old female, interviewed December 2016) recounted that state officials did not just take money, but would also be verbally abusive or force female traders to write self-criticism reports as well.

These measures highlight what Haggard and Noland (2010) describe as “the centrality of discretion and terror” required to ensure “the maintenance of the North Korean regime’s power” (p. 16). There have been reports about women traders’ public protests against authorities (“Women revolt,” 2008). When the government placed an age restriction on female traders, some women fought back against the security forces who shut down their stalls. Haggard and Noland (2010) also give insight into instances of political protest and publicly demonstrated dissatisfaction against the government. Specifically, drawing on two refugee surveys of over 1,600 refugees, they found that the higher the percentage of total household income secured through the market, the more likely the respondent was to report “joking” or “speaking freely about” the North Korean leadership with friends and colleagues (Haggard & Noland, 2010, p. 14). That said, collective action amongst traders was reported as minimal (Haggard & Noland, 2010, p. 14). As such, angry female traders cannot be characterised as organised political dissidents.
Unable to completely challenge the regime itself, women have instead developed tactics to “manipulate the mechanisms of discipline and conform to them only in order to evade them” (De Certeau, 2011, p. xiv). These tactics are know-how to get away with things within a given structure without completely defying the regime itself. As Hazel Smith (2015) puts it, “[t]he population learned to circumvent the regular attempts to prevent growth in market activity such that all the population almost all of the time were effectively acting outside the law and in defiance of government dictates, even though these continued to carry risk” (p. 224). For example, younger women appear adept at circumventing official monitoring and controls, with many accompanying older family members to their market stalls, or striking a partnership with women not affected by the age restriction (“Women revolt,” 2008). When there was a ban on wearing pants (Good Friends, 2009a), women wore skirts over their pants to elude authorities.

Ironically, the participation of women in markets is, in effect, a shift in responsibility to feed people and provide basic social services from the state to women. Female operated markets are essentially sustaining the nation and thus allowing the regime to put its limited resources elsewhere. In this way, as women as ‘revolutionary mothers’ have contributed to nation building, women traders might contribute to supporting the existing political system by preventing (or at least forestalling) the complete collapse of the economy.

Conclusion

This research is a significant addition to scholarship on gender and entrepreneurship. It is the first comprehensive study of FEs in transitional North Korea to question the women’s deficit thesis by presenting women’s dominant role in entrepreneurship through the utilisation of
both feminine and masculine qualities and skills. Further, based on country specific qualitative data, which research on FEs has hardly adopted, this research goes beyond the prevalence of descriptive analysis of gendered entrepreneurial practices. It does so by adopting a constructionist approach to gender and emphasising the role of FEs as social-cultural agents, and exploring the influence of FEs upon the household and North Korea more broadly.

Women have played a significant role in this marketisation process, to the point where FEs actually outnumber males. In light of North Korea’s strong patriarchal foundation, this is a remarkable transformation. This is possible due to women’s relatively greater capacity to exit the formal employment sector and strong incentives to augment the deteriorating PDS with lucrative returns from trading. This is also supported by the widely held traditional view in North Korea that entrepreneurship, at least in informal markets, is of low status and mere ‘women’s work’.

In most cases, North Korean FEs get involved in the whole process of business, including networking, bribing and physically intensive labour work, such as delivery. Indeed, facing crisis and men’s inability to participate, North Korean women have strategically utilised both masculine and feminine traits to manage and succeed in business. Women’s deficit theses cannot be applied to the experiences of FEs in North Korea. This confirms that gender roles are socially constructed and thus can evolve in different social contexts.

We have found that female entrepreneurship plays a catalyst role for socio-cultural change. Ongoing female participation in the market economy and their new role as family breadwinners, has afforded North Korean women many new opportunities, including a
modicum of economic power, entrepreneurial mentality and skills. In particular, with a widespread notion of ‘useless men’, there is the apparent dissipation of the son preference, and the emergence of ‘daughters fever’ because of parents’ desire to reap benefits from daughters’ roles in the emerging economy. Markets have also afforded women greater access to information about the outside world, which has led some to question the value of the North Korean system and even to protest in public, which may also account for rising numbers of female defectors to South Korea.

The North Korean form of capitalism that FEs have helped to create is likely to bring further change in North Korea. As Victor Cha (2016) notes, “the regime could crack because its ideology is at odds with the country’s incremental societal change” (p.243), brought about by the marketisation process. In contrast, women’s participation in markets, in assuming much of the state’s responsibility to feed the population, may in fact be bolstering the regime’s longevity. Despite the lack of trust in the North Korean regime and its weakened leadership cult and spread of grassroots capitalism, widespread political resistance has yet occurred. But in destabilising two fundamental pillars of North Korea: socialism and deep-rooted patriarchy, it is likely that female entrepreneurship will nonetheless have a long lasting impact upon North Korean society.

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