

Sanctions – What Sanctions?

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'No, impossible!' She said with the sweetest voice.

I had pointed my camera at a shop shelf full of products and looked over at the attendant hopefully. It was not to be, so I put the camera away.

Why could I not take a photograph in a shop in Pyongyang? I wondered as I bought some water and walked away. You can take pictures of almost anything, except military personnel. So why not the shop?

Like other shops I visited, it was indeed full. It had products made in the DPRK, from China, Vietnam, Germany – you name it – except perhaps for the United States. A department store with two levels was full of people, buying food downstairs, and clothes, furniture (IKEA), appliances and sports equipment upstairs. A booth enabled one to exchange foreign currency, specifically Chinese Yuan, Euro and US dollars, into Won. If you had any left over at the end, you could change them back. Foreigners were not the only ones at the booth. In fact, when I went I was the only foreigner changing money.

What is going on the DPRK? Everywhere I turned were flat screen televisions, with music videos, news, soap operas playing. The modest hotel where we stayed had hair-dryer, fridge, scales, safe, alarm clock and whatnot. The brands were the ones you would see elsewhere. The streets were busy with traffic, some older but also quite a few new ones. The Koreans make their own cars, but there were plenty of foreign brands as well. The metro, trolley buses and trams have begun sporting newly designed and made vehicles. To be sure, the older ones still run, with clear vintage from Eastern European production during the era of the Communist Bloc (and well-made they were). But they are being replaced by new ones made in the DPRK.

Even more, Pyongyang is undergoing a building boom. A couple of years ago, everyone took a year off from their study and non-essential jobs to volunteer on building sites for a year. This was only part of a longer boom that started a few years ago. Foreign architects have been working with Korean architects to design a new phase of unique

architecture, which one simply cannot find anywhere else. Older buildings are being renovated, new ones are springing up.

Clearly, the DPRK economy and trade are doing rather well. Very few analysts have realised this, apart from the Chinese (for example, [here](#), [here](#) and [here](#)). To be sure, some areas still need a lot of work after the ‘arduous march’ of the 1990s, when the economy almost fell apart, floods devastated the countryside and a fair amount of poverty returned. The railways and roads have been told they need to make do with the existing and ageing infrastructure, and many rural areas still use hand sowing and harvesting (although I also saw new machinery in parts). That will come, they plan, with Chinese and southern cooperation. Indeed, at the hotel where we stayed were a few foreigners like ourselves, but it was mostly used by visiting Chinese business people and Koreans.

Obviously, the much-hyped sanctions are not working very well. Northern Koreans have lived with sanctions for much of their 70 years as a state, so they know how to deal with them. But now is different. One reason is that channels for trade have been opened up and are running well indeed, but under the radar. Another reason is that countries like China, Russia and others have already made moves to work with the DPRK after Kim Jong Un’s clear international engagement. As is the Asian preference, when negotiating one builds trust by making reciprocal moves on the way forward. It does not do to demand everything and not budge.

But the third reason may be the strongest: sanctions are typically made in US dollars. This works if the preferred currency for international transactions and reserves are held in US dollars. However, with the United States wildly slapping sanctions all over the world, more and more countries and entities are dispensing with the US dollar. For example, last year only 39 percent of international transactions used the US dollar, while 37 percent used the Euro and 3 percent the Chinese Renminbi. Soon, the US dollar will slip even lower, especially when more and more people see that currency as toxic. I suggest that this situation is a major factor in the ineffectiveness of the sanctions on the DPRK.

While they do not like to use the terminology, the DPRK is clearly developing its own version of the ‘Reform and Opening Up’. In China they celebrated 40 years of the Reform and Opening Up in 2018. The DPRK has seen how beneficial such a process can be,

although they prefer the terminology of ‘changes’. But at heart lies the socialist ideal of improving the socio-economic lives of everyone – as is stated in the DPRK constitution.

So why was I not permitted to photograph a shop full of products? The answer should be obvious: they did not want a non-Chinese foreigner plastering photographs all over the internet to show how ineffective the sanctions really are.