



## Online Series

2017. 04.14 | CO 17-10

# Evaluation on the 5<sup>th</sup> Session of the 13<sup>th</sup> Supreme People's Assembly in North Korea

Kim Suk-Jin (Research Fellow, North Korean Studies Division)

Kim Kap-Sik (Director, Research Management Division)

The fifth session of the 13<sup>th</sup> Supreme People's Assembly (SPA) in North Korea was held in Pyongyang on April 11<sup>th</sup> with the presence of Kim Jong-un. This meeting dealt with five topics encompassing economy, education, and organization: 1) 5-year economic development plan; 2) annual national budget; 3) 12-year compulsory education system; 4) election of SPA Diplomatic Commission; 5) and organizational issues. This may be seen as the Pyongyang's message in line with last year's 7th Congress of the Workers' Party of Korea (WPK) that Kim Jong-un wields an unwavering power and that the socialist regime is fully operational as a nation state.

### **The Regime Showed Off Its Economic Performance But Confronted with Gloomy Prospects**

What seemed noticeable in the meeting was the North's attempt to show off its economic performance of 2016. Premier Pak Pong-ju and other officials reported that last year witnessed a fairly good economic

performance and that the regime reached its targeted goal. Such argument may be exaggerated a bit but the North Korean economy appeared to have been working on a stable footing in spite of the sanctions imposed from the international community. Although mineral exports from the North, including coals, were either restricted or banned in accordance with the UN Security Council Resolution 2270 since it became effective in March 2016, the overall export volume of mineral resources recorded a slight increase due to the poor implementation of sanctions mostly limited by livelihood exemption clause.

However, as this year marks the second round of a 5-year economic plan, the economic prospects look much more gloomy. The grim prospects are mostly attributed to the followings; 1) last November, the UN resolution 2321 erased the livelihood exemption clause, which was regarded as a loophole of the resolution 2270; 2) the UN resolution 2321 imposed a yearly limit on North Korea's coal export - a major channel of nation's currency-earning practice; 3) and it also enforced an additional ban on export of various minerals. This will in turn wreak havoc on the North Korean economy as the trade volume between North Korea and China is expected to significantly shrink this year.

### **Adjustment in Construction Sector and Increased Budget in Social Sector**

A 2017 budget was a bit adjusted in terms of priority for the economic and social policy. The most dramatic change was seen in the construction sector with a rate of increase in investment recorded at 2.6% this year - down by a huge margin from 15.4% of last year. As the construction in Pyongyang's Ryomyung Street, which began early April 2016, was completed on April this year, the construction sector for 2017 now seems to be entering a phase of adjustment.

The education budget went up by 9.1% this year - a rate increased even more compared to a fairly high rate of 8.1% from last year. The North Korean regime has been increasingly focusing on the education policy by announcing an action plan

for the 12-year compulsory education system on September 2012. A budget in the health and sports sectors recorded an increase year-on-year from 3.8% and 4.1% to 13.3% and 6.3% respectively. This may indicate that the regime may attempt to give more weight to the social sector, including education and health, in order to normalize the system. Usually the social sector budget has been set lower than the economic sector over the last decade, which has led to the lower representation of social sector in the entire budget but this year we are witnessing a reversed trend. What is noticeable is that the budget increase in the forest sector remains at 7.2% for the purpose of restoring the forest - one of the major initiatives in North Korea ever since Kim Jong-un came to power.

### **Strengthened Diplomacy of Members with the Revival of Diplomatic Commission**

No message came out on the nuclear and missile fronts from the North contrary to the expectation of experts, who are concerned about the tumultuous situation on the Korean Peninsula. Instead, the DRPK, severely isolated from the international community, reestablished the Diplomatic Commission to strengthen the omnidirectional diplomacy and boost an active peace offensive, as illustrated by the makeup of the Commission.

The SPA nominated Ri Su Yong, Vice-Chairman of the Central Commission, as Chairman of the Diplomatic Commission. And the nominated Commission members are, Ri Yong Nam, Vice-Premier of the Cabinet, Ri Son Kwon, Chairman of the Committee for the Peaceful Reunification of the Fatherland, Kim Jong Suk, Chairwoman of the Committee for Cultural Relations with Foreign Countries, Kim Kye Gwan, First Vice Minister of the Ministry of Foreign Affairs, Kim Dong Son, Vice-Chairman of the General Federation of Korean Trade Unions, and Jung Yong Won, Secretary of the Central Committee of Youth League. Most of them are experienced experts in areas of diplomacy and negotiation with South Korea and are expected to forge an offensive diplomacy in various fields, such as peace, culture,

labor, and youth in dealing with China, Korea, the US, Japan, other advanced countries, developing countries, and international organizations. However, it is estimated that North Korea will be unlikely to achieve the intended goal owing to the worsening external environment triggered by its own provocation.

In the meeting, the SPA appointed Jang, Gil-ryong as Minister of Chemical Industry and Kim Myong-Gil as Central Prosecutor Office. However, there was no mentioning of who will succeed Kim Won-hong, who was reportedly dismissed from the head of North Korea's spy agency and whether he was summoned. There remains a possibility that Kim Won-hong might come back to where he belonged given that the position of the head of North Korea's spy agency still remains open. Kim Yong Chol, Director of the North Korean Workers Party's United Front Department, once came back to the position he was dismissed from after going through a re-education conducted for those on charges of challenging the regime.

To put things in perspective, this meeting hinted the regime's policy direction that North Korea aims to govern the regime and run the economy on a stable footing without radical changes in areas of economic policy, budget, organization, and human resources. However, the sanctions against and the pressure on the North, which have now begun to get implemented on a full-scale, present formidable challenges to the North regime. The North, therefore, should restrain from military provocations and show their intentions loud and clear that they are willing to come back to the negotiating table so that their diplomatic efforts can come to fruition. ©KINU 2017

※ The views expressed in this paper are entirely those of the author and are not to be construed as representing those of the Korea Institute for National Unification (KINU).