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Analysis of 2018 Kim Jong-un's New Year's Day Speech and Prospect for 2018

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North Korea aired 2018 New Year's Day speech delivered by Kim Jong-un via Korean Central Television (KCTV) at 9:30a.m. (9:00 Pyongyang time) on January 1. This New Year's Day address has some unusual aspects in the following ways: 1) Kim stressed inter-Korean relations using the North's self-claimed completion of nuclear armament as a rationale; 2) he seemingly attempted to turn the current situation around with a conciliatory gesture; and 3) he tried to picture North Korea as a peace-loving, responsible nuclear power. The narrative of the address is that: 1) the North will make the economy strong by utilizing its irreversible nuclear deterrent force and its status as a strategic state earned as a result of having mastered a nuclear force; and that 2) it will improve inter-Korean relations, thereby easing military tensions between the South and the North and creating a peaceful environment. What is worth the attention is that he iterated his strong will to flip the current situation with big events of the South and the North: PyeongChang Winter Olympics and the 70th anniversary of the foundation of North Korean regime. A distinct conciliatory gesture was witnessed in his remarks when compared to North's New Year's Day speeches of the last 6 years.

The DPRK is likely to actively pursue inter-Korean dialogue and

military talks to participate in the Olympics and to prevent military conflicts. Should Seoul and Washington decide to either postpone or downsize the ROK-US joint military exercise in response to Pyongyang's conciliatory overture, the first half of 2018 will very quickly enter the appeasement phase. Kim Jong-un did not directly mention anything about US-North Korea relations in his speech because his primary goal at the moment seems to make the pressure and sanctions regime manageable by improving inter-Korean relations. For North Korea, the Olympics provides a good opportunity for weathering the current circumstances. In his speech, Kim refrained from harshly criticizing the US, maintaining the usual criticism at a certain level. That can be viewed as a hint of his will to resume dialogue with the US in the future. It is possible that he could attempt to have conditions for dialogue naturally met by restraining himself from provocation, citing a successful hosting of Winter Olympics and the North's participation in it as a rationale, and later seek to resume US-North Korea dialogue in the second half of this year.

This time, the North appears to pay careful attention to Kim Jong-un's appearances in the speech. A change in his attire from dark-colored people's clothes to soft-toned grey suit indicates that the regime may want to display an image of peace, as much emphasized in the speech, and of keeping composure as a result of allegedly having completed a nuclear force.

Overall Characteristics: Using PyeongChang Olympics and Inter-Korean Relations in Turning the Current Situation Around

① Mentioning of Nuclear Force with Focus on Defending Peace and Possessing Deterrent Capability

Kim Jong-un emphasized its historic achievement of securing nuclear power as the biggest breakthrough of 2017 and highlighted defensive aspects of possessing nuclear deterrent force and sword of defending peace, rather than sticking to nuclear advancement of offensive nature. What he meant by 'completion' in his speech is that he has kept a promise of entering the finishing stage of nuclear development

as articulated in 2017 New Year's Day speech and that as a result, the North has been able to secure irreversible war deterrence power in the face of nuclear and war threats by the US. This time, the North asserted that the US mainland is within the reach of its nuclear attack and that a nuclear button is always on Kim Jong-un's office desk. Such statements imply that now North Korea considers itself on equal footing with the US as a self-claimed strategic state, which can later be used as a rhetoric to make a case for its nuclear armament.

As he announced his will to make all-out-efforts to produce nuclear warheads and ballistic missile rockets on a massive scale and deploy them for actual use, the actual deployment of nuclear and missiles is expected to be materialized in the future. As he reiterated the need for capability of immediate nuclear retaliatory attacks in preparation for possible nuclear war, agile and stealth strategic weapons capable of launching a second nuclear strike are expected to be revealed. Another possibility is that SLBM (submarine-launched ballistic missile), MIRV (multiple independently targetable reentry vehicle), and surface-to-surface missile or anti-aircraft missile could be displayed, all of which could be used for areas where the ROK-US strategic assets cannot cover. However, this time North Korea is more likely to demonstrate military activities that show off its capability for actual deployment and highly-stealth nature of weapons while avoiding the United Nations Security Council resolution, rather than going for provocative actions shown up until 2017, including a series of mid- to long-range missile test-launches.

② Showing Move to Actively Improve Inter-Korean Relations Using PyongChang Olympics as Opportunity

Kim Jong-un attempted to find a linkage between PyeongChang Winter Olympics hosted by South Korea and the 70th anniversary of the foundation of North Korean regime, calling them big national events. He went on to make an overture to use those big events in improving currently frozen inter-Korean relations. He suggested that the discussion on enhancing inter-Korean relations be held and that an exit be open in a resolute way so that those two big national events can come

to fruition. He stressed the imperative to alleviate military tensions and establish a peaceful environment by 1) dispatching a delegation to PyeongChang Olympics, 2) realizing inter-Korean exchange and cooperation in various areas, and 3) finding a breakthrough in strengthening inter-Korean relations. While his overture could be viewed as part of peace offensive that has been expected after the North's declaration of having mastered a nuclear force, it is still a very bold and exceptional one.

Should the ROK government positively review and accept a proposal of the North, North Korea is very likely to become engaged both in military talks to prevent accidental military conflicts during the Olympics period and in inter-Korean working-level talks on matters of dispatching a delegation to the Olympics. However, tug-of-war over the North's participation in the Olympics and the possible delay and downsizing of ROK-US joint military drill could play out in the process of holding inter-Korean working-level talks since North Korea mentioned a complete halt of all nuclear war practice and the US deployment of strategic assets as a condition for talks. One possibility cannot be ruled out that in return for the North's participation in the PyeongChang Olympics, it might demand that the South send a delegation to celebrate the 70th anniversary of the regime foundation or the South participate in sports games on its anniversary. The DPRK could also demand in an implicit way that May 24 Measures or sanctions against North Korea be eased given that 1) it stressed the need for clearing away obstacles of South Korean law or institutions, which are standing in the way of promoting exchange and cooperation, and that 2) it underscored seeking exchange and cooperation on multiple fronts to facilitate inter-Korean reconciliation and create an environment for unification.

③ Highlighting the Achievement in Marking the 70th Anniversary of the Regime Foundation

Kim Jong-un iterated that North Korea will grandly celebrate the 70th anniversary of the regime foundation in line with its internationally-recognized status as a strategic state. To that end, he suggested a slogan for 2018 as "North Korea

should seize new victory of building a strong socialist power on all fronts through a revolutionary offensive.” Such slogan was designed to urge North Koreans to join the revolutionary offensive in expanding the historical victory of having completed a nuclear force into economic areas. It means that the North aims to find a breakthrough in stimulating the overall economy this year - a third year into its five-year-economic development plan. As North Korea marks the 70th anniversary of the regime foundation, it probably would need tangible economic achievements rather than political or military gains that were considered important in the past. What seemed different from his past speeches is that he did not specify a goal of developing massive construction projects, such as Ryeomyeong Street, but only mentioned modernization and production performance of factory and business per industry. This move appears to be related to their struggle of promoting construction projects designed to show off to the outside world under the sanctions regime. In 2018, North Korea is likely to encourage enhancing production performance per industry rather than mobilizing resources nation-wide for massive construction projects.

Political Front: Possibility of Pro-longed Sanctions against North Korea and North Korea’s Version of Yan’an Rectification Movement for Reforming the Party

What is noticeable on the political front of his address is its focus on the party’s combat power, its leading role, and its unwavering solidarity. This came out as a follow-up measure for reorganizing the power structure with a focus on its party through the 7th Party Congress in 2016, the 7-2 Plenary Meeting in 2017, and a meeting of low-ranking officials. North Korea is expected to more actively reorganize the party, government apparatus, and the military, and tighten their internal rules. As the 7-2 Plenary Meeting held last year stressed the need to strengthen party rules and ideological strifes, Pyongyang is likely to focus on re-educating people on a massive scale and strengthening the party doctrine of revolutionary nature. In particular, North Korea’s version of Yan’an Rectification

Movement (Zhengfeng) on a large scale could take place as a way to internally crack down on people to prevent them from being swayed in the face of pro-longed sanctions regime since the speech highlighted the need to root out non-socialist thoughts that are against party's ideas, the practice of double standard for different classes, bureaucracy, and the overuse of authority of its party. Such Zhengfeng movement could be seen as a way to prevent the inflow of non-socialist phenomenon and South Korean doctrine. As the Worker's Party of Korea's leading role was much underscored in the speech, party-led non-governmental organizations' projects are expected to get expanded and political projects in specialized governmental organizations will be followed.

Economic Front: Showing Economic Performance under the Sanctions Regime Marking the 70th Anniversary of the Regime Foundation

The improvement of people's livelihood was stressed in the speech because there should be some tangible economic success that can be felt in people's daily lives in marking the 70th anniversary of the regime foundation. The prospect that residents might start complaining when the effects of sanctions become palpable in their lives was also taken into consideration in the speech. As such revolutionary slogan suggests, an offensive slogan designed to encourage production boost per industry could be likely to come out as part of revolutionary offensive, such as 100-day campaign and 200-day campaign. In addition, the North Korean regime will more focus on enhancing the level of production in light industry, which is directly related to people's livelihood.

In the meantime, Kim emphasized consolidating the independence and self-reliance of the people's economy, which is indicative of his willingness to continue his policy direction of localization under the banner of Chagangryeok (the power to survive through its own efforts)-first policy, or self-reliance doctrine. Such tone is being witnessed in policy direction proposed per industry in the speech, represented by self-reliance of metal industry and North Korea's way of developing

the mechanical industry. While North Korea's move to pursue independence and self-reliance seems inevitable given that tightened sanctions are expected to negatively impact not only its export but also import this year, it remains doubtful how much those steps would bear the fruit. Meanwhile, North Korea is not likely to seek a dramatic change on the economic front this year because 1) with regard to reforming and opening, the speech only mentioned the imperative of creating a national plan to help North Korea's socialist corporate responsibility system make tangible results, 2) but it did not specify detailed steps to follow to make that happen.

In sum, New Year's speech shed a light on two economic aspects: 1) securing time for internal-restructuring in preparation for the pro-longed sanctions and pressure regime; and 2) making economic gains in conjunction with the 70th anniversary of the regime foundation. Possible suggestions include improving productivity and effectiveness of large factory, business, and industry and saving resources, rather than proceeding massive construction projects or mobilizing workforce. To that end, the regime is expected to focus on internal-restructuring and making its economy back on track that has suffered from the sanctions regime.

External and South Korean Front: Making Image of Peace-loving, Responsible Nuclear Power

In 2018, North Korea is expected to dramatically steer its strategic direction into managing the sanctions and pressure regime by offering dialogue, pursuing peace offensive, and enhancing inter-Korean relations. And the North is highly likely to use PyeongChang Olympics as an opportunity and rationale for achieving its goals. In January, 2018, inter-Korean talks are very likely to take place in a rapid manner to discuss the participation of North Korean delegation in the Olympics. Depending on a situation, military talks could be resumed to prevent military conflicts during the Olympics period. North Korea could also pride itself for reversing the situation of the Korean Peninsula into a conciliatory mode and use it for internal propaganda. In that regard, it would be fair to say that behind this new year's speech, therein

lies very sophisticated political calculations. In fact, South Korea and the US and other countries that have a stake in North Korean issues expect the North to halt provocations or change its attitude since the North declared to have completed the nuclear force last year. North Korea could have attempted to dramatically turn around the current sanctions and pressure regime and lead the situation by fulfilling those expectations to some degree through this speech. In particular, it is highly likely that Pyongyang could have attempted to create an image of peace-loving, responsible nuclear power by rooting for a successful and peaceful hosting of the Olympics as a way to tip the balance in their favor.

Overall, this new year address can be analyzed as peace offensives to secure space for inter-Korean relations to bypass the confrontational phase of the US-DPRK relations. It could also be interpreted as a strategic halt or groundwork before making a stronger argument for peace agreement-nuclear armament, citing its self-claimed strategic position after having completed the nuclear force. It is possible that building on the North's participation in the PyeongChang Olympics and improvement of inter-Korean relations, it might try to enhance external relations that could alleviate the current sanctions and pressure regime as a whole. For example, the DPRK could become more active in improving diplomatic relations with China at party-to-party levels and resuming North Korea-US dialogue. The fact that Kim restrained from going too far on criticizing the US in his speech could be interpreted that he considered such possibility to play out. Therefore, it could be analyzed that the speech has tactical goals of managing the sanctions and pressure regime by hinting its willingness for nuclear and missile advancement to some degree and at the same time showing a series of conciliatory gestures. ©KINU 2018

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