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# North Korea's Strategy of “Denuclearization-Economy” : Characteristics of Its Policy Changes & Reshuffle

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North Korea has recently made policy changes and undergone reshuffling in pursuit of denuclearization and the economic development. The key features of recent changes in North Korea's strategy and policy are analyzed as follows: 1) change in the Party-led strategy and normalization of state guidance; 2) the Cabinet-led economic development and increased investments on scientific advancement · civilized nation · people's economy; 3) transition of strategy from “nuclear-economy” to “economy-science education.” Judging by those decisions, North Korea is expected to put its focus on the economic and social developments in the future. The key features of decisions made on the reshuffle and reorganizations are analyzed as follows: 1) the weakening of military reputation; 2) the strengthening of the party organs within the military and state organizations; 3) reassignment of party's elite to directing state projects and reinforcement of the state system. Judging by such an analysis, North Korea is expected to undertake yet another reshuffle around the second half of this year, by appointing figures deemed to be eligible for expeditiously executing economic development measures. During that period, the impact of North Korea's strategic transition and the result of international negotiations are likely to emerge on the surface.

In April 2018, a series of important meetings were held in North Korea, such as a meeting of the Political Bureau of the Worker's Party of Korea (WPK), the Supreme People's Assembly, and the Plenary Meeting of the Party. Those meetings had made changes of strategy official in the Kim Jong-un regime on its 7<sup>th</sup> year in power — a transition from a focus on the economy based on the state nuclear force (nuclear-economy) to the economic development in parallel with denuclearization (denuclearization-economy). This paper aims to analyze the key features of most recent changes in North Korea's policy and reshuffle, based on the contents of major political meetings that took place last April.

### **Change in the Party-led Strategy and Normalization of State Guidance**

On April 9, Chairman Kim Jong-un presided over a meeting of the Political Bureau of the Central Committee of the WPK (hereinafter referred to as “the Politburo”). It was a preliminary meeting for reviewing agendas of the 6<sup>th</sup> Session of the 13<sup>th</sup> Supreme People's Assembly (April 11) in charge of making a decision on internal and external policy and organizations. Agendas on the changed strategy included the direction for the advancement of inter-Korean relations, analysis on prospects for the North Korea-U.S. dialogue, and the Party's foreign policy and diplomatic responses for the future. The contents undisclosed at that meeting were revealed at the 3<sup>rd</sup> Plenary Meeting of the 7<sup>th</sup> Central Committee of the WPK held on April 20 as follows: seeking denuclearization and disarmament for peace and stability on the Korean Peninsula and the world; and focusing on the economy. That indicates the party-led strategic transition to “denuclearization-economy.”

Next agenda was about the party's direction of state organizations. Kim Jong-un presided over a discussion on the 2017 state budget execution and the 2018 state budget at the Politburo. Through a decision made at that gathering, the 2018 state budget was reviewed and ratified to be submitted to the Supreme People's Assembly. At that meeting, Cabinet Premier Park Bong Ju briefed Chairman Kim with the participation of the Standing Committee members, members and candidates

for members of the Politburo. Vice Premiers of the Cabinet were also present to brief on the current status of party's guidance. **All in all**, the meeting aimed to normalize the party's guidance for the state policy and state organizations.

### **Transition of Strategy with Focus on “the Economy-Science Education” and Increased Investments on “Scientific Advancement · Civilized Nation · People’s Economy”**

During the 3<sup>rd</sup> Plenary Meeting of the 7<sup>th</sup> Central Committee of the WPK on April 20, North Korea made a final decision on changes in national strategy conceived after the 2<sup>nd</sup> Plenary Meeting held last October. There were largely two main agendas at the meeting aside from the reshuffling issues. The first agenda read that “our party’s task is to push forward the efforts for the socialist construction to cater to the higher demands required of revolutionary development.” The meeting concluded that since Kim Jong-un came to power, the two-track policy of nuclear pursuit and economic development has been achieved. It, then, adopted the written decision to put “all-out-efforts for the socialist economic construction.” Main decisions are summarized as follows: △completing the weaponization of nuclear arsenal; △freezing all nuclear · ICBM tests as of April 21, 2018 and dismantling nuclear test sites in the northern region; △joining international efforts to cease all nuclear tests △banning transfer of nuclear weapons and technology; △pulling out all-out-efforts toward the construction of socialist economy; and △seeking close cooperation and dialogue with the regional and international communities for peace and stability of the Korean peninsula and the world.

Another agenda is the adoption of written statement titled “regarding the revolutionary transformation in science education project,” which includes an increase of state investments in the field of science and education and creation of a social atmosphere favorable to those domains. North Korea’s changes of strategy are analyzed below with a focus on key investment areas that recorded a year-on-year budget increase in the 2018 state budget plan. Firstly, the science and technology sectors — the bases of economic growth — have seen the highest

increase in budget allocation (107.3%). Secondly, more budget was allocated in areas related to building a strong ‘civilized state,’ suggested as a state model for social development, specifically with 105.9% in education; 106% in health care; 105.1% in sports; and 103% in literature and art sectors. Thirdly, investments for people’s self-sufficient economy and improvement of people’s standard of living have increased to 104.9% (47.6% of the entire expenditure), with a 105.5% increase in the budget for general people’s economy. Also, investments for infrastructure for people’s life and restoration of forest have expanded to 104.9%. Based on the budget allocations for 2018, one could assume that the Kim Jong-un regime aims to make tangible progress in social and economic development to the extent that people can feel the effects of improvement in their daily life.

### **Reshuffle Designed to Weaken the Military Reputation and to Strengthen ‘Party Organs within the Military’ and ‘State Organizations’**

The key features of decisions made on the reshuffle this April are analyzed as follows: △the fall of Hwang Byeong-seo and the rise of Kim Jong-gak; △weakened status of the military; △reinforcement of party organs within the military; and △the strengthening of state organizations. First of all, Kim Jong-gak (77-year-old) was appointed the Director of the General Political Bureau (the highest ranking official of the Party within the military) and a member of the State Affairs Commission, replacing Hwang Byeong-seo. Kim Jong-gak is one of the closest aids to Kim Jong-un, who served as the Minister of the People’s Armed Forces and the President of the Kim Il-sung Military University after Kim Jong-un’s rise to power in 2012.

Unlike Hwang Byeong-seo, however, Kim Jong-gak was elected a member of the State Affairs Commission, not the Vice Chairman, and also was appointed a member of the Party’s Political Bureau, not its Standing Committee member. Such a reshuffle indicates that the Kim Jong-un regime intends to sap the military of its power in a bid to redistribute the power structure of North Korea.

However, on May 18, just a few months after Kim Jong-gak replaced Hwang Pyong-so, the first extended meeting of the 7th Central Military Commission of the Party was convened and replaced three core members of the North Korean military. Kim Su-gil, formal Chairman of the Pyongyang City Committee of the Party, replaced Kim Jong-gak as the Director of the General Political Bureau — the post in charge of the party's guidance in the military. No Kwang-chol, known as a “moderate” in the military, is now new Minister of the People's Armed Forces — a counterpart of South Korean Defense Minister — replacing Pak Yong-sik. Ri Yong-gil replaced Ri Myong-su as the Chief of the General Staff of the Korean People's Army — a counterpart of South Korea's Chairman of the Joint Chiefs of Staff.

Changes in North Korea's state strategy and the situation indicate that North Korea requires the military to strengthen economic activities according to the party's guidance and play a role in line with the changing situation. Changes in organizations and reshuffle have been made in sync with the military policy shifts. In other words, North Korea seems to have changed the military policy and conducted the reshuffle within the military to carry out a strategy of “denuclearization-economic development.” Above all, the result of reshuffle indicates that the Kim Jong-un regime intends to weaken the status of the military in the power structure of the North.

What is also noteworthy is the rise of director-level officials of the General Political Bureau — the party organization within the military — and key figures in state organizations. Of those newly appointed members of the Central Committee of the WPK, there are; Shin Young-cheol, Director of the Cabinet Political Bureau; Sohn Cheol-ju, Chairmen of the Organization Department of the General Political Bureau; Kim Sung-nam, a pro-chinese expert on diplomacy; Kim Chang-son, Director of the State Affairs Commission; Jung Young-guk, Secretary General of the Standing Committee of the Supreme People's Assembly; and Ri Du-sung, Chairman of the Propaganda Department of the General Political Bureau. Of those newly appointed candidate-members, there are; Ri Song-gwon, Chair of the Committee for the Peaceful Reunification of the Fatherland; Jang Gil-ryong, Minister

of Chemical Industry; and Kim Il-guk, Minister of Physical Culture and Sports. Overall, it is notable that high-profile figures of the General Political Bureau and state organizations have made their entry into the party's organizations. Such changes hint that North Korea will reinforce the party-led guidance of the military and state organizations in the future.

### **Reassignment of Party's Elite to Directing State Projects and Reinforcement of the State System**

Park Gwang-ho (Director of the Propaganda and Agitation Department), Tae Jong-su (Director of the Military Industry Department), Jung Gyeong-taek (Minister of State Security) were appointed members of State Affairs Commission replacing Kim Gi-nam, Ri Man-gun, and Ki Won-hong, respectively. Those figures will execute the party's guidance on state policy via State Affairs Commission in areas of propaganda · machine-building industry · state security, all of which are considered Kim Jong-un's major interested areas for projects. Next, resolutions for 'reinforcement of the Standing Committee of the Supreme People's Assembly and Legislation Committee' were chosen at the meeting, followed by a decision for the restoration of the Diplomatic Committee as a state organization made during the 5<sup>th</sup> Supreme People's Assembly on April 11, 2017. The reshuffle can be understood as North Korea's efforts to become a normal and responsible member of the international community. Judging by those recent changes, one could anticipate that North Korea would reward and punish elites around the second half of this year, especially on September 9 in marking the 70<sup>th</sup> anniversary of the founding of the Democratic People's Republic of Korea. During that period, the impact of North Korea's strategic transition and the result of international negotiations are expected to emerge on the surface. ©KINU 2018

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