

## Online Series

2019. 01. 21. | CO 19-02

# What Did Chairman Kim Jong Un See in China?

## The Implications of His Fourth Visit to China

Lee, Jae Young  
(Research Fellow, Peace Research Division)

Chairman Kim' s fourth visit to China and DPRK–China summit are expected to play a positive role in denuclearization and establishment of a peace regime on the Korean Peninsula. However, North Korea left open the possibility of seeking “a new way” if DPRK–U.S. relations continue to be at a deadlock in denuclearization talks by turning to economic cooperation with China and requesting the easing of sanctions. Last year, North Korea had shifted its strategic focus from the two-track *byungjin* strategy of economic and nuclear development to channeling all its capabilities into building the socialist economy. In addition, the North declared that it will take on such a new path by focusing on science education projects and science technology. Accordingly, Kim Jong Un seemed to have toured Chinese Academy of Sciences, Chinese Academy of Agricultural Sciences, Beijing Rail Traffic Control Center, and Tong Ren Tang during his last four visits to China. Those visits were to explore a reform and opening-up model that is ideal for North Korea. The South Korean government, together with the North, needs to devise a detailed road map of North Korean-style reform and openness and persuade the U.S. to include it in corresponding actions.

As the first international activity of 2019, Chairman Kim Jong Un of North Korea visited China from January 7 to 10 for the fourth time

following his last three visits to China since March 2018. During the visit, President Xi Jinping of China threw a lavish banquet for Chairman Kim's 35<sup>th</sup> birthday in the Reception Hall of Diaoyutai State Guesthouse. Before returning to North Korea, Chairman Kim and his wife Ri Sol Ju had a luncheon with Chinese President Xi Jinping and his wife Peng Liyuan in Beijing Hotel.

After the DPRK-China summit meeting, North Korea and China issued press releases different in contents. For example, while DPRK's official news agency reported that Chairman Kim invited President Xi to visit North Korea at his convenience, to which the President Xi reportedly announced a plan for a visit, this was not specified in the official press release of China. This can be interpreted as China refraining from mentioning a visit to North Korea considering U.S.-China relations and the second DPRK-U.S. summit. Moreover, on January 10, Rodong Sinmun emphasized that President Xi highly praised North Korea's decision to channel all capabilities into building the socialist economy. However, China's Xinhua News Agency only reported that North Korea's strategy of the past year has led to meaningful achievements and is evaluated positively both at home and abroad.

On January 10, Korean Central News Agency (KCNA) and Rodong Sinmun reported on the denuclearization of the Korean Peninsula with the use of relatively strong and active words, claiming that China and North Korea are conducting a joint research on and "controlling" issues related to denuclearization talks and that the leaders of both countries have shared their understanding on the obstacles, concerns, and prospects regarding the resolution of denuclearization talks and the DPRK-U.S. relations. According to North Korea's reporting, President Xi agreed that the fundamental claims raised by North Korea are legitimate and such issues need to be addressed—a coverage that was missing in Chinese media. By contrast, on the same issue, People's Daily and Xinhua News Agency of China cited President Xi's remarks on how China and North Korea have been trying to facilitate their unwavering commitments to making political progress on issues regarding the Korean Peninsula. They also used relatively concise and indirect expressions claiming that the two leaders have had an in-depth discussion on matters of mutual interests and reached consensus on important issues. It seems that China refrained from using

expressions that could potentially irritate the U.S. at this critical juncture.

### **Variables of China and Implications of Chinese-Style Reform and Opening-up**

During his first visit to China from March 25 to 28, 2018, Kim toured Chinese Academy of Sciences and experienced virtual reality devices. From May 5 to 8 of the same year, he visited Dalian, during which some members of the entourage toured Donggang Industrial Zone and Hualu Group, a contents company. Immediately after Kim Jong Un's second visit, "a goodwill observation group," consisting mainly of Workers' Party of Korea (WPK) city and provincial party committee members, visited China from May 14 to 19. The group head, Vice Chairman of the WPK Central Committee Pak Tae-song explained that the purpose of the visit was to learn from China's experience with reforms and openness. During the third visit from June 19 to 20, 2018, North Korean officials visited Chinese Academy of Agricultural Sciences to discuss agricultural innovation, such as the Sepho Plateau, and agricultural collaboration between the two countries. It is known that since August 2018 Kim Jong Un has made about ten on-site visits to fields related to basic agriculture and railroad facilities. Also, last November, roughly 800 science and technology achievements were displayed at a national information technology exhibition held in Pyeongyang.

It seems that the experience of touring Chinese Academy of Sciences and Chinese Academy of Agricultural Sciences has influenced Kim Jong Un to emphasize the importance of science education projects and human resource development in his New Year's Day speech. Especially, the visit to Chinese Academy of Sciences, located in Zhongguancun, Beijing—widely regarded as the Silicon Valley of China—must have given him the insights into the development of Unha Scientists' Street, Wisong Scientists Residential District, and Mirae Scientists Street in North Korea. After examining "Automation and Integrated Control System" during his visit to Beijing Rail Traffic Control Center, Kim Jong Un gave on-site instructions regarding the construction projects of Pyeongyang Trolley Bus Factory, Bus Repair Factory, and Onpho Greenhouse Farm in Kyongsong County. In fact, Kim Jong Un

has tried to apply what he had learned from China to projects in North Korea. In November 2018, Kim Il-Sung University released a voice-recognition furniture embedded artificial intelligence (AI) system. Rodong Sinmun praised that the university had contributed to the development of national AI technology industry.

Kim Jong Un has repeatedly emphasized the importance of science education and science technology in cutting-edge industries in his New Year's Day remarks as a result of having toured places in his last three visits to China, including Chinese Academy of Sciences and Beijing Rail Traffic Control Center. Chairman Kim also visited Chinese Academy of Agricultural Sciences and National Agricultural Science and Technology Innovation Park, both of which are the cradle of China's agricultural science and technology. And as a result he has stressed the importance of innovation and increased production in the fields of agriculture, livestock, and fisheries in his New Year's Day address.

As North Korea is trying to simultaneously nurture traditional industries such as agriculture and cutting-edge industries including IT, it also needs to pay attention to Chinese IT companies entering its agriculture sector when taking a cue from a Chinese model. According to an expert who has long studied and compared the agriculture of North Korea with China, Chinese IT companies Alibaba and JD.com were initially involved in the distribution stage of agriculture and livestock industries in the beginning, but have now expanded their presence to production. In fact, such IT companies are bringing innovation of production in fields such as a good-income crop cultivation, poultry farming, and pig farming. By entering the traditional industries, Chinese IT companies are playing various roles in mutual cooperation, regional development, and eradication of poverty.

As it is practically impossible for North Korean farmers to bring innovation by themselves considering the current state of the country's agriculture, the North needs to refer to a Chinese model. To that end, North Korean IT companies should advance to the distribution and production stages of traditional industries, which could lead to generating profits both for the companies and farmers, reviving local economies, and eradicating poverty. Also, North Korea can learn from the Chinese model, in which the government only sets the macroscopic direction, leaving the

rest driven by innovative activities of various market participants. In addition to the top-bottom approach, North Korea should also adopt the bottom-up model for development of industries, which allows and encourages state enterprises and *donju* (money masters) capitalists to play active roles via decentralization to a certain extent.

The change of strategic direction toward channeling all-out efforts into the socialist economic construction from a *byungjin* policy of nuclear and economic development was made through the Third Plenary Meeting of the Seventh Central Committee of the Workers' Party of Korea in April 20, 2018. Such strategic shift has become even clearer with Chairman Kim visiting China over the past few years and changing his point of emphasis in his New Year's Day message. Chairman Kim announced that, through the new strategic approach, the country will strive to achieve modernization, strengthen independence, and apply information technology and science in enhancing its people's economy. To implement the new strategy, Chairman Kim declared that North Korea must launch science education projects, become a leading nation in science and technology, and nurture talents. Chairman Kim also stressed that "Follow and Lead," "Follow and Learn," and "Exchange Experiences Movement" must be pursued with scientists and engineers taking the initiative in an era of independent and modernized knowledge economy. Accordingly, the objective of Kim Jong Un's visit to China this time was to learn from China's science and technology and apply the lessons in the country's endeavor to build the socialist economy.

### **Why Did Kim Jong Un Visit Tong Ren Tang?: Exploring North Korea's Ways for Reform and Openness**

Tong Ren Tang is a place worthy of our attention among the places Kim Jong Un toured in his fourth visit to China. Located at Yizhuang, a state-level economic and technical development zone, Tong Ren Tang is China's representative pharmaceutical company with 350 years of rich history and tradition. The front page

of Rodong Sinmun on January 11 covered the return of Kim Jong Un from China and the manager of Pyeongyang Pharmaceutical Factory Ju Jeong-ho's comments on Chairman Kim's visit. According to Ju Jeong-ho, Kim Jong Un's tour of Tong Ren Tang was an effort to enhance the health of the people and by modernizing Pyeongyang Pharmaceutical Factory, the North will make it the "standard factory in the field of pharmaceutical industry," shaping innovation. On the fourth page of January 17, 2019 issue, Rodong Sinmun stated that Kim Jong Un gave an order to "modernize pharmaceutical and medical appliance factories so that people can see the superiority of the socialist healthcare system" and that Pyeongyang Pharmaceutical Factory is the representative factory to be modernized. In other words, the purpose of Kim Jong Un's visit to Tong Ren Tang was to learn a lesson of creating a model for the modernization of Pyeongyang Pharmaceutical Factory.

China's pharmaceutical technology is world-class along with traditional Chinese medicine. While Pien Tze Huang is the representative Chinese medicine company in the southern region, Tong Ren Tang is a pharmaceutical company that represents the northern part of China. According to an expert who has studied and compared traditional Chinese medicine with traditional Korean medicine and has long followed the progress of traditional Chinese medicine, China's pharmaceutical technology and traditional Chinese medicine are driven by the full support of the government, investments in R&D, and M&A among corporations, the results of which include having facilities established for mass production and achieving technological innovations. Not only pharmaceutical companies but also traditional Chinese medicine hospitals are leading the Fourth Industrial Revolution in the field of pharmacy by establishing database for patients' medical records and diagnosis information and using it to create big data.

The secret behind such advancement of big data in traditional Chinese medicine is a de facto absence of regulations (or regulations in name only) on personal information protection that have enabled hospitals and the Chinese government to share patient information (diagnosis and medical treatment). Also, with the full support from the government to invest in R&D, companies could digitize data and easily establish big data of the pharmaceutical industry. Aside from

traditional Chinese medicine, telemedicine (medical treatment) has also brought about various innovation models in China thanks to rising demands along with the absence of regulations. Moreover, the promotion and development strategy for bio industry accounts for a significant part of China's Strategic Emerging Industries Plan established in 2010.

It is, therefore, not a coincidence that Kim Jong Un visited Tong Ren Tang in his fourth visit. This visit could be interpreted as an attempt to apply scientific and technological advancement of China's pharmaceutical and medical industry and Tong Ren Tang to the modernization of Pyeongyang Pharmaceutical Factory after Chairman Kim was infuriated at the poor conditions of its medical and hygienic system on August 21, 2018 in Pyeongyang. Chairman Kim also aims to set the modernization and advancement of North Korea's traditional medicine as an important example of North Korean-style reform and openness, following in the footsteps of Chinese traditional medicine. The application of the Chinese model into the North can be easily done in the DPRK, which can manage personal information of every citizen without restrictions, owns all lands and buildings—crucial means of production, and is capable of channeling all R&D efforts into a specific industry centered on state enterprises and *donju* capitalists. Of course, it is difficult for North Korea to pursue openness as China did since it is still restricted by international sanctions. In implementing opening-up policy, China simultaneously operated joint ventures with foreign companies and nurtured domestic companies in its economic and technical development zones. However, North Korea will primarily focus on developing state enterprises due to sanctions imposed on them.

Lastly, there is another economic and political reason that North Korea is seeking the advancement of science and technology and related industries in the field of medicine and pharmacy. First, medicine and pharmaceutical sectors are not subjects of the sanctions enforced against North Korea. Moreover, manufacturing products similar to Kaesong Goryeo ginseng with the use of ginseng, Omija, balloon flower, and angelica, all of which are abundant in North Korea, will help the DPRK with foreign currency earnings as with the case of Tong Ren Tang's *Niu Huang Qingxin Pills*. Pyeongyang-based pharmaceutical companies, established to export their

products, manufacture medicines that comply with international standards for the sake of foreign currency earnings. From a political perspective, with the advancement of medical and pharmaceutical technology, Kim Jong Un can further consolidate his grip in power by creating an image of “a benevolent leader who protects the lives of the people and promotes their health.” In November 2018, Korean Central TV publicized the superiority of Korean traditional medicine by broadcasting a case, in which a People’s Hospital located in Junhyeok-ri, Kaechon-si, South Pyongan-do treated a patient with an incurable disease via traditional Korean medicine such as acupuncture and medicinal herb instead of surgery or antibiotics. Since the 1950s, the North Korean government has emphasized that its supreme leader puts the lives and health of the people first by encouraging and promoting the advancement of traditional Korean medicine and medication.

### **Assessments and Prospects of Chairman Kim’s Fourth Visit to China**

Assessments and prospects vary in terms of how the fourth DPRK-China summit will impact the denuclearization and establishment of a peace regime on the Korean Peninsula. However, it is evident that China has emerged as an important stakeholder on such issues through the four DPRK-China summits. Xinhua News Agency reported President Xi’s remarks in the summit that China will play an “active” and “constructive” role together with North Korea and other relevant countries for the denuclearization of the Korean Peninsula.

However, if Kim Jong Un decides to seek “a new path,” as he mentioned in the New Year address, North Korea may partially adopt China’s reform and openness model for its economic development and pursue economic cooperation with China by circumventing the sanctions. To put it simply, Kim’s four visits to China have made the denuclearization and establishment of a peace regime on the Korean Peninsula even more complex.

North Korea is highly likely to learn from the Chinese model of developing cutting-edge science and technology industries and promoting science education projects and seek cooperation with China to construct a self-reliant economy. For

example, on January 10, Xinhua News Agency reported Kim Jong-un's remarks that "North Korea considers China's experience with development very valuable and hopes to visit China more often for inspection and exchanges." On the same day, China's CCTV broadcasted several clips, in which Chairman Kim is taking notes while President Xi is speaking. In other words, the DPRK-China relations are likely to be expanded from "strategic communications and friendly cooperation between socialist countries" to a relationship, in which both countries cooperate and support each other in the fields of cutting-edge science and technology and science education projects.

According to one expert on DPRK-China relations and issues on the Korean Peninsula, the traditional "geopolitical" approach needs to be switched to the "geo-economical" approach for the peace on the Korean Peninsula. The more Chairman Kim Jong Un is committed to economic development via North Korean-style reform and openness, the greater his will for denuclearization will become. The South Korean government, together with the North Korean counterpart, should establish a detailed road map for economic development model via North Korean-style reform and openness, and then persuade the U.S. to consider it in corresponding actions. ©KINU 2019

※ 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).