

Pyongyang goes back to the Party

The Opinion



The reversion to the *status quo ante* began almost three years ago as Kim Jong Il entered the endgame of selecting his successor and ensuring his legitimacy. Thus, last year's Party Conference was a final confirmation of this new direction, rather than its herald.

Glyn Ford

SEPTEMBER 2010'S PARTY CONFERENCE IN PYONGYANG was the first major meeting of the Korean Workers Party (KWP) since 1980, well before the death of Kim Il Sung. After his death in 1994, the Party was increasingly challenged as the most important decision making body in North Korea, by both the Military and the Cabinet. Its leadership had atrophied and died; of the 145 Members elected to the Central Committee at the 1980 6th Party Congress, over 60% were dead by 2010. At the lower levels this lack of direction and leadership meant posts were filled more on the basis of seniority than efficiency. The Party ran day to day affairs, but the key decisions made by Kim Jong Il were often driven by either the reforming zeal of the Cabinet or the deep conservatism of the Korean People's Army.

The first swallow of the Party summer was sighted in October 2008 when Rodong *Sinmun* (the daily paper of the Central Committee of the KWP) published an editorial lauding the fact that 4.2 million Koreans and 200,000 foreigners visited the Party Monument in the centre of Pyongyang annually (an average of 12,000 a day). All a figment of a collective imagination; there were neither the thousands of visitors an hour, nor the necessary infrastructure to welcome and support this supposed flood of pilgrims. The function of this editorial – editorials are collectively read and studied by Party branches – was, by the very absence of any factual basis, to place on record a restored primacy for the Party after its earlier benign neglect. This was followed, twelve months later, by a radical internal makeover of the Party, with hundreds of officials moved out, shuffled sideways or promoted. In the International Department of the Party, the long vacant post of Director was filled by Kim Yong Il (64), a dapper former Vice Foreign Minister responsible for relations with China and reputedly a member of the Kim family.

In addition to the promotion of Kim Jong Un (Kim Jong Il's third son) to the Party's Central Committee and Central Military Commission, Kim Kyong Hui (Kim Jong Il's sister) and Jang Song Thaek (Kim Kyong Hui's husband) to senior – but not top – positions in the Party and the military, September also saw Kim Yong Il's position further consolidated, keeping his Central Committee membership with promotion to an alternative member of the Politburo and the post of one of the Secretaries to the Central Committee. The new Central Committee and Politburo thus reflect both generational and political change, showing that Kim Jong Il has begun to delegate elements of authority to a core group of family members and a few others to form the basis of a new collective leadership. Yet, none of the trinity of sister, brother-in-law and son has access to all the centres of power. The son is not on the Politburo, the sister is not on the Central Military Commission and her husband is not a full Politburo Member.

What does this mean for the future? First, the era of the 'Great Leader' is over. Kim Il Sung was a partisan general who made his name in the resistance movement against Japanese colonialism – as much in China as Korea – before being picked by the Soviets as one of Korea's future leaders. Within less than fifteen years he had successively taken on and eliminated the other three factions within the Party and led alone for almost forty years. He started to prepare for Kim Jong Il's succession in the early 1970's; over a quarter of a century before his son formally took the reins in 1997 (three years after his own death). This time around, however, the long game is not an option. The biological clock is ticking. All the pieces have been put in place for a smooth transition at the appropriate time. The next steps – if fate does not intervene – will follow in 2012 as the celebrations of the centenary of Kim Il Sung's birth kick off.

The roadmap for the succession shows a re-emphasis on the Party's role within the State and the emergence of this future collective leadership, whose public face will continue to be the Kim clan. In a society where Confucian veneration for seniority has not entirely disappeared, Kim Jong Un as the public face of an old institution will play better. But while Kim Jong Il still retains control, Kim Jong Un will be placed front and centre as part of a 'group leadership', where relations rule and where power will increasingly be exercised through the institutional architecture of the Party, providing an underpinning legitimacy that would be absent from any attempt at third generation direct rule. The real question is whether the Party will really get its hands back on the levers of power or whether decisions made elsewhere will merely be laundered through its decision making machinery. Who will be the horse and who the rider is yet unclear.

What does it mean for North Korean relations with the world? The whiff of opportunity is in the air. Pyongyang is open for engagement and business even if for the moment Seoul is not responding. Indeed, in addition to Kim Yong Il and the reform-minded brother-in-law (Jang Song Thaek), Kang Sok Ju, the long-time Chief Negotiator at the Six Party Talks and the main interlocutor with Washington, has also been promoted to the Politburo. There is also a positive thaw in relations with China. 2009's year of Chinese-DPRK friendship in Pyongyang proved a pretty frosty year, with China allowing its resentment at Pyongyang's military provocations of nuclear tests and long-range missile launches to show in the UN Security Council; yet in August 2010, Kim Jong Il – accompanied by Kim Jong Un – travelled to his father's old stamping, or rather fighting, ground in North East China to be met by Chinese Premier Hu Jintao. After the September Conference leadership changes were announced; Hu issued a blanket invitation to Kim Jong Il. Subsequently, further visits followed in May and August, the latter after meeting Russian President Medvedev in Siberia.

Equally, the tense aftermath in Sino-Korean relations consequent on KPA military adventurism – albeit provoked by Southern incursions into disputed waters – with the sinking of the South Korean corvette Cheonan in March, causing the death of 46 sailors and the artillery assault on Yeonpyeong island, finally seems to be easing: the North did not get painted into the tight corner some had expected, although the message from the Party in Pyongyang is that no repeats are wanted. The question is whether the KPA wants to listen and learn.

While political reform is not on anyone's agenda in the North, the economy is following or being driven down a path that is an amalgam of that of China's Deng Xiaoping, who in the decade following his accession to power in 1978 brought China's economy 'from the plan to the market', and Vietnam's broadly parallel 'doi moi' (innovation/renovation) modernisation. This would allow the new leadership to establish its legitimacy through delivery and consequently tie the emerging urban 'entrepreneurs' to the fate of the Party and *vice-versa* – in what might be called a 'non-capitalist' market economy – locking the two in a mutual embrace where ultimately they stand or fall together. As Deng said, 'White cat, black cat; who cares as long as it catches mice'. In China, reform meant that State Operated Enterprises were matched by new industries run not by individuals, but by local government, by villages, towns and cities, and state entities such as sections of the Armed Forces, initially acting as contractors for the centre. These reforms lifted hundreds of millions out of poverty, with the poverty rate falling from 53% during the Mao era to 16.6% today.

Above:
The Arirang games
(Grand Mass Gymnastics and Artistic Performance Festival in Pyongyang).

Below left:
Rollercoaster ride
at the Mangyongdae
Funfair in Pyongyang.

Below right:
Workers at the
Kaseaong Industrial
Complex.





Left: The 105-floor Ryugyong Hotel in Pyongyang. Although construction commenced in 1987 the exterior has just been completed. The interior is due to be finished in 2012.

Right: Monument to The Party.

All photography courtesy of the Author.

In North Korea, the agricultural reforms of 2001 have already rejuvenated farming with new low targets for delivery to the state allowing surplus production into the markets that have sprung up in the North's towns and cities. Out of North Korea's 22 million people, one million are allowed to live in Pyongyang. Among them are the 100,000 who matter in North Korea. It is this group that is being best served by the new economy that is currently pulling luxury imports into the country despite the UN Embargo. At the lower end the bustling Tong-il Market is full of mainly Chinese consumer goods, while for those with more means there's the fast food restaurant that sells hamburgers and fries washed down with a cola flavoured drink, and where a meal can cost more than a six-month season ticket for the metro. Then there are the German, Japanese and Italian designer shops for handbags and high heels. You can even buy a €40,000 solid gold Omega Speedmaster. Some top officials now drive shiny new SUV's rather than the tired Mercedes whose '216' number plates (in reference to Kim Jong Il's birthday on February 16th) have been replaced by those celebrating 'victory' in the Fatherland Liberation War.

Not that this means that the North is self-sufficient in food for anything but exceptional years. Last summer's floods have resulted in hunger, verging on famine, in the urban fastnesses of the North East and further afield, where the logic of the reforms the West pressed on the rest has resulted in less of a problem with food availability, but more one of accessibility. Ordinary people don't have the money to buy as the Public Distribution Service that used to deliver fortnightly rations has been reduced to an institution doing barely more than handing out food in celebration of anniversaries, birthdays and commemorations. Pyongyang's urgent request for humanitarian assistance in January finally saw the EU provide €10M in July.

Worse is true of industry. The 2002 industrial reforms that took 95% of industry off 'The Plan' have failed to have the same effect. Industry requires inputs in terms of energy and raw materials that just generally aren't available (for instance, electricity is limited to 4 or 5 hours a day outside of the capital). Allowing industries to hire and fire at will, and to choose process and product, has merely resulted in more firing than hiring, and in the partial re-ruralisation of the economy, as factory work teams are sent to grow food. The only major success of the reform was the pha rao (fence-breaking), with managers turning a blind eye to allow under-employed workers space to play the market. The result was that many families saw a family member, often women, set up micro-enterprises: buying and selling far beyond anything that might legitimately be seen at a 'Farmers Market' – with clothes, cigarettes, alcohol

and imported food products, along with 'pirated' computer software and games, in the market halls, on the streets and in the Metro. The successful new 'entrepreneurs' – many falling by the wayside into the arms of the 'loan sharks' with their double digit monthly interest rates - joined those of the Party and Military, who had long been running the international trading companies, with standards of living way beyond the ordinary residents of Pyongyang.

These *nouveaux riches* began to form a new class separate from the political elite, arrogant and into conspicuous consumption. It was this that triggered the need to restore control; they were becoming too self-confident and too independent. This took the shape of the currency reform of November 2009, restricting amounts of old currency people were allowed to exchange for new: 150,000 Won in cash and 300,000 Won in bank savings (a total of less than €200); this was initially coupled with a ban on the use of foreign currency. It was presented as an attempt to rein-in and bring under control the negative consequences of the 2002/3 economic reforms. Yet the clumsy attempt broke down almost immediately as the move threatened the traditional 'entrepreneurs' lifestyle with their inability to spend their euros and dollars. This reform did serve to destroy the secret savings of the new entrepreneurs as the old notes became no more than waste paper; but the reaction was sufficiently strong that they received an unprecedented public apology of sorts and the sacrifice of the official in charge as it became clear that the economic reform genie could not be put back in the bottle. Now the 'Kiosk Capitalists' have learnt their lesson and are keeping their heads down and their Kim Il Sung badges on. Instead, the next wave of new enterprises is emerging from within the military, local government and the party.

2009 also saw a new turn to heavy industry with the much publicised upgrading of the Kangsong steel works, which may indicate a partial return to earlier policies. This now uses anthracite rather than coke in steel making and therefore domestic rather than imported raw materials, fitting with Pyongyang's enthusiasm for *Juche* (self-sufficiency). The same is true of the Ryongsong Machine Building Factory in Hamhung.

The current goal is to achieve a strong and prosperous economy by 2012, the centenary of Kim Il-Sung's birth. The key question is cause and effect. If there are policy differences, they lie between those who believe military power comes from and is underpinned by industrial and economic strength and those who stand this causality on its head and follow a 'Military First' line. For them 'A cat cannot catch mice after knowing the taste of meat'. Inasmuch as we know anything, the new collective

leadership that has been put in place tends to favour the former. Yet, the West's obsession with the succession means new reforms have been overlooked.

Yet even that which has been achieved is under threat. One of the key motors of economic reform in China a quarter of a century ago was the Special Economic Zone (SEZ) in Shenzhen, cheek by jowl with Hong Kong: for many, North Korea's Kaesong Industrial Complex (KIC) abutting the South was believed to be capable of emulating it. Yet, the on-off serial provocations by both are threatening to fatally undermine investors' confidence in its reliability as a serious contributor to Southern profits and Northern reform. But Pyongyang's continued interest in SEZs as a source of finance has been confirmed by the announcement, in early June 2011, of the project to develop two 'new' SEZs in collaboration with Chinese and Russian authorities. But neither are 'new' and their prospects remain uncertain with both building on past failures: Rajin-Sonbong (an industrial development project virtually dormant since the mid-nineties) and the short lived plan from a decade ago for a Sinuiju Special Administrative Region.

Yet, investment is the key for the future. For instance, China's recent restrictions on the export of rare earth metals might just get some interest in Korea's deposits, or – if the North could agree a median line with China – the offshore oil deposits in the West Sea. This necessity has been recognised by the creation of the State Investment Committee that is to take over the currently divided responsibility for inward investment from the Ministries of Foreign Affairs and Foreign Trade. It will report directly to the Prime Minister's Office.

The problem is that it will be difficult if not impossible to deliver without a settlement on the Peninsula. Few, apart possibly for Korean 'family', will invest in a pariah economy. It's not just Pyongyang that's at fault. There are neo-conservative groups in Tokyo and Washington resisting any settlement. Japan's neo-conservatives want to finally become a 'normal' country and abrogate the US imposed 'Peace' constitution, but that requires a Referendum. The Japanese public are lagging well behind their politicians in their enthusiasm for Japanese military forces being employed overseas. The only way to 'get out the vote' is to frighten people into the ballot box and for that North Korea is the only game in town.

Similarly in Washington, where the military-industrial complex wants to continue to ramp up the big hi-tech projects costing tens of billions. With the best will in the world the Taliban, Jihadi's and Al Qaeda's use of suicide bombers, booby trapped printers and the assassins' bullet really don't make the case for 'Star Wars'. In contrast, just talk up Pyongyang with a new 'dodgy dossier' claiming North Korea is on the verge of getting its long-range Taepodong missile to work (despite three failures out of three attempts over the last decade), successfully testing a nuclear weapon (two failures out of two), miniaturising them and marrying together rocket and bomb, thus leaving the Pentagon no option but to deploy Theatre Missile Defence (Star Wars Light) around Japan, so as to be in a position to launch a pre-emptive strike against the North, and to protect Japan in the event that this first strike missed any odd orphaned nuclear-tipped missiles.

There is a window of opportunity in Washington and Pyongyang. Obama's domestic agenda was put in cold storage for two years after last November's mid-term drubbing left him the option of taking up the foreign policy mantle that both Bush and Clinton donned after their own respective mid-term disasters. If in his first two years the President followed his predecessors' policies towards the Pyongyang of malign neglect, now there is a chance for progress if he can face down the Republicans and the neo-cons at home.

Alongside the new shops, restaurants and SUVs, Pyongyang is still littered with the leftovers from the Cold War: the last remaining US soldier who crossed the line to the North to desert, the members of Brazil's quirky national Marxist October 8th Revolutionary Movement at the Party School, and the last four Japanese hijackers from 1970 who made a stopover in Pyongyang on their way to Havana and never managed to leave. The question is, when hijacker Moriaki Wakabayashi (base player for the Japanese avant-garde rock band *Les Rallizes Denudes* and ardent Liverpool football fan) next sits down for a pizza at the new Italian restaurant close to the captured US spy ship the *Pueblo*, will Obama's policy still reflect the politics of the 1970s that brought him to Pyongyang or will Washington have finally moved on?

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