

## IN-DEPTH ANALYSIS

# North Korea: Seventh Party Congress enshrines nuclear ambitions but says little about economic reform

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### ABSTRACT

The Korean Workers' Party (KWP) held its Seventh Congress, the first since 1980, from 6 to 9 May 2016. In theory, the Congress is the highest deliberative body of the only governing party of the Democratic People's Republic of Korea (DPRK).

The Congress yielded relatively modest results, with no real breakthrough, apart from establishing the 'defensive' nuclear deterrence concept.

Kim Jong-un's position as North Korea's supreme leader was fully formalised and now seems to be stronger than ever. The Party is likely to gain further power at the expense of the military.

Nuclear deterrence is now firmly enshrined in the Party's statutes as well as the country's constitution. Pyongyang has made clear that no nuclear deal is possible unless the US and its allies accept North Korea as a 'nuclear state'.

Despite its propaganda announcements, North Korea is not ready to modernise its sclerotic economy. While some cautious developments cannot be ruled out, the regime's open criticism of the Chinese economic model suggest that any reforms would be limited and very probably inconclusive.

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## 1 Introduction

The Korean Workers' Party (KWP) held its Seventh Congress, the first since 1980, in May. Based on both the Soviet and the Chinese models, the Congress is in theory the top deliberative body of the DPRK's sole governing party.

The Korean Workers' Party (KWP) held its Seventh Congress, the first since 1980, from 6 to 9 May 2016. Based on both the Soviet and the Chinese models, the Workers' Party Congress is in theory the highest deliberative body of North Korea's sole governing party.

The Congress was announced in October 2015 but the exact date was not disclosed until the end of April 2016. North Korea's main focus in the six months leading up to the Congress was preparing for it. It conducted nuclear and missile tests early in 2016 aimed, as in the past, at boosting the prestige of Kim Jong-Un among the population. In February 2016, the Party launched 375 new exhortative slogans and a 70-day 'campaign of loyalty' intended to push the country to expand its economic output. On 7 May the DPRK's official media announced with great fanfare that industrial production had increased by about 60 % on a year-to-year basis, but gave no detailed data to support this claim.<sup>1</sup>

## 2 Past Congresses and their role in DPRK's politics

The Korean Workers' Party Congresses have played a major role in the early history of North Korea.

The KWP Congress has played an important role in the history of North Korea. The first two Congresses, held in August 1946 and March 1948 respectively, under the aegis of the Soviet Union, paved the way to the formal establishment of the North Korean State. The Third Congress (in 1956) reaffirmed the central role of Marxism-Leninism in North Korea and helped Kim Il-Sung to reinforce his position, inter alia by dismissing criticism of his growing personality cult. The Fourth Congress (in 1961) did not lead to any substantive changes, while the Fifth (in 1970) confirmed the replacement of Marxism-Leninism with the more nationalist 'Juche' (self-reliance) concept as the Party's guiding ideology.

The Sixth Congress took place in 1980 and was called to approve the anointment of Kim Jong-Il as North Korea's new leader following the death of his father and the founder of the regime, Kim Il-Sung. The 1980 Congress was a highly ritualised gathering at which the Party announced major leadership changes, new appointments, the revision of ideological documents and the launch of multiannual economic plans. This Congress was attended by some 180 delegates from 118 countries, including Zimbabwe's prime minister-designate, Robert Mugabe, and the Guinean president, Sékou Touré. China was represented by a high-level delegation led by Li Xiannian, one of the first-generation revolutionary leaders who became President of the People's Republic of China (1983).<sup>2</sup>

In contrast, the Seventh Congress, organised by Kim Jong-il's successor, Kim

<sup>1</sup> The Diplomat, North Korea 7<sup>th</sup> Workers' Party Congress kicks off: what to expect (6 May 2016).

<sup>2</sup> Time, [Inside the Rare Meeting of North Korea's Communist Elite](#) (5 May 2016).

Unlike the Sixth Congress in 1980, the Seventh Congress was not open to foreign delegations.

Jong-un, was not open to any delegations from outside North Korea. The Chinese Communist Party merely sent a short note congratulating Kim Jong-un on his election as 'Party Chairman'. A KPC spokesperson in Beijing responded to journalists' questions by stressing that the Congress was 'a major event in the political life of the Party and people of the DPRK'. In an effort to gain some external visibility, the regime invited over 100 foreign journalists but in the end barred them from attending most of the political meetings. A BBC team was expelled for disrespect and most of the media coverage was puzzled, if not wholly negative.

### 3 Background to the Seventh Congress

Since his appointment, Kim Jong-un has gradually strengthened his grip over North Korea.

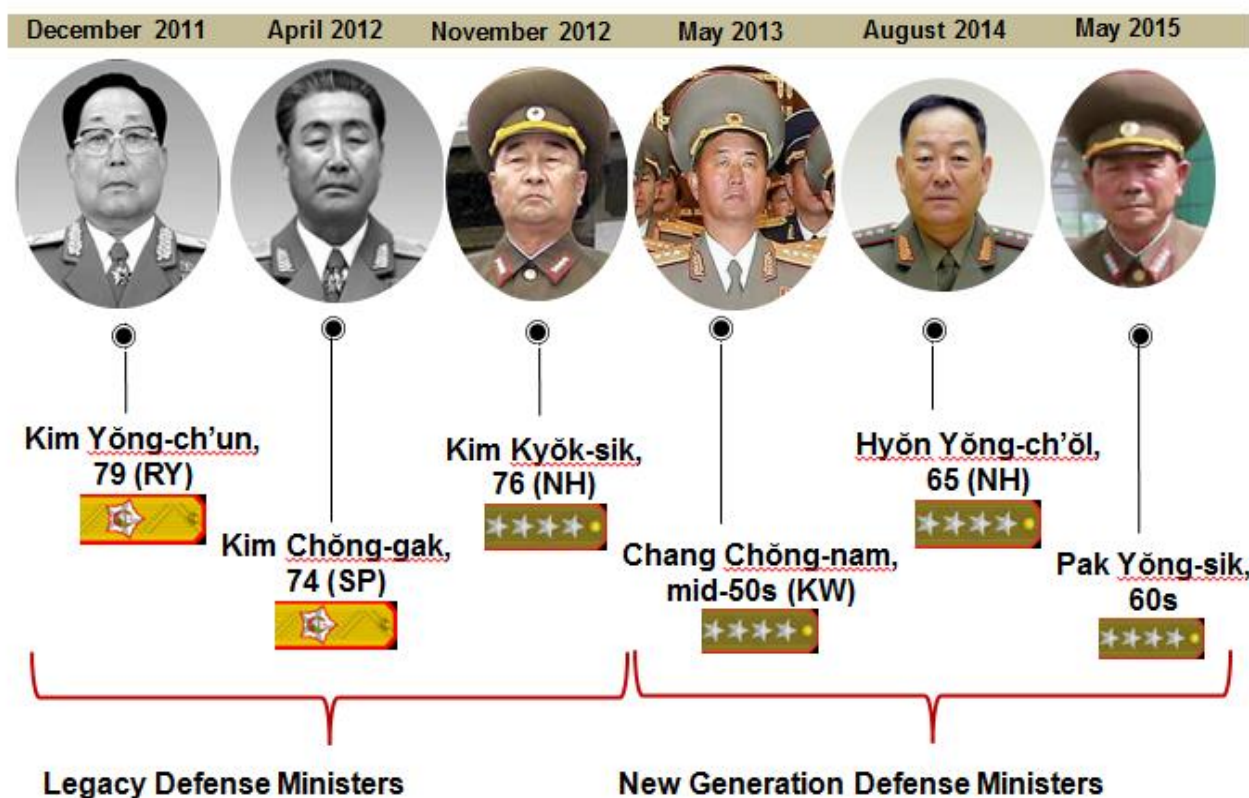
Analysts agree that the position of the North Korean Leader, Kim Jong-un, is fairly strong. The 'young leader' succeeded his father in 2011 and has maintained the political line followed by his predecessors with no significant changes.

In an effort to remove Party and Army representatives appointed by his father, Kim Jong-un has rapidly rotated a number of top officials. Since 2011, he has changed his defence minister five times and the chief of staff four times. Changes to the Party apparatus have been less radical than those made in the armed forces. The new leader has also reduced China's influence by removing leaders who were known for their links with Beijing. Members of the Kim family have not been spared from the purge. Kim Jong-un's uncle, Jang Sung-taek, who was considered to be very close to the Chinese and played a key role in the months that followed the death of Kim Jong-il, was rapidly demoted and then executed. This decision greatly displeased China as it showed that the new leader was not ready to accept Beijing's guidance and advice.

Kim Jong-un has reduced the influence of the military and restored the Party to its traditional central role.

Kim Jong-un's father, Kim il-Sung, favoured the Army at the expense of the Party in what was known as the 'Songun' ('Military First') doctrine. Although the Party remained one of the essential pillars of the North Korean State, the armed forces gained unusual prominence in North Korean politics for a few years. Unlike his father, Kim Jong-un has managed to reduce the influence of the military and promote the restoration of the central role traditionally played by the Party.

**Figure 1:**  
DPRK's defence ministers since 2011



Source: The Diplomat

Kim Jong-un has also appointed a civilian, Hwang Pyong-so, to the top of the military hierarchy. He was given a military rank only in 2011 and uniformed only two years ago. A few generals close to Kim Jong-un have also recently been appointed to high-level positions within the Party. They include General Kim Yong-choi, who is considered by Seoul to be one of the figures behind the sinking of the South Korean corvette Cheonan in 2010.

The outcome of the Congress has been relatively disappointing because no major changes were announced in either defence or economic policy.

The party has officially met twice since Kim Jong-un assumed power — in 2010 (when his father was still alive) and in 2012. Both these 'conferences' served to formalise the succession of the young Kim as head of the North Korean State. The reasons for calling a formal Party Congress were essentially linked to the need to finalise the transformation of the North Korean State and celebrate the renewed role of the Party. From this viewpoint, the outcome of the Congress has been relatively disappointing because, as discussed below, no major changes were announced in either defence or economic policy.

## 4 The main results of the Congress

### 4.1 Internal reorganisation

The North Korean state has been partly restructured to give civilians more power over the military.

Kim Jong-un received the honorific title of 'Chairman' of the Korean Workers' Party.

The Congress's most significant decisions concern the reorganisation of the Party's Central Military Commission. It was reduced to 12 members (most of whom have a military background) and is now led by the Premier, Pak Pong-ju, suggesting closer oversight by the cabinet. Two old-guard members of the Politburo lost their positions. The proportion of Politburo members from the armed forces has shrunk from 35 % to 25 %.

Finally, Kim Jong-un was awarded the honorific title of 'Chairman' of the Korean Workers' Party.

**Figure 2:**

The new KWP Political Bureau (2016)



Source: The Diplomat

## 4.2 Security issues

At the Congress, North Korea reaffirmed its nuclear status but declared that the arsenal was purely defensive.

As expected, the Congress upheld the nuclear and missile programme promoted by Kim Jong-un and reaffirmed North Korea's nuclear status. The concept was enshrined in the country's constitution in 2012 and is now included in the Party's revised statutes. In this way, North Korea has made it very clear that no new peace talks can ever be organised if the other interlocutors (notably the United States) do not recognise the unalienable right of Pyongyang to maintain a nuclear arsenal.

Kim Jong-un's sole concession was to declare that the DPRK was maintaining its nuclear weapons for defensive purposes only. In his speech of 8 May, he reiterated that 'as a responsible nuclear weapons state, our Republic will not use a nuclear weapon unless its sovereignty is encroached upon by any aggressive hostile forces with nukes, as it had already declared, and it will faithfully fulfil its obligation for non-proliferation and strive for the global denuclearization'.

## 4.3 Economic reforms

The economic situation in North Korea remains precarious and most of the population is at risk of malnutrition or even starvation.

The economic situation in North Korea remains precarious. Although some improvements have sheltered the country from the disastrous famines that marked the beginning of the past decade, most of the population remains at risk of malnutrition or even starvation.<sup>3</sup>

The new leader has promoted some limited reforms but these have primarily benefitted the higher levels of the population (those living in the capital or having links to the Party or the Army). The Congress provided a platform to re-launch the so-called 'Byungjin' (tandem) doctrine that couples a strong military apparatus with a renewed focus on economic goals. In his report, Kim Jong-un noted that 'as required by the prevailing situation and the developing revolution, the WPK advanced the strategic line of simultaneously pushing forward the economic construction and the building of nuclear force and worked hard for its implementation'.

From this point of view, the results of the Congress were rather disappointing. A new five-year plan was announced but few details were disclosed. The information available seems to confirm that no major economic reorganisation is foreseen for the immediate future. Rumours of a (limited) economic reform granting greater autonomy to state-owned enterprises were rapidly dismissed. Kim's speech contained direct condemnations of economic reform, which he associates with China, and depicted this as 'surrender to American imperialism'.

In his speech, Kim Jong-un

Nonetheless, in his official speech, Kim Jong-un made some remarks that may pave the way to possible future changes. He mentioned the need to

<sup>3</sup> Radio Free Asia, [North Korea's Kim Largely Ignores Economy at 7th Party Congress](#) (17 May 2016).



launched a new five-year plan and spoke of possible economic reforms.

relinquish what he described as 'our style economic management policy.' While this term is rather vague, it has been associated in recent years with modest policy reforms. So, this reference may suggest further changes, albeit cautious and slow, away from the orthodox state-controlled economy.

In full observance of the principle of 'juche' (self-reliance), Kim Jong-un made clear that the country was not ready to open up to foreign assistance and/or investments. This attitude certainly flatters the country's national pride but will inevitably damage the long-term prospects of the North Korean economy.

Pyongyang is permanently in need of fresh foreign currency and investments. The country's economy is not only growing at a very slow pace (about 1 % per year on average) but is has also been shattered by UN and third countries' sanctions imposed after the January's 2016 nuclear test and by the unilateral closing of the industrial site of Kaesong, decided by Seoul for the same reasons (February 2016).

New foreign investors are not likely to be attracted to DPRK unless it radically changes its approach to business.

Given the very poor track record of North Korea's investment management, the decisions made during the Congress virtually ensure that no profit-oriented foreign company (including Chinese ones) or individual would seriously consider investment in the country.

## 5 Reactions

### 5.1 Republic of Korea

South Korea made clear that the North's nuclear programme is unacceptable and that military talks are inappropriate.

During the Congress, the North Korean leader made a cautious overture to Seoul. Kim Jong-un said: 'National independence and great national unity should be achieved and peace and federal formula ensured. [...] .What is urgent at present in achieving the independent reunification of the country is to fundamentally improve the North-South relations. The North and the South should respect each other and jointly open up a new phase of the improvement of their relations and the reunification movement as fellow countrymen working together for reunification.' Kim also called for the two Koreas to 'alleviate the current military tensions' with talks between the two countries' military representatives.<sup>4</sup>

The South Korean foreign minister, Yun Byung-se, dismissed both proposals. At a press conference held in Seoul on 10 May 2016, he reiterated that Seoul would never accept DPRK as a nuclear power and urged Pyongyang to 'wake up' and take the path towards denuclearization. The South Korean unification minister, Hong Yong-pyo, at a parliamentary committee hearing at the National Assembly, rejected the proposals for dialogue put forward by the North Koreans stating: 'I have strong doubt

<sup>4</sup> Arirang, S. Korea says Kim Jong-un failed to offer a blueprint for N. Korea's future.

whether the dialogue can lead to peace.' As one commentator noted: 'The call for military-to-military talks with Seoul should not be taken seriously — Pyongyang has made diplomatic overtures repeatedly, only to pull out at the last minute, while Seoul will likewise struggle to persuade Pyongyang of its sincerity after violating the last inter-Korean agreement by closing the Kaesong Industrial Complex.'<sup>5</sup>

The decision to close the Kaesong complex definitively concluded the phase of appeasement started in 1998. President Park has made it clear that she is not ready to soften the line vis-à-vis North Korea unless Pyongyang makes a concrete effort to stop its nuclear programme.

## 5.2 United States

Washington's refusal to accept DPRK's nuclear status resulted in further attacks by DPRK media.

The US made no comment on the results of the Congress and simply reiterated its opposition to the DPRK's nuclear and missile programmes. Its refusal to recognize Pyongyang's nuclear status prompted a vehement reaction from North Koreans. The North's official Korean Central News Agency (KCNA) published a communiqué insisting that: 'No matter how noisily the US may trumpet about "North Korea's threat and provocation", the US can never deny the justice of the DPRK's measure of bolstering up the nuclear force,' and concluding that: 'It is a just measure to protect the sovereign right of the country and nation from the US moves to stifle it.'<sup>6</sup>

President Obama, in his last months at the White House, is not likely to step up diplomatic pressure on Pyongyang any further unless a new crisis forces him to take action. The US administration may however face some serious embarrassment if a bipartisan bill, tabled on 12 May 2016, is finally voted by Congress. The bill aims to restore North Korea to the list of states that sponsor terrorism after it was delisted in 2008 by President Bush.<sup>7</sup>

## 5.3 People's Republic of China

China is not pleased with the DPRK's recent initiatives and did not appreciate its public criticism of the Chinese economic programme.

President Xi Jinping formally congratulated Kim Jong-un on his promotion at the party congress (see above) but did not directly mention North Korea's nuclear programme in his message.

North Korea's state KCNA news agency quoted Xi as saying the following: 'We will make efforts together with the DPRK side to bring happiness to the two countries and their peoples and contribute to peace, stability and development in this region by steadily developing the Sino-DPRK friendship and cooperation.'<sup>8</sup>

<sup>5</sup> Oxford Analytica, North Korea 'olive branch' affirms nuclear plans (9 May 2016).

<sup>6</sup> Yohanp Agency, [N. Korea threatens to build up nuclear attack capability against U.S.](#) (12 May 2016)

<sup>7</sup> The National Interest, [The Most Overlooked Story from North Korea's Party Congress](#) (11 May 2016)

<sup>8</sup> Reuters, [North Korea's Kim caps rare congress with colourful mass rally](#) (11 May 2016)

Beijing remains skeptical about North Korea's recent moves. As mentioned above, Pyongyang is voicing growing criticism of China's shift towards a market economy. Kim's unfounded accusation that China was surrendering to American imperialism is likely to have greatly annoyed the Chinese. It should not be forgotten that most of North Korea's foreign trade (and contraband bypassing UN sanctions) passes through China and that North Korea is heavily dependent on its neighbor in terms of both access to finance and imports of heavy oil.

The development of the DPRK's nuclear programme is clearly not in Beijing's interest, especially when it pushes the US to reinforce its military presence in the peninsula.<sup>9</sup> The US intention to deploy the THAAD (Terminal High Altitude Area Defense) anti-ballistic missile system in South Korea to counter the North's nuclear capability is a matter of serious concern for Beijing.

## 5.4 European Union

The EU did not comment officially on the outcome of the Congress but it has recently reiterated its opposition to Pyongyang's nuclear programme.

The EU made no comment on the outcome of the Seventh KWP Congress, which it considered essentially a domestic event. The EU has in the past criticised North Korean decisions to proceed with further nuclear tests.

On 19 May 2016, the Council added 18 persons and one entity to the list of those subject to EU restrictive measures against the DPRK. These additional EU measures complement the sanctions regime imposed by several United Nations Security Council resolutions. Measures include prohibitions on the export and import of arms as well as goods and technology that could contribute to these illegal programmes. Both the UN and the EU, autonomously, also imposed related restrictive measures in the broader financial services, trade and transport sectors. The EU last strengthened its measures on 31 March 2016, transposing UNSC Resolution 2270.<sup>10</sup>

## 6 Conclusions

The results of the Seventh Congress of the Korean Workers' Party were relatively modest and produced no real breakthrough apart from the establishment of the 'defensive' nuclear deterrence concept.

The results of the Seventh Congress of the Korean Workers' Party were relatively modest and produced no real breakthrough, apart from the notable exception of the development of its 'defensive' nuclear deterrence concept.

Kim Jong-un's position as North Korea's supreme leader was fully formalised and seems to be stronger than ever. The Party is likely to gain further power at the expense of the military. The replacement of 'old guard' top officials and generals is likely to continue without necessarily rejuvenating North Korea's ruling class. From this standpoint, North Korea

<sup>9</sup> Beijing was not even informed about Pyongyang's intention to proceed with its fourth nuclear test on 6 January.

<sup>10</sup> EEAS, [Relations with North Korea](#) (2016).

remains a Soviet-style gerontocracy (obviously excluding Kim himself).

Nuclear deterrence is now firmly enshrined in both the country's constitution and Party's statutes. Pyongyang has made clear that no nuclear deal is possible unless the US and its allies accept North Korea as a 'nuclear state'. This means that the likelihood of resuming the 'Six Party talks' is very small. It also means that international sanctions (albeit not very effective) will continue to hit this Asian country and its inhabitants.

North Korea, despite its propaganda announcements, is not ready to modernise its sclerotic economy. Although some modest developments cannot be ruled out, the regime's open criticism of the Chinese economic model suggests that any reforms will be limited and most probably inconclusive.