

The changes in the DPRK' economic policy and current status of its economy

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The end of the Cold War and the DPRK

- The collapse of the socialist regime of the former Soviet Union / Eastern Europe and the loss of the socialist world market
- 1995-1997, the continuation of natural disasters and the occurrence of famine (1996 - 2000 "Arduous March"
 - The collapse of the system (distribution) that supports the people's lives by the state and the rapid expansion of private economic activities to support the living
 - Start of economic reform in 1998 (constitutional amendment)(Nakagawa2011)

The end of the Cold War and the DPRK

- Economic reform and progress in transition to market economy in socialist countries in East Asia
 - China, Vietnam, Laos, Cambodia, Myanmar etc.
- North Korea has been left out of this trend
 - Efforts and setbacks of economic reform in the late 1990s and the mid 2000s
 - North Korea seems to take on the trend of the world after 2013.

The DPRK in the 2000s

- Economic reform in the Kim Jong Il period
 - Introduction of idea that gives priority to “utility”
 - "Economic Management Improvement Measures" in July
 - "Comprehensive market" in 2003 ("regional market" now) established
 - Deepening the relationship between state-owned sector and non-state-owned sector
 - policy of restraint from around 2006; currency exchange in November 2009
 - failure of the currency exchange and economic turmoil: reopen of markets and elimination of the ban on use of foreign currency

Improvement of people's life

- Failure of currency exchange in 2009
- It is an important index that citizens can feel the improvement of their lives in their bones.
 - Increase in domestic production of staple food (rice, maize, potato, etc.)
 - Domestic production of chemical fertilizer by coal chemical industry
 - Increase of domestic products in light industry and food industry.

Building glasshouses in Onpo, Kyongsong, North Hamkyung



Construction using military personnel



Construction using military personnel



More development needed



Taxies in Chongjin, North Hamkyung



Trolley bus in Chongjin



Newly developed packaging



Sausages made in Wonsan, Kangwon



Better economic conditions in local cities



Better economic conditions in local cities



More mobility inside the DPRK



The DPRK in the 2010s

- Economic Reform in Kim Jong Un Era
 - The failure of the currency exchange led to make “improvement of people's life” as an important task of the Workers' Party of Korea and the state from 2010 (continues in 2019)
 - “Byunjin line” from March 2013 (to April 2018)
 - The “Socialist Corporate Responsible Management System” started in 2013.
 - State Owned enterprises were given the rights for planning, production organization, price setting, foreign trade, etc.
 - Coexistence of national index and corporate index
 - Order contract between/among state enterprises

Byunjin line between 2013 to 2018

- The true superiority of the new translational route will decisively increase the effectiveness of war deterrence and defense without additional defense costs (Kim Jong Un: March 31, 2013 at a general meeting of the WPK Central Committee).
- Developing the nuclear weapon and ballistic missile which can reach US East Coast and building better national economy

Socialist Corporate Responsibility Management System

- Socialist competition
 - Competition under socialism and groupism
- Agricultural sector
 - field responsibility system
- Industrial sector
 - Giving relatively more authority such as planning rights, production organization rights, distribution rights, rights for trade and joint ventures to state-own companies

Economic construction first

- The third general meeting of the 7th term of WPK on April 20, 2018
 - Decision 1: About proclaiming the great victory of the parallel path of economic construction and nuclear power construction
 - Decision 2: Concentrating all efforts on socialist economic construction in line with the demands of a new and high level of revolutionary development

Kim Jong Un's "New Year's Speech" in 2019

- Commitment to complete denuclearization and non production, experiment, use of nuclear weapon and non proliferation
- Innovation of economic management, active activation of production of economic lever and positive application to expansion reproduction, importance of human resource development and education, promotion of industry-university cooperation
- Implementation of the agreements signed in 2018 in inter-Korean relations

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Thank you for listening.

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