

Policies That Attach Importance to Economy in the Democratic People's Republic of Korea -from the Beginning of Kim Jong Un Era to the Fifth Plenary Meeting of the Seventh Central Committee of the Workers' Party of Korea- (Summary)

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The official economic system of the Democratic People's Republic of Korea (hereinafter referred to as North Korea) is still a socialist planned economy premised on social ownership of means of production. However, the non-state sector has expanded since the mid-1990s. In November 2009, with the aim of restoring the socialist planned economic order, the authority closed the markets (bazaar) and banned the use of foreign currencies, and performed a currency exchange with a cash exchange limit, although it ended in failure. Since 2010, improving people's lives has been an indispensably important policy.

In the Kim Jong Un era, economic reforms have been carefully carried out, with the "socialist corporate responsibility management system" formulated in August 2013 and stipulated in the constitution in April 2019. The time when this reform took place coincides with the time when North Korea deepened the conflict with the United States in developing nuclear weapons and weapons of mass destruction. The "byunjin line", first announced in March 2013, was progressively eliminated in April 2018 into the policy of emphasizing economic construction, but the conflict with the United States could not be solved, and the nation entered the "front breakthrough" at the end of December 2019. However, economic construction is also emphasized as a main target here.

The most difficult part of North Korea's economic reforms—how to deal with the questions of ownership, or reforms on state-owned enterprises and improvement of the investment environment of the country – is yet to come.

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