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North Korea appears to have made tactical adjustments to its 'All-out Economic Development Line' at a plenary session of the Korean Workers Party's central committee last December. While maintaining the long-term strategic policy stance, it seems to be an interim addition of elements of the 'Economy-Defense Parallel Line' or 'Economy-Nuke Parallel Line'. These adjustments, however, are likely to be a resultant choice rather than intentional. In other words, it seems to reflect the situation in which investment in civilian sectors will inevitably decrease more than defense sectors in the face of the deadlock in U.S.-North Korea relations and the economic crisis. However, given that it is unlikely that the U.S.-North Korea relations will make progress within a short period of time, we cannot rule out the possibility that the tactical elements will be stuck in the strategic policy and eventually replace the latter.

The resource constraint and the emergence of the 'tactical parallel policy' will adversely affect the reform of resource allocation mechanism, so-called 'measures to improve economic management' that the Kim Jong-un regime has been pushing for. First of all, the financial autonomy of enterprises will be reduced and the financial centralization will be strengthened in line with the national financial deterioration. In addition, as the supply of intermediate goods and production materials will be reduced due to import and export sanctions, related

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market transactions will be reduced and substituted by centralized planning. Finally, as the special economic sectors, such as the party economy and the military economy shrinks, North Korea's market, which has been developing dependent on them, is also likely to shrink naturally. Of course, this does not mean a full return of the planning mechanism or the abolition of the market mechanism.

If North Korea increases the proportion of the defense sector in the priority of resource allocation and retards reform in the resource allocation mechanism, security costs of the international community will increase, which will worsen the security dilemma and weaken the international community's efforts to denuclearize North Korea. Therefore, it is necessary for the international community, including South Korea, to encourage the North Korean regime to expect a security guarantee effect through economic development and to prevent a retreat in economic reform. Given the current sanctions and the COVID-19 pandemic, assistance and cooperation to the North are required in humanitarian sectors, including agriculture and quarantine.

Keywords: security-economy dilemma, Parallel Policy Line, strategic policy Line, resource allocation priority, resource allocation mechanism
