

NORTH KOREAN GUIDE TO BUILDING A STRONG NATIONAL ECONOMY

Through domestic speeches, North Korean authorities are encouraging active production in order to invigorate the national economy and ease citizens' daily lives.

This year's push, like last year's, is distinctly an agricultural promotion campaign. In order to resolve agricultural issues, seeds, fertilizer, and irrigation problems are being stressed. Among these, fertilizer shortages are considered the most serious, and the solution to this shortage is focused on last year's Heungnam Fertilizer Production Cooperative Project. In addition to agriculture, the need for improvement in the electricity, coal, metals, and rail transport sectors is being stressed. In fact, production increases in harvesting, machines, science, medicinal herbs, forestry, light industries and all other sectors of the economy are being promoted. For this, authorities are spreading the word that guaranteed profits in economic endeavors, solutions of fundamental problems, modernization, and economic management restructuring are necessary.

In order to resolve fundamental problems, fireproof buildings are needed for steel production. Magnesite reserves are some of the world's largest, but the quality of necessary facilities is lacking. When fireproof bricks are produced by other countries, they have a long life-span, but domestic bricks do not last long. The North also has large graphite reserves, but without resolving electrode issues, even though they attempt to develop machinery manufacturing, tools, bearings, etc. are of insufficient strength.

Pyongyang is also treating modernization of facilities as a very important issue. Key to the modernization of facilities is receiving the latest scientific technology, and the North believes that joint facilities are the way to do this. Through a joint facility, the North has gained in construction and renovation by gaining the materials necessary to produce and upgrade plywood-manufacturing facilities. Through several years of effort, North Korea is now

competitive with China, Thailand, and other countries in furniture manufacturing, and has exported over 2000 pieces to Italy.

Finally, in order to properly manage the economy, scientific and technological revolutions are underway in cooperative ventures, and an elite socialist health system is being cultivated. “It is necessary to build a socialist economy and bring definite changes to individuals’ lifestyles by opening a new chapter in socialist culture” could be considered the theme of recent speeches. Stress is put on the idea that if the nation is to be a powerful economic state, it is necessary that it be worthy of pride in every sector and section of the economy, and this requires particular focus on technological development.

If one takes a look around the world, every country has a representative product, technology, and industry. These products are not just international representatives of the respective nations, but rather the key to the development of that country’s economy. It not only shows the nation’s individuality, it shows that the nation is capable of competing in the world markets. It would contribute not only to the current foreign currency reserve issues the North is concerned about, it could also contribute to the building of a powerful economic nation. To this end, Pyongyang is stressing that ‘each of our soldiers must be ambitious, develop and produce goods in their respective fields, and raise the prosperity of the nation.’

However, whether these measures can actually solve the above issues is not carved into stone. Much time has already passed since these sectors fell into disrepair, and they all must all be solved individually. Therefore, resolving fundamental problems, modernization of production facilities and restructuring of economic management are not issues that are easily pursued. For example, if some factory needs a bearing, but bearing production facilities are closed down or necessary auxiliary facilities are not properly organized, they cannot work in harmony. If profits are earned and spent, and there is nothing left over, then within the factory, a steel manufacturing facility, bearing manufacturer, etc. must be built to make the works self-

sufficient. This is generally not economically feasible.

Receiving up-to-date science and technology is also by no means an easy task. While the increase in production is a legitimate reason for importing technology, there are many barriers to this. As the North Korean literature has alluded to, the overall direction of development is good, but making it a concrete reality is another story altogether.

Institute for Far Eastern Studies, Kyungnam University
The Center for International Cooperation for North Korean Development
28-42 Samchung-dong, Chongro-ku, Seoul, 110-230,
Korea
Tel: 82-2-3700-0780 Fax: 82-2-3700-0707
E-mail: icnk@kyungnam.ac.kr <http://ifes.kyungnam.ac.kr>