



## North Korea's Strategy for Economic Development in the Kim Jong-un Era: Single Leap Forward and Implementation of Innovation System

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### Executive Summary

This book delves into the possibility of a single leap forward of the North Korean economy by analyzing the changes in North Korea's policy in areas of science and technology and its economic development strategy in 2010s. And also, I evaluated North Korea's current policies related to economy, science and technology from the perspective of the nation's innovation system theory.

According to the innovation system theory, latecomer countries may earn the opportunity to rapidly pursue or surpass the economic levels of developed countries by successfully adapting a transition to a new technology paradigm. However, such escalation of economic levels can only happen with the state's full-fledged capacity to establish an innovation system and to systematically execute relevant policies at the national level. In other words, economic growth can be achieved not alone with the improvement of science technology and engineering capability but along with the simultaneous implementation of relevant policies and institutional changes at the governmental level. Such parallel actions would only ensure success of innovation process and its continuity.

Recently North Korea presented All-out Concentration Policy for economic building and proclaimed the state's plan to invest all resources for the economic development. Specifically, North Korea intends to realize its economic development with the reno-

vation of the economic structure into knowledge economy based on the development of science and technology. Two pillars of such strategy are: Socialist Corporate Responsible Management System and Science and Technology Oriented Policy. Socialist Corporate Responsible Management System is the state's newly changed economic management system, which intends to motivate production units toward innovation by empowering them the right of management. Science and Technology Oriented Policy pushes forward changes in related systems so that necessary human and material resources can be fully utilized. In addition, North Korea is simultaneously reforming education system to raise human power whom may lead and adapt to such changes. The current policies of North Korea can be seen as the state's effort for a shift in the national innovation system, since such changes involve institutional transitions in overall aspects of the society beyond the improvement at the production unit level.

Nevertheless, North Korea, as a latecomer country, can only realize the "cutting-edge breakthrough" when it effectively adopts and makes use of the experience and achievement of innovation of developed countries through opening of the economy along with its domestic effort to enhance the state capability of innovation. In this aspect, North Korea still possesses various tasks to overcome. In particular, it is crucial to equip with its own capabilities and build amicable external conditions to minimize uncertainties, which may hinder a successful implementation of innovation system. For instance, more active institutional reform and clarification should be carried out in the state level to enhance convergence among systems. This will provide foreigners a more favorable environment for future investment and technology inflows. Furthermore, North Korea needs to put further effort to improve its external conditions amidst economic sanctions, as much as it is already aware of the necessity to improve foreign relations and invigorate international exchanges. ♣

*※ Translator's note: This is a summarized unofficial translation of the original paper which was written in Korean. All references should be made to the original paper.*

*※ This article is written based on the author's personal opinions and does not reflect the views of the Sejong Institute.*