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Executive Summary

North Korea's WPK 8th Party Congress: Analysis on the Economic Sector

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*This article is written based on the author's personal opinions
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Executive Summary

■ Key Take-aways

- North Korea, which is facing difficulties economically, tries to create an opportunity to overcome the economic crisis by uniting the state and residents through the WPK 8th Party Congress. However, North Korea's proposal for a prospective economic development plan at the 8th Party Congress was rather weak.
- Chairman Kim Jong Un apologized for the failure of the five-year national economic development plan, and at the same time strongly criticized the executives for their ideological laxity and irresponsibility. Proposals to improve and reinforce unreasonable economic business system and order are also unsatisfied.

■ Key Implications

- Kim Jong Un noted that the most outstanding achievements over the past five years is the expansion and reinforcement of the power of politics and ideology. In relations to the five-year national economic development plan, he commanded to set achievable goals and then execute them.
- North Korea also lack of clear explanation for strategic leading industries presented at the 8th Party Congress, and has no differentiation from the past nor have detailed plans. The economic target set by the Supreme People's Assembly was also lower than the previous year.
- As markets shrank after COVID-19 crisis, the state's influence expanded. National economic projects have reduced due to lack of budget, and since the overall financial resources have decreased, the polarization of wealth widens.

■ Outlook and Policy Suggestions

- North Korea's new five-year economic plan is expected to implement policies to stabilize the lives of people rather than to overcome economic struggles in a short period of time. Policies that increase the dependency of people are expected to be strengthened rather than diffusion of the market.
- Currently, the areas in which South Korea can cooperate with North Korea are extremely limited. It is necessary to carefully observe the North Korean economy until the internal situation of North Korea stabilizes. ♣

※ 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.