



Session Sketch

Asan Plenum 2019: "Korea's Choice"
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Session: North Korea's Choice: Economic Reform

Date/Time: April 23, 2019 / 21:00-22:30

Rapporteur:

Ben Forney, Kialo

Moderator:

Go Myong-Hyun, The Asan Institute for Policy Studies

Speakers:

Thomas Byrne, The Korea Society

Furukawa Katsuhisa, Private Consultant on Global Sanctions Issues and National Security

John Park, Harvard Kennedy School

Hazel A. Smith, School of Oriental and African Studies, University of London

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The Night Session "North Korea's Choice: Economic Reform" analyzed the options North Korea faces as it pursues economic growth, while still maintaining the nuclear capabilities that have made it the subject of crippling economic sanctions. In recent years, North Korea's young leader, Kim Jong Un, has placed greater emphasis on the economy and has initiated pervasive state intervention measures to keep the economy afloat. But while this has resulted in a level of stability and even moderate growth, many questions remain as to the sustainability of such a policy.

The panelists discussed North Korea's sanctions evasion measures, methods of acquiring foreign currency, and internal changes to the country's domestic economic structure. By taking advantage of embedded North Korean businessmen in foreign countries, North Korea's elite are able to access specialized procurers of illicit goods. At the same time, the country's improved cyber capabilities have enabled them to carry out increasingly complex attacks against international targets. But while these measures have generated moderate wealth for the elite, the majority of North Korea's citizens remain caught in a low income trap.

The question and answer session looked at North Korea's long term prospects for maintaining the Kim Jong Un regime if sanctions remain in place. The panelists emphasized the importance of loopholes that have allowed UN member states to underreport violations and North Korean enablers to repeatedly engage in illicit behavior. Other questions involved the role of overseas workers and the balancing act that the North Korean regime must perform to delegate sufficient resources to both the military and civilian sectors. The panel concluded with a discussion of the lessons that can be applied from the North Korean case to other sanctioned regimes around the world.

** The views expressed herein are summaries and may not necessarily reflect the views of the speakers or their affiliated institutions.*