



Assessment of North Korea's Regional Development Policy

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North Korea, under Kim Jong Un's "20x10 Regional Development Policy," aims to address regional shortages of essential goods by constructing industry factories in 20 cities and counties annually over the next decade. This initiative seeks to showcase progress ahead of the Workers' Party's 80th anniversary in 2025 and mitigate discontent from Pyongyang-centric policies. While it may temporarily ease regional discontent, its success depends on continuous central government support. If it falters, it could worsen dissatisfaction and weaken Kim Jong Un's authority. Despite this development push, North Korea's commitment to nuclear development remains unchanged. The regional development initiative is viewed as a short-term measure to alleviate internal grievances and bolster internal control amid negotiations with the United States and potential provocations against South Korea. This underscores the need for South Korea to brace itself for diplomatic and security hurdles.

1. Background of the Promotion of the Regional Development Policy

A. Living Disparities Between Pyongyang and Regional Areas

The Regional Development Policy aims to address significant living disparities between Pyongyang and regional areas in North Korea. This divide, rooted in discrimination based on one's origin, manifests in varying levels of government-provided benefits, leading to substantial gaps in income, property ownership, and access to essential services. Notably, a 2017 survey by UNICEF and the North Korean Central Bureau of Statistics delineated this contrast, revealing that while 86.2% of Pyongyang residents and 60% of urban dwellers enjoy upper-tier living standards, only half of the rural inhabitants experience similar benefits, with 41.2% relegated to the lower tier, when the living standards of North Korean residents are divided into upper (40%), middle (40%), and lower (20%) levels. This divergence extends to fundamental needs, with staple foods ranging from rice in urban locales to maize porridge in rural regions, highlighting the stark socio-economic stratification prevalent across North Korea.

Despite Kim Jong Un's recognition of these disparities and calls for improvement, polarization has deepened due to elite corruption, economic sanctions, border closures, and the COVID-19 pandemic. These factors have exacerbated rural hardships, underscoring the need for comprehensive measures to bridge the urban-rural gap.

B. History of Regional Industrial Development

North Korea's historical approach to regional industrial development reveals a strategic shift from heavy industry to sporadic efforts aimed at fortifying regional economies. Initially, the regime relied heavily on self-production at the city and county levels to alleviate the scarcity of essential consumer goods for regional residents. However, despite boasting thousands of regional factories in the early 1980s, the onset of the mid-1990s economic crisis precipitated widespread closures, prompting reorganization efforts in the early 2000s to modernize existing facilities. Yet, the absence of central assistance left regional industries vulnerable to persistent challenges, including unstable raw material and energy procurement, and management inefficiencies.

Intermittent endeavors to revitalize regional industry punctuate North Korea's historical landscape, exemplified by events like the landmark 1962 "Changsong Joint Conference," where Kim Il Sung convened regional officials to deliberate rural management and industrial development. This event, coupled with subsequent calls for a "regional industrial revolution," served as pivotal moments in shaping North Korea's approach to regional economic revitalization.

Under Kim Jong Un's leadership, additional policy interventions, such as the establishment of economic development zones, were introduced as part of broader efforts to stimulate regional growth. However, these initiatives encountered significant hurdles, including infrastructural deficiencies, inefficient procurement, and punitive economic sanctions, limiting their effectiveness in fostering sustainable regional development.

Recently, North Korea has witnessed a resurgence in its commitment to regional industrial advancement, catalyzed by Kim Jong Un's acknowledgment of acute shortages of essential goods in regional areas. This renewed focus culminated in the unveiling of the ambitious "Regional Development Policy," indicating a shift from rhetoric to concrete measures aimed at addressing regional disparities. Kim Jong Un's strong focus on the need to tackle these challenges highlights the regime's resolve to directly address North Korea's economic difficulties, marking a crucial moment in the country's efforts to achieve regional prosperity.

C. Background of the "Regional Development Policy"

The "Regional Development Policy" in North Korea involves a comprehensive approach, utilizing central government funding, military mobilization, and regional authority engagement to construct industry factories. This policy drive for regional development is rooted in deepening disparities between living standards in Pyongyang and regional areas, Kim Jong Un's need to achieve milestones ahead of the Workers' Party's 80th anniversary, and the imperative to stimulate domestic demand amid prolonged sanctions.

The strategy also serves as part of preparations for upcoming Party Congresses, aiming to showcase achievements and bolster political legitimacy. Moreover, the policy aims to activate domestic demand by investing in regional industries to produce essential consumer goods and generate profits, which are crucial for sustaining economic growth amidst limited external trade opportunities due to sanctions.

Overall, the "Regional Development Policy" epitomizes Kim Jong Un's strategic response to internal discontent and external pressures, aiming to achieve stability and prosperity through targeted regional economic development initiatives and multifaceted political maneuvers.

2. Evaluation of the “Regional Development Policy” Process

A. Decision-Making Process of the Regional Development Policy

The decision-making process behind the “Regional Development Policy” was highlighted in Kim Jong Un’s speech at the Supreme People’s Assembly on January 15, 2024. Kim Jong Un coined the term and emphasized its importance, indicating his commitment to addressing regional disparities. Despite internal debates within the ruling elite, he prioritized this policy in the national agenda. Implementation details were outlined at an expanded meeting of the Party’s Political Bureau at Mount Myohyang on January 24. Centralized control was emphasized, with the central government ensuring financial and material support, the military mobilizing for construction, and regional authorities managing operations.

A new oversight body, the “Regional Development Emergency Central Promotion Committee,” was established to coordinate all aspects of factory preparation and operation, demonstrating a comprehensive approach to policy execution under Kim Jong Un’s leadership.

B. Process of Implementing the Regional Development Policy

Kim Jong Un initiated the “Regional Development Policy” by inspecting model factories and emphasizing rational production in Kimhwa County, Kangwon Province. Committees were swiftly established at central and provincial levels to oversee policy execution, accompanied by the public announcement of construction plans and key meetings convened to drive the policy forward. At the groundbreaking ceremony for the inaugural regional industrial factory in Songchon County, Pyeongnam Province, Kim Jong Un acknowledged delays but highlighted the policy’s revolutionary potential and its aim for equitable prosperity.

C. Trends in Promoting the Regional Development Policy

North Korean media extensively promoted this policy, portraying it as part of Kim Jong Un’s compassionate leadership and national revival efforts. Despite a slight decrease in media coverage, the overall positive tone continued, emphasizing the policy’s significance in uplifting regional areas and contrasting North Korea’s prioritization of people’s livelihoods against external threats. However, skepticism exists, especially in border areas, about the policy’s impact due to existing operational inefficiencies and material shortages.

D. Achievements and Limitations

Kim Jong Un’s encouragement may lead to a revitalization of local industries and improved rural living conditions. However, without reprioritizing urgent economic tasks or scaling back other projects, consistent support for machinery and local procurement of raw materials make the policy of establishing small- and medium-sized factories inefficient.

3. Conclusion and Policy Implications

In conclusion, North Korea’s “Regional Development Policy” is expected to yield limited and temporary results due to a lack of long-term solutions and adjusted economic priorities. Kim Jong Un’s impulsive directives, if not carefully considered, could negatively impact other economic policies and

contribute to increased dissatisfaction among regional residents if the policy fails to deliver substantial improvements in their living conditions.

As North Korea continues to navigate internal and external pressures, careful assessment of its policies and their implications is necessary. In the short term, North Korea is intensifying internal control while navigating inter-Korean tensions and negotiations with the United States, emphasizing the need to anticipate potential shifts in its political landscape in the medium term. Should efforts to promote local development amidst internal turmoil falter, internal discontent could rise, potentially undermining Kim Jong Un's leadership.

While successful implementation of local development policies could reduce belligerence and foster economic interest, Kim Jong Un faces challenges stemming from contradictory policies on nuclear advancement and economic struggles. Reform and openness are crucial for resolving North Korean issues, leading to improved human rights, societal diversification, and potential resolution of nuclear issues. Autonomous reform by North Korea is unrealistic, necessitating cooperation with the international community to induce change. Continuous efforts to address the North Korean nuclear threat and promote reform are imperative

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