



DPRK LEGAL EFFORTS TO STRENGTHEN PLANNED ECONOMY FOLLOW CURRENCY REFORMS

It has recently been verified that following the currency reforms at the end of last year, North Korea passed 11 laws revising and reforming the system of government control over the economy. Among these measures is a law banning the black market sales of grain.

The North's food administration law, revised last November 3, clearly bans the black market trade and smuggling of grains, and sets the punishment for such activities as the confiscation of the grains in question. In addition, an order was passed down stating that when food supplies are rationed to a labor management office, they are to be distributed in accordance with a worker's efforts, position, and productivity. On the same day, a new agricultural law was passed that stated if organizations and groups that were granted land for private plots failed to meet state-set harvest quotas, the plots could be confiscated.

In November and December of last year, North Korea also enacted the Real Estate Management Law, Goods Consumption Standard Law, Construction Materials Import Law, Import/Export Country of Origin Law, Waterworks Law, Labor Quantity Law, Farm Law, Sewer System Law, and the Mariner Law. Among these, the Labor Quantity Law sets the number of laborers per hourly production demands, stipulates labor contracts, and determines remuneration in accordance with worker performance. This law is unprecedented in that it allows the responsible organization or business managers or supervisors administrative and even penal authority by



giving them power over labor evaluations and payment.

The Farm Law allows each farm to retain some of its harvest, and making it responsible for selling its goods to the state, while on the other hand, forbidding illegal agricultural production. This law, by strengthening state control over agricultural goods, appears to be an effort to restart the Public Distribution System.

The Real Estate Law, a mechanism to collect user fees, stipulates, “Real estate cannot be lent or left to different individuals, groups, organizations or enterprises without the permission of the applicable authority.” Along with this, the law on consumption includes a clause that links consumption of particular goods with those goods’ production in order to prevent waste, as well as a clause designed to reduce or eliminate the use of imported goods.

The law on the import of construction materials gives the government leverage in all aspects of such activity, including planning, processing, transfer, inspection, construction and testing. In addition, if someone from an enterprise or organization imports construction goods without government authorization, changes an import plan, distributes, transports, or wastes construction wares, he or she is subject to administrative punishment.

Ultimately, economic legislation enacted or revised after the currency reform appears to be aimed at strengthening the planned economic system while increasing government control over public revenue and encouraging efforts to recover without outside assistance.



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