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# Between ‘Food Anxiety’ and the Arduous March during the COVID-19 Pandemic: Are Food Prices in North Korea Truly Volatile?

Joung, Eunlee

(Research Fellow, North Korean Research Division)

On June 15, Kim Jong-un explained North Korea’s ‘food anxiety’ during the 3<sup>rd</sup> Plenary Meeting of the 8<sup>th</sup> Central Committee of the Workers Party of Korea (WPK) by commenting that ‘this year’s food situation has become anxious due to damages caused by floods last year.’ Various organizations such as news outlets and research institutions in Washington and Seoul have interpreted Kim Jong-un’s remarks as a sign of a crisis on the path to an Arduous March. ‘A sharp increase in the price of rice, a rapid rise in the price of corn, and the widening gap in prices across regions’ are the three main issues that are central to the signs of a crisis that they suggest. The North Korean government has closed its borders in response to the COVID-19 pandemic, and has not accepted humanitarian aid in the form of food or vaccines from individual countries such as China. If volatile prices are indeed a sign of a crisis, there are several mysterious aspects to North Korea’s situation during the pandemic that are hard to understand considering how it is common to accept humanitarian assistance offered by friendly allies. Therefore, this study analyzes the meaning of ‘food anxiety’ and ‘volatile prices’ based on three main issues stated above, and evaluates whether it is possible for North Korea’s ‘food anxiety’ during the pandemic to lead to an Arduous March.

The entire world is experiencing serious economic difficulties due to the COVID-19 pandemic. But North Korea is facing a triple threat with the added pressure of economic sanctions implemented by the international community and natural disasters. Despite 80% of its trade decrease compared to the previous year as a result of its voluntary decision to close its borders in response to COVID-19, North Korea has not accepted humanitarian aid such as food. Meanwhile, Kim Jong-un mentioned on June 15, 2021, that “the food situation of the people of North Korea has become anxious because the production of grains failed to meet production plans due to the previous year’s harm to the agricultural sector caused by typhoons” during the 3<sup>rd</sup> Plenary Meeting of the 8<sup>th</sup> Central Committee of the Workers Party of Korea (WPK).<sup>1)</sup> Amidst such mysterious circumstances, various news outlets in cities such as Seoul and Washington have pointed to Kim Jong-un’s comment regarding ‘food anxiety’ as an indicator of a food crisis that will result in starvation.<sup>2)</sup>

### What is the Meaning of ‘Food Contraction’ and ‘Price Volatility’?

Then what is the meaning of ‘anxiety’? In South Korea, the term tends to refer to a sense of ‘being nervous and paying close attention,’ and in North Korea, it is similarly understood as ‘a situation without much leeway.’ But at the same time, the Korean word for ‘anxiety’ is used almost synonymously with the Chinese word ‘jinzhang(紧张)’ or tightness. In other words, it refers to a ‘shortage of supplies’ and is a common term used to raise awareness in North Korea where goods are short on supply, evidenced by the frequent appearance of the word in the *Rodong Sinmun* as shown in <Table 1>. But certain news outlets have linked ‘anxiety’ to the economic situation in which the ‘price of food is volatile,’ thereby exaggeratingly interpreting

1) “The 3<sup>rd</sup> Plenary Meeting of the 8<sup>th</sup> Central Committee of the Workers Party of Korea (WPK) held,” *Rodong Sinmun*, “June 16, 2021.

2) Multiple reports including, “Kim Food Crisis: North Korea to run out of food in Two Months amid Fears Kim Jong Un Faces Repeat of Famine that killed Millions,” *The U.S. Sun*, June 19, 2021, <<https://www.the-sun.com/news/3117328/north-korea-will-run-out-of-food-in-two-months-amid-fears-kim-jong-un-faces-repeat-of-famine-that-killed-millions/>> (Accessed July 10, 2021).

it as a sign of a crisis on the path to another ‘Arduous March.’ This can be considered as a typical case of an error caused by confirmation bias. In addition to the nuanced difference between South and North Korea in the meaning of the word, the mixed-use of terms used to describe situations such as ‘food anxiety,’ ‘food shortage,’ ‘price volatility,’ and ‘signs of a food crisis’ is creating confusion.

<Table 1>

The Frequency of Appearance of the Word ‘Anxiety’ in the *Rodong Sinmun* per Year

Year	2016	2017	2018	2019
Frequency of ‘Anxiety’	1632	1652	1795	1321

Source: Calculated by the author based on the *Rodong Sinmun*

Therefore, this study seeks to define the meaning of ‘food anxiety’ and ‘price volatility’ by analyzing the issues of ‘a sharp increase in the price of rice,’ ‘a rapid rise in the price of corn,’ and the ‘widening gap in prices across regions,’ three main issues that several news outlets point to as signs of a food crisis. In addition, the study will also cross-examine data regarding the COVID-19 pandemic period from North Korea’s Voluntary National Review (VNR) report that it disclosed in July 2021. In order to do so, this study first compares and examines the mid- to long-term food production estimates calculated by the VNR, the Food and Agriculture Organization (FAO), and South Korea’s Rural Development Administration (RDA). Second, data regarding market prices made available by investigative organizations on North Korea such as the Daily NK, North Korea Investment and Development (NKID), and journalists Radio Free Asia (RFA) will be cross-examined to further investigate changes during the COVID-19 pandemic period in more detail. These organizations have, on average, provided statistics on the market prices at *Jangmadang* located in Pyongyang and border areas twice a month using informants in North Korea over the past 10-plus years.<sup>3)</sup>

## What is ‘Food Anxiety’ during the COVID-19 Pandemic Viewed through the VNR?

‘VNR’ is a system established in 2015 by a resolution adopted during the 70<sup>th</sup> meeting of the UN General Assembly through which each member state voluntarily evaluates and discloses their implementation of ‘Sustainable Development Goals (SDGs).’<sup>4)</sup> This includes both statistics and policy. North Korea’s VNR was compiled by the State Planning Commission (SPC) and was reported to the UN General Assembly in July 2021. In the process of writing the report, the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) held three workshops on statistics of the SDGs and report writing for North Korean experts including officials from North Korea’s Central Bureau of Statistics and Foreign Ministry from April to October in 2019.<sup>5)</sup> In the past, North Korea has received criticism from countries like the Soviet Union regarding its manipulation of statistics after its process of reform into a socialist planned economy. But North Korea has strongly criticized ‘bluffing’ that occurs in the process of compiling statistics and has sought to overhaul its management of the process during the Kim Jong-un era. Therefore, the VNR written by the SPC can be assessed as being rather credible.

When comparing the amount of food production reported in North Korea’s VNR to estimates by the FAO and RDA, it can be observed that the trends are similar up until the beginning of the COVID-19 pandemic, as illustrated in <Figure 1> below. However, there is a discrepancy of more than 1 million tons between the estimates

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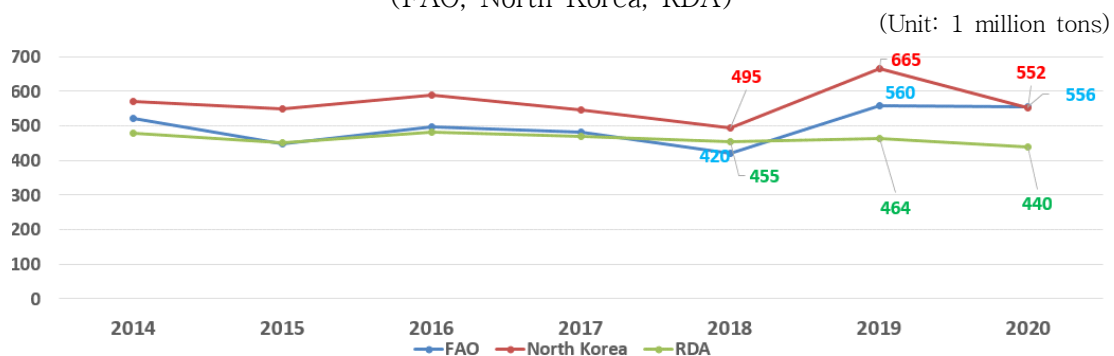
3) There are considerable limitations to analyzing the current state of North Korea’s economy and food situation despite these statistical data. Therefore, the author not only hosted regular in-depth seminars with Chinese researchers on North Korea that consistently interact with North Korea but also referred to internet and YouTube materials from China that reveal the life of the North Korean people in large quantities.

4) Regarding the VNR, see, “North Korea’s Implementation of SDGs: Focused on ‘Voluntary National Review,’” *Korea Institute for National Unification (KINU) Online Series CO 21-22*, August 2, 2021, <<https://kinu.or.kr/www/jsp/prg/api/dlVE.jsp?menuIdx=645&category=72&thisPage=1&searchField=&searchText=&biblioId=1549640>>.

5) North-East Asian Multistakeholder Forum on SDGs held in Bangkok, Thailand from April 29 to May 10, 2019, in Danang, Vietnam from October 7 to 10, 2019, and in Vladivostok, Russia from October 15 to 16, 2019.

from the FAO and the RDA and the amount reported by the VNR report regarding the production of grains during ‘2019 and 2020’ which has had a direct impact on the amount of food in ‘2020 and 2021’ during the pandemic. In particular, the amount produced in 2019, which determines the amount consumed in 2020 amidst the COVID-19 pandemic, recorded the highest amount over the past ten years according to the VNR report. In other words, it can be assessed that the food situation in 2020 was relatively stable because the amount of grains produced in 2019 exceeded the average production over the past ten years by about 1 million tons. The problem lies in the fact that the produced amount in 2020, which determines the amount consumed in 2021, decreased by 1.13 million tons compared to the previous year. Despite the voluntary closure of borders in response to the pandemic, this amount is similar to the average over the past ten years and is still better than the situation in 2017 and 2018 before COVID-19. In other words, the meaning of ‘food anxiety’ mentioned by Kim Jong-un when viewed through the VNR report can be analyzed as referring to the situation in which food production decreased by 1.13 million tons compared to 2019 but is nevertheless better when compared to the production over the past ten years.

<Figure 1> Comparing Trends in Food Production in North Korea  
(FAO, North Korea, RDA)



Source: FAO statistics from 2014 to 2019 were gathered from <<http://www.fao.org/faostat/en/#data/QC>> (Accessed July 28, 2021) while statistics for 2020 were collected from <<http://www.fao.org/3/cb5146en/cb5146en.pdf>> (Accessed July 28, 2021), p. 15; North Korea's statistics are from the "Democratic People's Republic of Korea Voluntary National Review," p. 15; RDA statistics collected through the RDA homepage.

Another interesting aspect regarding food production is the fact that North Korea's population has naturally increased. While the GDP recorded an average annual increase rate of 5.1% from 2015 to 2019, the average increase rate of GDP per capita was 4.65% during this same period.<sup>6)</sup> This gap means that the population is naturally increasing through childbirth and, as a result, can be seen as evidence countering signs of a crisis in which mass starvation occurs. According to interviews of North Korean defectors conducted by the author, the population is continuously growing even though the birth rate is decreasing. North Korea's VNR report suggests that the maternal mortality rate per 100,000 newborns, as well as the mortality rate of children under the age of 5, have both decreased during the period above,<sup>7)</sup> and that the nutrition of children under the age of 5 has improved between 2012 and 2020.<sup>8)</sup> While the pressure on food supply due to the natural increase of the population may not be currently substantial, it may intensify in 5 to 10 years when the children under the age of five reach their teenage years. But the anxiety during the COVID-19 pandemic is compared to the crisis situation during the Arduous March. During this period, problems were rampant, such as the rapid increase in food prices, corruption among officials, the plundering of state-owned assets by state organs and corporations, paralysis of transportation and communication, and the collapse of the food distribution system. Starvation occurred centered around heavy industry cities, while the price of houses also plummeted as city workers vacated their homes to wander agricultural areas in search of food. But during the COVID-19 pandemic period, there was actually the opposite trend of people moving from agricultural areas to cities due to the gap in wages between urban and rural areas. The North Korean government has also set urbanization, reducing the gap between urban and rural areas, and eradicating corruption among officials as the 'main policy

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6) The Government of the DPRK, "Democratic People's Republic of Korea Voluntary National Review On the Implementation of the 2030 Agenda," *The United Nations*, June, 2021, <[https://sustainabledevelopment.un.org/content/documents/282482021\\_VNR\\_Report\\_DPRK.pdf](https://sustainabledevelopment.un.org/content/documents/282482021_VNR_Report_DPRK.pdf)>, p. 29 (Accessed July 10, 2021).

7) *Ibid.*, p. 19.

8) *Ibid.*, p. 16.

objectives for 2030.’<sup>9)</sup>

In conclusion, Kim Jong-un’s mention of ‘food anxiety’ can not be interpreted as signs of a crisis on the path towards an Arduous March when considering the efforts to prevent the distortion of statistics, amount of grains produced from 2019 to 2020, the natural increase of the population, movement of people between urban and rural areas, and the North Korean government’s efforts to eradicate corruption among officials revealed through North Korea’s VNR report.

### The ‘3 Main Issues regarding the Price of Food’ Suggested as Signs of a Crisis

This section addresses the 3 main issues of a sharp increase in the price of rice, a rapid rise in the price of corn, and the widening gap in prices across regions that certain news outlets have suggested as signs of a food crisis through analysis of statistics on the price of food provided by organizations such as Daily NK and NKID that investigate market prices at *Jangmadang*.

#### Issue 1: Is the price of rice volatile and rapidly increasing?

The rate of change and rapid increase in the price of rice is an indicator that certain news outlets have pointed out as evidence that the food situation in North Korea is dire. In particular, it has been reported that the price of rice, which has maintained an extended period of stability since 2013, has suddenly increased by 2~3 times with the beginning of the spring lean season in June 2021.<sup>10)</sup>

But as seen in <Figure 2> below, the price of rice during the COVID-19 pandemic has remained at around 4,000~5,000 (North Korean) won per kg and has changed about \$0.2 when converted into dollars at a rate of approximately 20%. At the same

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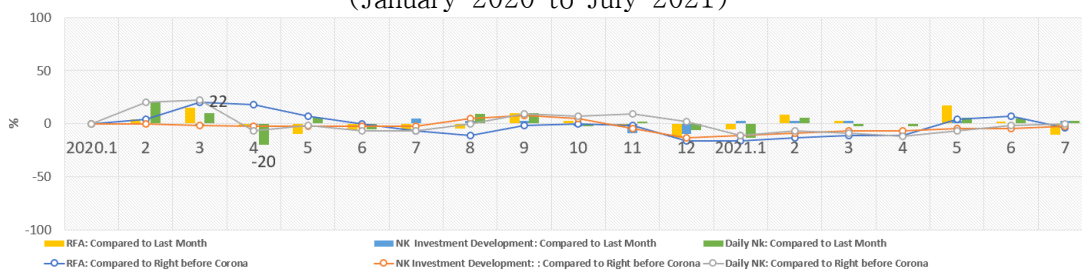
9) Ibid., pp. 22, 25, 27, 24, 36.

10) Multiple reports including, Mitch Shin, “Kim Jong Un’s Comments Reflect Growing Fear Over North Korea’s Food Crisis,” *The Diplomat*, June 30, 2021, <<https://thediplomat.com/2021/07/kim-jong-un-comments-reflect-growing-fear-over-north-koreas-food-crisis/>> (Accessed July 10, 2021).



time, the price has tended to either return to the original price or even fall below the average price within a matter of days. The price of rice would consistently increase at a rapid pace if the shortage of rice amidst the COVID-19 pandemic was severe, but the price of grains such as rice and potatoes have been relatively stable when traced through a longer time frame of the past 2 years. In other words, certain news outlets have focused on the 20% change rate which occurred at a particular moment to highlight statistics that appear to indicate the volatility in prices to their readers. But when the range of change in the price of rice throughout the pandemic is calculated on a scale of 100 as seen in <Figure 2>, it becomes difficult to consider it as a sign of crisis even though there are some ups and downs. The prices of basic items including groceries have fluctuated and increased sharply by 20% in even several OECD countries during the pandemic.

<Figure 2> Changes to the Price of Rice in North Korea during the COVID-19 Pandemic (January 2020 to July 2021)



Source: Created by the author using data on prices at *Jangmadang* provided by investigative organizations on North Korea

In particular, compared to when the monthly wage of workers were fixed to 60 won during the Arduous March in 1995, the price of rice and corn rapidly increased by more than 8 times from 15 won to 120 won per kg and from 8 won to 70 won, respectively, and this increase in prices continued for an extended period of time. Currently, the price of double-crops that can replace rice is decreasing. It is a rational decision-making by humans that potatoes are consumed if the price of rice increases which consequently controls the price of rice. The price of potatoes, barley, and wheat, which until early June was approximately half the price of rice, dropped to



a tenth of the price of rice by mid-June. This is correlated to accomplishments by North Korea such as the increase in the production of food and the reduction of the cultivation period of double-crops which were achieved through scientification including the seed revolution and the expansion of fertilizer manufacturing factories. In other words, the period near mid-June which many claim as when the price of rice starts to increase can no longer be seen as the spring lean season as it has been shortened under Kim Jong-un.

Moreover, the price of groceries such as meat and vegetables that can be supplied domestically experienced relatively little change during the COVID-19 pandemic, as seen in <Table 2>.11) An area that needs to be observed closely on the issue of food prices is the volatility of marine product prices. What might be the cause? It is because the North Korean government has prohibited fishing as a part of its preventive measures against the pandemic. As certain measures on fishing activities have been lifted since March 2021, the price of marine products has moved in a downward trend.

<Table 2> Trends in Market Prices Right Before and After COVID-19 (January 2020 to July 2021)

(Unit: won)

Item	Domestic Production											Partially Imported		Completely Imported				
	Laver	Salt	Soy Sauce	Red Chili Paste / Soybean Paste	Eggs	Pork	Frozen Pollack	Others				Rice	Corn	Sugar	Flour	Bean Oil	Gasoline	
Unit	10 pieces	1kg	1kg	1kg	Number	1kg	kg	School Uniforms / Clothes	Cigarettes	Cold Noodles	Vegetables	Coal	kg	kg	kg	kg	kg	Liter
Period	2020.11(Immediately Before)	500	500	6,000	15,000	800	22,000	5,000	-				4,500	1,700	4,600	5,000	9,000 won	7,300
	2021.6(Immediately After)	-	-	-	-	-	-	0,000-25,000	-				-	2,200 †	2~30,000 won †	11,000 †	25,000 †	-

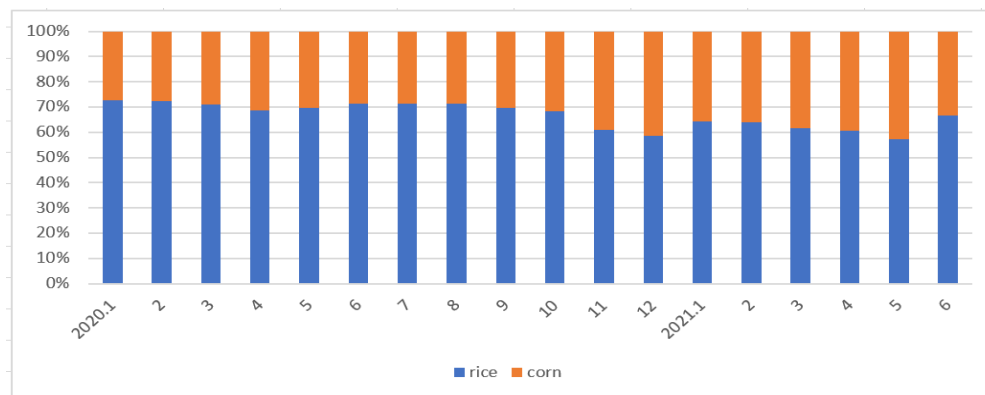
Source: Compiled by the author based on data on prices at Jangmadang and in-depth interviews reported by investigative organizations such as Daily NK, NKID, and Radio Free Asia journalists.

11) In comparison, the price of flour, sugar, bean oil, and condiments required to manufacture processed goods that are not staple foods such as snacks has increased by 3~6 times due to border closures.

### Issue 2: Is the Rapid Increase in the Price of Corn a Sign of Crisis?

Another issue raised by certain news outlets as a sign of a food crisis is the price of corn that has more rapidly increased than that of rice.<sup>12)</sup> Corn is a substitute good of rice, and is viewed as an inferior good of which its demand increases when income levels drop since it is cheaper than rice. The price of corn was about 30% of the price of rice immediately before the pandemic, but has since risen to currently be about 60~70% of the price of rice.

<Figure 3> The Trend in the Exchange Rate between Rice and Corn in North Korea during the Pandemic (January 2020 to June 2021)



Source: Compiled by the author based on data provided by an anonymous reporter at RFA

But if the price of corn had rapidly increased as a result of greater consumption as a staple food due to a shortage of food, not only the price of rice but also the price of potatoes and barley, both of which are substitute goods and inferior goods of rice, should have increased. But while the price of rice currently has experienced a change rate of 20%, the price of potatoes and barley has dropped by about 60~70% to be approximately a fourth of the initial price, dropping from 2,000 won to 800~500 won per kg with the beginning of the mid-June harvesting season.

12) Multiple reports including, "Risk analysis: North Korea faces crisis due to relentless COVID-19 controls," *NK News*, June 23, 2021, <https://www.nknews.org/pro/risk-analysis-north-korea-faces-crisis-due-to-relentless-covid-19-controls/> (Accessed July 10, 2021).

The stability in the price of rice, the 60~70% drop in the price of potatoes and barley, the rapid increase of about 200% in the price of imported flour, and the 200% increase in the price of corn are all phenomena that have occurred at the same time. Is this the result of the poor residents of North Korea that cannot afford expensive rice who made the irrational economic decision of not eating cheaper potatoes and barley and instead only eating corn? Rather than this explanation, it is more logical to conclude that it is the result of increased utilization of corn on the one hand and a correlation between corn and flour as mutual substitute goods on the other.

The first reason arises from the need to pay attention to the fact that the supply of meat and alcoholic beverages to butcher shops and *Jangmadang* has been maintained even under a situation where the border has been closed. Corn and potatoes are being used as pig feed or to extract alcohol. As a matter of fact, when the increase in the production of grains reported in the VNR is analyzed linked to the rise in the price of corn, it can be assessed that corn is being utilized in the production of protein products such as pork or for alcohol extraction and other industrial uses in addition to its original use as edible grain with the rise in its production. Second, there is also a need to pay attention to North Korea's manufacturing of snacks that can be stored long-term such as crackers, biscuits, and bread. North Korea mixes flour and corn according to various ratios in the processing and manufacturing of breads and snacks, and it is from this perspective that it is worth noting that the time at which the price of corn began to rise was not in late January of 2020 right after the beginning of the pandemic but rather between November later that year and through January to March the following year, as depicted in <Figure 3> below. This coincides with the period, during which the North Korean government produces candies and crackers at each individual manufacturing plants to give as presents to the people of North Korea. In other words, it can be assessed that the increase in the input ratio of corn due to the lack of cheap flour imported from abroad was another cause. Such deductions are plausible given the fact that the price of corn and flour simultaneously began to decline soon after the period for the distribution of presents to the people ended.

### Issue 3: Is the Gap in Prices across Regions Widening?

Certain news outlets have suggested the widening of the gap in prices across regions as an indicator of a crisis.<sup>13)</sup> According to organizations investigating *Jangmadang*, the price of rice skyrocketed to 7,500 won per kg in Hyesan city in Yanggang province in early June, 2021, compared to how it remained at around 4,000 won range per kg in major cities elsewhere.<sup>14)</sup> Did the major trading city of Hyesan located in the border area between North Korea and China face a food crisis as a result of the prolonged closure of the border and restrictions to domestic movement?

While the price of rice rose rapidly by 60~70% in the city of Hyesan in early June, 2021, the most important aspect of the issue is the fact that the price of rice was restored in less than ten days. Some news outlets have suggested the possibility of state intervention through the distribution of military provisions as a cause of such restoration of prices.<sup>15)</sup> The state's control of the price of grains has been consistently suggested not only in the case of Hyesan in mid-June, 2021, but since right after the beginning of the COVID-19 pandemic. Of course, the price of food is controlled by every country in the world as a matter of national safety and security. Yet the aspect worth noting regarding the case in Hyesan was the fact that volatile prices in a specific area was stabilized within 1 or 2 weeks after it had fluctuated and increased rapidly. This should be explained through the fact that there fundamentally exists market prices that allow for a flexible readjustment of prices, and not because it is controlled by the state through fixed pricing. This is because

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- 13) "Completely Empty no. 2 Warehouse, Kim Jong-un unable to Implement 'Special Orders,'" *Radio Free Asia (RFA)*, July 5, 2021, <[https://www.rfa.org/korean/weekly\\_program/c27dac8c-d480c5b4bcf4b294-bd81d55c-bb3cac00/priceindex-07052021093231.html](https://www.rfa.org/korean/weekly_program/c27dac8c-d480c5b4bcf4b294-bd81d55c-bb3cac00/priceindex-07052021093231.html)> (in Korean) (Accessed July 26, 2021).
- 14) Multiple reports including, "Sharp rise in the Price of Grains and Industrial Products, due to Prolonged Border Closures and a Decline in Production Levels," *Seoul Pyongyang News*, June 20, 2021, <<http://www.spnews.co.kr/news/articleView.html?idxno=40338>> (in Korean) (Accessed July 26, 2021).
- 15) Multiple reports including, "After mention of the 'Food Situation,' Rapidly Rising Price of Rice Declines following the Distribution of Goods by North Korea," *Daily NK*, June 17, 2021, <<https://www.dailynk.com/20210617>> (Accessed July 26, 2021).

a distribution network in the form of the invisible hand has continued to operate in North Korea even during the pandemic. According to interviews conducted by the author, there are market mechanisms through which merchants transport goods based on differences in prices to make a profit when the price of a certain product increases in a specific area. A financial backer that possesses food during a period of rapid increase can gain ‘arbitrage.’ Moreover, it is can be seen that food is not in short supply but rather being actively traded, according to not only interviews by the author but also a substantive amount of footage of department stores and *Jangmadang* in the city of Hyesan between the months of June and August.

Of course, the restoration of prices within a matter of hours indicates that the distribution network in North Korea is still in its early stages compared to OECD countries. But the fact that transportation and methods of distribution have remained intact even during the COVID-19 pandemic period, and especially the provision of mobile phones has contributed to the domestic law of one price being applied to the price of food nationwide.<sup>16)</sup> The footage of everyday life in the markets of Hyesan from July 22, 2021,<sup>17)</sup> shows that anthracite or briquettes produced in the Pyongan province is being sold in the city of Hyesan in Yanggang province, even though Hyesan has been an area that has traditionally not used anthracite, a fact that can be attributed to when North Korea’s distribution system was poor. Such facts prove that the transportation of goods between regions has been considerably maintained even during the COVID-19 pandemic period.

### Error Caused by Confirmation Bias Between ‘Food Anxiety’ and an ‘Arduous

16) Among the top ten imported goods from China, transportation methods consistently remained at the top of the list since 2010 right until sanctions against North Korea were strengthened in 2018. Moreover, the proportion of the population between the ages of 15 to 49 which own a mobile phone, the price of which can reach a maximum of \$800, was 55.7% among males and 47.9% among females, according to North Korea’s VNR report.

17) “Footage of everyday life in the markets of Hyesan,” July 22, 2021, <<https://www.youtube.com/watch?v=lyUzfXOi1pw>> (Accessed July 27, 2021).

## March'

This study has sought to assess the meaning of Kim Jong-un's mentioning of 'food anxiety' and 'price volatility' by analyzing the three main issues suggested as signs of a food crisis in North Korea during the COVID-19 pandemic.

According to the analysis above, 'anxiety' is a common term used in North Korea to prepare and encourage the people when the nation faces a situation without much leeway due to shortages. It is true that Kim Jong-un's mention of 'food anxiety' does acknowledge considerable food shortages. But if the situation was heading towards a food and economic crisis, such circumstances would have had a major impact on all areas of society much like it did during the Arduous March period. And it would have led to North Korea accepting humanitarian assistance from friendly allied countries such as China despite its border closures. But North Korea's production of grains during this period actually exceeded the average over the past ten years. Excluding certain imported grocery products and marine products, the price of food regarding items such as rice, meat, and vegetables has maintained relative stable over the past year and seven months despite North Korea closing its borders due to the pandemic. In other words, it can be perceived that at a minimum, the supply of food has maintained balance. Moreover, the price of grains has been restored within 1~2 weeks even after extreme fluctuation. This demonstrates that there is price elasticity because the nationwide distribution system has functioned. Furthermore, the temporary rise in the price of grains has shown to occur individually per grain rather than simultaneously across all products such as rice, corn, and potatoes. Kim Jong-un has also sought to strictly curb corruption among high-ranking officials.<sup>18)</sup> This can be assessed as a policy drawn from the past experience of

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18) The issues of the responsibility of officials and their corruption are matters that are treated seriously, illustrated by the fact that Kim Jong-un stated that "I have decided that, beginning with the Central Committee of the WPK, Party organs at each level and cell secretaries across the entire party shall carry out a more difficult "arduous march" during his remarks at the closing ceremony of the Sixth Cell Secretaries' Meeting of the WPK on April 8. *Rodong Sinmun*, April 9, 2021.

how the Arduous March was precipitated by the collapse and corruption of the state's distribution network.

Considering a comprehensive assessment of the meaning of the 'food anxiety' comment based on these facts, it is true that the food situation in North Korea has deteriorated due to food shortages caused by factors such as natural disasters. However, this is relative compared to the production from the previous year. Therefore, interpretations of the 'food anxiety' comment as a sign of a crisis in North Korea by linking it to 'price volatility' as suggested by certain news outlets are exaggerated and can be viewed as a typical case of 'errors caused by confirmation bias.'

### **The North Korean Government is Likely to Accept Humanitarian Aid based on Global Multilateralism**

North Korea is more or less coping with food anxiety caused by food shortages. On the contrary, the core issue in North Korea's economy is that the economic gap between classes with the rich getting richer and the poor getting poorer commonly observed in poor countries has widened during the COVID-19 pandemic, despite the chronic shortage of basic goods such as food. The discrepancy in incomes in urban and rural areas has especially increased. And while the price of grains has maintained a similar level for an extended period of time since 2013, manufactured goods have diversified and have become more expensive. This implies that the relative value of the price of grains has continued to decrease. It appears that this has caused the widening gap in income between urban and rural areas which has consequently led to the relocation of farmers to city areas, and North Korea seems to be facing concerns about urbanization. Poor countries are generally weak on distribution governance, and North Korea is also facing the crucial and typical dilemma between 'poverty and distribution,' a core research agenda in developmental economics.

But while most poor countries rely on foreign assistance to resolve such contradictions, North Korea has rejected outside help. Moreover, though vaccination



is necessary for it to reopen its borders after the COVID-19 pandemic, North Korea has resisted proposals from friendly neighbors such as China. Humanitarian offers by South Korea and the U.S. will be extremely difficult to accept prior to progress being made in negotiations on North Korea's nuclear program. As a result, it is possible to conclude that North Korea will limit its acceptance of humanitarian assistance to those provided by multilateral international cooperation projects or by nongovernmental organizations (NGOs), corporations, or religious groups, given the fact that it has not accepted humanitarian assistance offered by individual states and only agreed to the COVAX initiative which is driving multilateral international cooperation on vaccines. ©KINU 2021

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