**North Korea Accelerating Economic Reforms?:**

**Wage and Prices to be Self-Regulated**

North Korea appears to be pushing for internal economic improvement measures. *Chosun Sinbo*, the pro-North Korean newspaper in Japan, released an article on November 6 that discussed various performance-enhancing management and operational changes that took place at the Pyongyang Essential Foodstuff Factory this year.

*Chosun Sinbo* referred to Kim Jong Un’s speech made last March at the plenary meeting of the Central Committee of the Workers’ Party about improving economic management and named the recent changes at the food factory as a pilot project for this purpose. The news article added that “There are studies to bring fundamental changes in economic management and specific measures are being made to turn this into a reality.”

The main systemic changes made at the Pyongyang Essential Foodstuff Factory were the increase in autonomy of the company and the enforcement of wage differential based on performance. Based on the principle of cost compensation, prices of products produced with raw materials at the factory may be freely adjusted after consulting with the state.

The news article further explained that “The principle of socialist distribution is a simple system of distributing as much as you earn and the cost of living is determined by labor productivity.” It also reported that some of the employees’ wages increased. Such news is likely intended to advertise to the outside world about North Korea’s changing domestic economic policies.

The North Korean economic journal *Kyongje Yongu* has also been increasingly reporting on the priniciple of distribution based on economic performance. In the recent issue published on October 30, 2013 (issue No. 4), an article titled “The Principle Problem of Properly Implementing the Socialist Labor Wage System” criticized the equalization of product distribution as it decreases the enthusiasm of workers toward production: “The strength and life used during the process of labor must be compensated through the principle of earning the amount of your labor.” The article stressed that wages must increase with production and rationalized the need for such wage increase.

*Chosun Sinbo* and *Kyongje Yongu* articles reveal the long-term efforts by the North Korean government in enhancing research about economic improvement measures and expanding projects in various factories, companies, and cooperative farms to implement these measures.

Recently, North Korea launched the State Economic Development Commission and organized a number of international forums on special economic zones. These can be construed as possible signals toward economic reform, as North Korea continues to make various changes in its internal economic policies.