

# Black Markets Are Saving Lives in North Korea

North Korea could, arguably, be considered the nation-state equivalent of a time-capsule; a society perpetually stuck in the cold-war era. For all the hermit state has been discussed, it is seldom (if ever) noted for progression, growth, or change of any sort.

This makes it all the more surprising that North Korea may actually represent one of the most fascinating economic development stories.

From the state's formation in 1948 up until the end of the 20th century, things were (relatively) unchanging; all industries were seized by the government and nationalized, with basic necessities such as food, clothing, and fuel all being provided by the state. This all changed following the fall of communism and the '[Arduous March](#)' famine of the 1990's.

With the state no longer able to feed its people, a new system stepped in to take over. [Black markets](#) began to appear all over the country, where the distribution system's failure hit especially hard, and effectively fed thousands of North Koreans.

## **The *Jangmadang* Generation**

The rise in black market activity in North Korea led to the millennials of the nation being dubbed the '[Jangmadang \(???\) generation](#)', named after the Korean term meaning 'market grounds'. Initially, these markets consisted of disorganized traders meeting in fields, facing seizure from police if they did not come up with a bribe.

Today, the *jangmadang* practice has led to fully-fledged

markets, complete with stalls selling street food, smuggled electronics, ingredients, and clothes; certain markets allegedly grew to encompass [upwards of a thousand](#) stalls.

Today, the markets remain a crucial element of survival for many North Koreans, with some reports estimating that around [5 million](#) (around a fifth of the overall population) are “directly or indirectly dependent on the markets”.

Naturally, the relationship between the markets and the state has been rocky. The regime has [flip-flopped](#) between giving official sanction to certain vendors (so long as they pay the state for the privilege) and imposing harsh restrictions.

Nonetheless, the markets continue to spring up across the nation and continue to feed millions of North Koreans.

### **Can the Market Save North Korea?**

Unilateral economic sanctions from most of the world, coupled with total state control over almost every aspect of the economy, has resulted in very little economic growth in the DPRK.

Although the state pursues economic growth alongside nuclear development under the current regime’s [Byungjin](#) policy, progress has remained somewhat glacial.

Meanwhile, the rising prevalence of *jangmadangs* across the country has not only provided an effective alternative to the failed state distribution system, but is changing the attitudes of North Koreans as well. Since many now rely on the market for their dinner, rather than the state, old loyalties to the regime are [slowly breaking down](#).

Furthermore, increased smuggling into the country from China brings with it more [outside media](#), such as American and South Korean movies and music. This means that more and more North Koreans have access to information not produced by the regime,

allowing them a glimpse into the outside world.

Bit by bit, the *jangmadang* generation is slowly taking apart the elaborate propaganda bubble built up over the nation's short history.

However, there's only so much markets can do in such a closed country. Although the current regime's relative tolerance suggest that North Korea is heading in the right direction, a truly free market remains a long way away. Government interference in *jangmadangs*, such as through corruption, bribes, and unnecessary regulations prevent market forces from truly advancing the country.

What's more, sanctions against the DPRK, as well as international tensions arising from the country's nuclear proliferation policy, have made it exceptionally difficult for foreign investors to boost the North Korean economy.

Aside from a few foreign ventures – such as the [Viennese coffee house](#) on Kim Il-Sung square in Pyongyang – it doesn't look like the DPRK will be lowering its shields anytime soon.

Nonetheless, we should remain optimistic. Progress may be slow, but forward is forward. Markets are shifting the attitudes of young North Koreans. Given time, we may see the next generation bring forward an entirely new DPRK.

At the very least, the fact that the *jangmadangs* have been able to have such a positive impact in a nation as totalitarian as North Korea gives us reason to stay positive; Markets, trade, and cooperation cannot be suppressed – no matter how big the state.

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