1. **Introduction**

The Democratic People’s Republic of Korea, informally also known as North Korea, is known to be one of the few post-Cold War era states in the world with a planned economy. The national legal system is therefore not only distant from the Western world on a cultural level, but also a political one. However, the country has also tentatively experimented with the application of a free market economy in specific provinces of the country, the so-called Special Economic Zones that Pyongyang’s historically closest neighbor, the People’s Republic of China, has already implemented on a vast scale. Special economic zones and foreign investment are mentioned in the constitution. The contrast among two starkly different approaches will therefore be briefly explored.

Unlike the southern Republic of Korea, the northern Pyongyang-based state which has existed since 1948 is characterized by the exclusive leadership of the Workers’ Party of Korea; the Constitution deems the State as a people-centered organism, aimed at the protection of the interests of the working class and all Koreans. The principle of economic planning is explicitly addressed by the Constitution, and all economic resources are managed either directly by the State or by the “cooperative organizations” guided by the former.

North Korean land law has seen substantial innovations on two different aspects: the implementation of the Special Economic Zones, starting from 2013, and the reported 2016 reform that currently allows family units to buy and own housing rather than live in a publicly owned structure. Within the Special Economic Zones, land law is much more resembling of Western market-based rules: investors can buy, sell and own land, which can only be confiscated if rules of conduct set by the government are infringed.

1. **Overview of Important Land Legislation and Regulations**

There is no constitutional limit to the percentage of property that can be nationalized, and nobody outside of the State is allowed to own natural resources. Because land can only be managed by the State, it is to be administered according to the so-called Taean-work system, a “socialist form of economic management” said to be based upon scientific principles.

The socialist principles openly expressed by the Constitution are clearly reflected by national laws: although chattels can be privately owned and inherited, the national land code, promulgated after the 5th Supreme People’s Assembly in 1977, stresses that only the state and the cooperative organizations may own land. English-speaking newspapers reported in June 2016 that private ownership of land is now

formally allowed outside of the Special Economic Zones, but as of March 2018 the constitution is yet to be amended to include this noteworthy change of policy.

According to the national land code, land is an exclusively public good that can be neither sold nor bought. Management, development and conservation of the land at any levels are therefore the exclusive tasks of State authorities. The innovative 2016 reform had supposedly the purpose of reducing the size of the black market before it could excessively weaken the public economy.

1. **Land Transfer, Allocation, and Lease**

Private citizens have been allowed to rent property since the promulgation of the Real Estate Management Law in late 2009. Rent for public housing is officially denominated as a “usage fee”. It is forbidden for a renter to sub-rent property to another citizen without permission of the designated “management authorities”.

Before the 2010s, the most consistent exception to all-encompassing public ownership was offered by the 1993 law on leasing land to foreign investors and enterprises.

When land is leased through such a procedure, access to natural resources thereby present is not part of the contract, nor can land of the DPRK be leased for a term higher than 50 years. The lessee can sell the rights to use land to a third party with the approval of the lessor (the North Korean state), but the lessor holds a preferential right to buy it.

According to the 2016 reform, however, a family unit living under normal North Korean jurisdiction can now own and sell land the size of which does not exceed 26 pyeong (86 square metres); violation of the relevant rules can lead to confiscation. Article 13 of the Code of Inheritance Law from 2002 allows for privately owned houses (which were very uncommon before 2016) to be inherited.

Since 2016, the lower class has felt unjustly deprived of access to the formerly public land that they used to exploit for farming purposes. It should nonetheless be noted that before the reform, public housing was distributed slowly inefficiently, hence the demand for real estate on the black market.

1. **Land tenure classifications**

As of 2016, land in the DPRK is either 1) a public good managed either by a cooperative or the State, 2) a public good leased to a foreign investor, 3) a private good owned by a Korean family.

A Korean citizen living in public housing is entitled to exclusive management rights such as restricting access to the house and initiative for decorations.

Pre-2016, a person was recognized as a private owner of a house as long as someone in their family had owned it since before 1958. Such cases ranged from being rare in the countryside to almost non-existent in the cities, but as explained above, it would have been possible for said houses to be inherited.

The constitution and the land code distinguish between public land and state land by indicating cooperative organizations as an alternative to direct state ownership. Private land is yet to be recognized by the Constitution. As of June 2013, the Law on Economic Development Zones has enabled foreign investors in the Special Economic Zones to buy and sell land rights and hand over property deeds.

In a Special Economic Zone, leasing of land is granted through the approval of the central land management organ. Starting from the early 1990s, it had been a common practice for North Korean citizens occupying public houses in highly demanded places to cede their ipsajung (residency certificate, de facto a property deed) to a wealthier person in exchange for money plus a different residency certificate: the trade of residency certificates was made possible by a bribe for a bureaucrat from the local city council. Likewise, the new legislation has attracted criticism because of the wealthy citizens who reportedly bribe public officials in order to expand their private property beyond the official size limit of 26 pyeong.