

Ten Years of Knowledge Partnership with North Korea

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01 INTRODUCTION

1. DPRK attempted to adopt more **open and decentralized** economic model

- ✓ *May 2000 Application for membership in ADB*
- ✓ *Jan 2001 Kim Jong Il in Shanghai “a new way of thinking in the 21C”*
- ✓ *July 2001 Announcement of the New Economic Management Measures*
- ✓ *Feb 2007 Nuclear agreement*

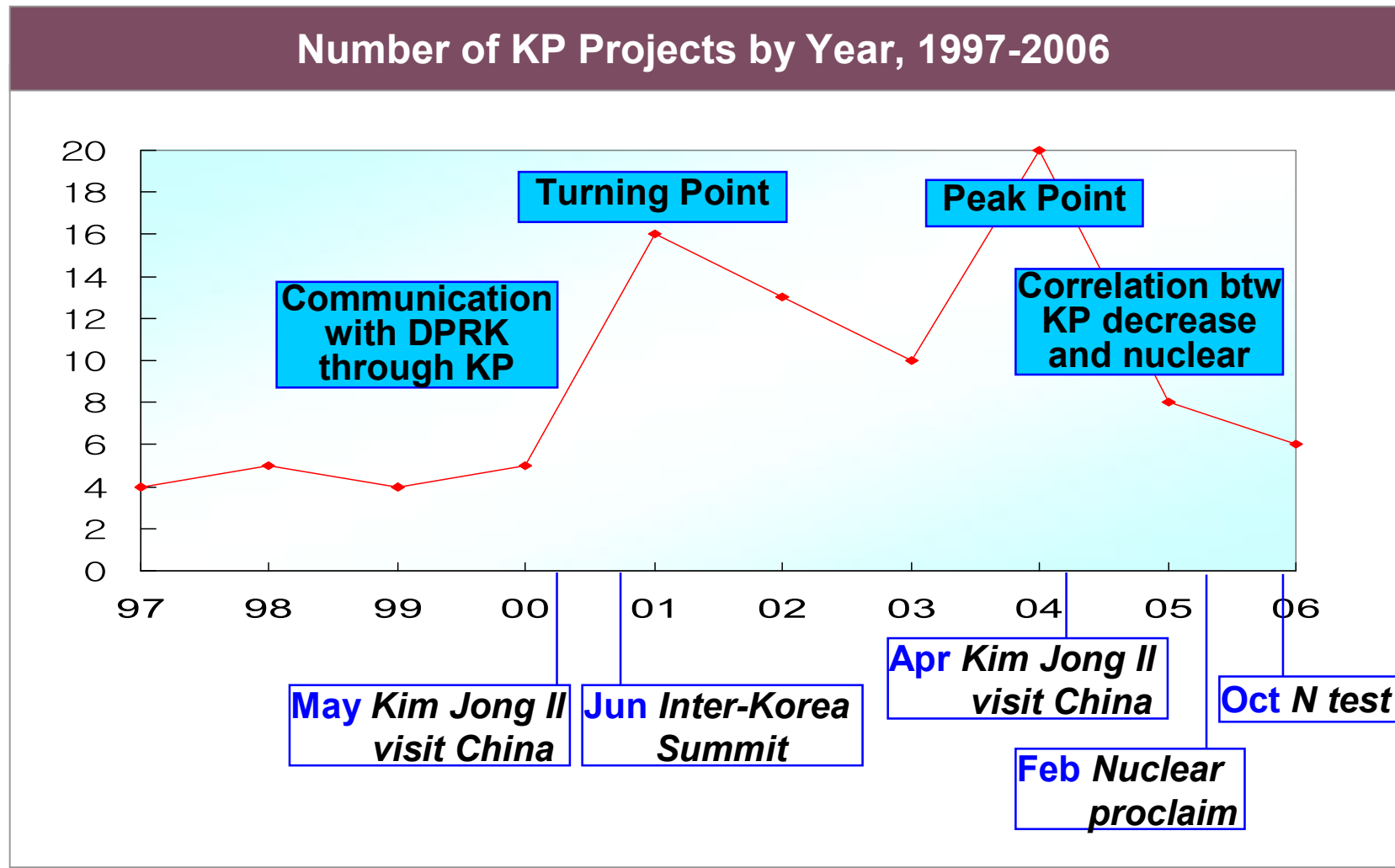
2. We should prepare for the near-term economic policy change in DPRK by **economic knowledge partnership (KP)**

- ✓ *1997 Dispatch officials to Shanghai for UNDP training program*
- ✓ *Feb 1998 Concerns on Economic Research Institute for International Finance*

3. **KP** has **positive** effects on improving relations between divided countries and integrating DPRK into international society

: Analyze 91 KP projects during 1997-2006 in economics-related area

1. OVERVIEW



02 TRENDS

2. Models of Partnership

Trend by Partnership Model												
Hosts/ Guests	97	98	99	00	01	02	03	04	05	06	Total	
One-One (A)	3	3	2	3	10	6	4	9	4	1	45	Continuity
One-Many (B)								1			1	
Many-One (C)	1	2	2	1	4	5	3	6	4	3	31	Practical
Many-Many (D)				1	2	2	3	4	1	1	14	
Total	4	5	4	5	16	13	10	20	9	5	91	

• Working with co-hosts minimize risks and facilitate DPRK's participation

02 TRENDS

3. Types of KP Projects

Evaluation of Seven Types of KP				
Type	Feasibility	Cost	Effective	Continuity
Book and Data Exchange	Very High	Very Low	Medium	Medium
Industry Field Trip	High	Medium	High	Low
Short-Term Training	Medium	Medium	High	High
Long-Term Training	Low	High	Medium	Medium
Conference	High	Medium	Low	Low
Joint Research	Low	Medium	High	Low
Established of Institutes	Very Low	Very High	Very High	Very High

Simplest

Speedy

Unrealistic

02 TRENDS

3. Types of KP Projects

Trend by Types of KP											
	97	98	99	00	01	02	03	04	05	06	Total
Book Exchange					1		1				2
Field Trip	1	1	2	2	12	6	3	3	1	1	32
Short-term Training	2	4	4	2	7	4	3	8	4	3	41
Long-term Training	4				1			2	1		8
Conference				2	2	1	4	6	1	1	17
Joint Research						3	1	2	2		8
Establishing Institutes											0
Total	7	5	6	6	23	14	12	21	9	5	108

**Low Cost
But No personal contact**

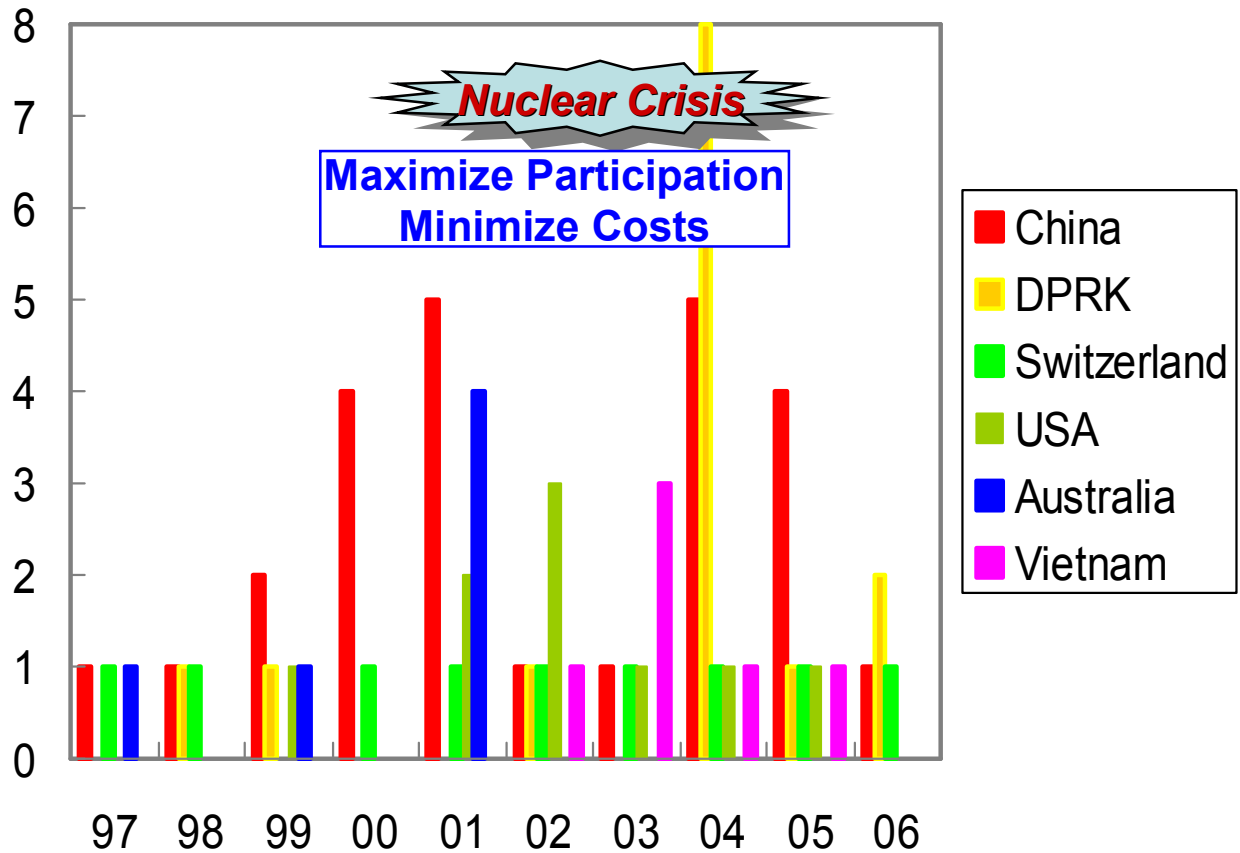
Financial burden

02 TRENDS

4. Venues

Venues are important when the geopolitical environment is less than favorable

Trend by Types of KP



1. CASIN in Switzerland

- Centre for Applied Studies in International Negotiations (CASIN)
- 1997-2006 Professional training program for 6 weeks
- 10-30 officials from ministries
- Covering market economy, diplomacy, foreign policies, international law and multilateral negotiations

2. EIJS in Sweden

- European Institute of Japanese Studies at Stockholm School of Economics (EIJS)
- 2002-2005 “Training in Market Economics and International Trade for the DPRK” for 2 weeks
- 10-15 delegates from Ministry of Foreign Affairs and Academy of Social Science

3. Friedrich Neumann and Hans Seidel in Germany

- Training programs and study tours for 2-3 days
- Since 2004, more than 10 seminars in Pyongyang
- Covering market economics, international finance and trade
- 50-100 audiences including officials, academics and businessmen

• *Common feature of the successful cases*

- Organizations involved are based in countries of EU
- Diplomatic ties with the DPRK

4. CASS (China) – KDI (Korea)

- Chinese Academy of Social Sciences (CASS) and KDI School
- the 2nd Joint Program on International Economy for the DPRK
- in Beijing in 2003, hosted by CASS and funded by KDI
- Jointly organize 1-week training program for officials and scholars
- BUT, DPRK delegation refused to take classes offered by KDI
- KDI had to cancel involvement, CASS carried on with its own cost

5. AusAID in Australia

- Australian government's overseas development assistance agency
- Managed by Australia National University (ANU)
- BUT, ANU failed to recruit qualified students (English, math etc.)

1. Hurdles in KP with DPRK

Selective leaders

- Possibility of negative impacts on regime's stability

Lack of finance

- Financial resources and information are insufficient

External variables

- External and uncontrollable variables may emerge

2. How to overcome the hurdles

Contents

- Sensitive issues such as economic transition should be withheld in the initial stage

Targets

- Invite relevant and qualified people from DPRK
- The best target is Kim Jong II, officials, military

Dialogue Channels

- Various direct and indirect dialogue channels can increase certainties in initiating exchange programs
- Third-party countries, international organizations, private sectors etc.

International financial institutions ⇒ Technical assistance

- IMF, World Bank etc. can provide non-financial assistance to DPRK in the form of training and technical assistance
- It can accelerate of transition processes and integrate DPRK into world economy
- Large scale, multi-year assistance projects of institutional reform

ROK ⇒ Active Role in initiative KP with DPRK

- The initiative coming from international organizations
- KP requires 3 essential DPRK players
- ✓ **Expense** provider (Financing) : international organization, ROK etc.
- ✓ **Network** provider (Contact) : IMF, World Bank etc.
- ✓ **Content** provider (Knowledge) : international organization, ROK etc.
- ROK should play an active role in the initiative by **funding** KP for international organizations and as a **network** provider

Thank You