

# Conference programme

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Former federal Minister Wolfgang Bötsch  
(CSU: former leader of CSU faction in German Parliament  
and Minister of Post and Telecommunication)  
**“Experiences as an actor in German unification  
and the importance of capacity-building”**

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# Conference

# Capacity-building in North Korea

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## ***Keynote Speech***

Former federal Minister Wolfgang Bötsch (CSU: former leader of CSU faction in German Parliament and Minister of Post and Telecommunication)

**“Experiences as an actor in German unification  
and the importance of capacity-building”**



## **20 years of German unity**

### **– Experiences of a politically active actor**

**Wolfgang Bötsch**

Former federal Minister

CSU: former leader of CSU faction in German Parliament and Minister  
of Post and Telecommunication

If I have to treat the issue named in the title, I would like to mention my position (in the Bundestag from 1989 to 1993). I was the chairman of the CSU members of parliament in the German Bundestag, an independent structure in the Bundestag of the party, but also part of the common faction of the parliamentary party of the CDU/CSU faction. I was the chairman of the CSU national committee and also the 1. associate parliamentary party leader of the joint faction of CDU and CSU. I was not directly involved in the negotiations with the GDR about a unification, but I participated in the complete negotiations in the so called 'Backoffice', which means that I joined the inspection and approval of what was agreed. The inspection took place in common conversations between factions and the Federal Government and the major faction of the opposition, the Social Democratic Party of Germany (SPD).

To come to a conclusion, you have to consider all of the historical sources.

Although the reasons were different, Germany like Korea experienced exactly the same the painful separation of the country in the history of the Cold War in the 20th century. Because of this common history, Korea studied the development in Germany with great interest. This interest became more pronounced as the first indices for a unification of Germany were initiated, and in my opinion, the Koreans in the South took the German unity as an example for the unification of Korea and cautiously hoped for the same development. Simultaneously, the

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question appeared whether the German experience was transferable to Korea, which was often discussed in the Korean society. It was soon noticeable that there are certain differences between Germany and Korea and that the 'German version' is not replicable. Among other things the South is afraid of a huge economic debit, which after the collapse of North Korea is understandable, while the North is until this day worried about the continued existence of its system. But my invitation to Korea shows me, that the Korean government and experts obviously still focus on the German experiences and the consequences of the German unity, to use this knowledge for a prospective unification of Korea.

In the late 80s, a political radical change had occurred, which was motivated by the reform policy of the Soviet head of state and party leader Mikhail Gorbachev. Poland and Hungary always played a leading role within the Soviet bloc in view of the political change. Hungary, which already started the approach to the West with a system transformation, disassembled its line fence to Austria on 2 May 1989 and also abandoned the 'travel agreement' with East Germany, which led to an unexpected result. First of all about 900 East-German tourists in Hungary flew via Austria to the Federal Republic of Germany and their number increased. The SED regime reacted immediately with a restriction of the travel possibilities. But in July, all the GDR-refugees flocked to the Bonn Embassies in Budapest, Prague and Warsaw and also to the permanent agency of the Federal Republic of Germany and to the American Embassy in East Berlin. As a consequence Bonn had to close all the missions because of they were completely overcrowded. After tough negotiations between the Federal Government and the GDR-refugees, Federal Minister of Foreign Affairs Genscher allowed them to depart to West Germany in Prague on 30 September. About 5.500 citizens of Prague and 800 of Warsaw travelled by the special trains of the East German Railroad to the Federal Republic of Germany. On 11 September of the same year, Hungary opened its borders for the GDR-refugees, which initiated a mass escape of more than 10.000 people via Hungary and Austria to the West of Germany. I described this in detail to explain the condition, which caused the change in central Europe. I will not go into detail to explain the explosive, revolutionary mood which started in 1989 in the GDR, taking into consideration that the East

German leadership always stuck on its Stalinist system.

The politburo of the SED arranged on 9 November in 1989 after a lot of deliberation and feedback from Moscow a new travel regulation, which actually was planned as a temporary arrangement, to allow a travel liberty on request to all owners of a passport. The press officer Günter Schabowski announced casually and rather unprepared the provisional ruling at about 7:00 p.m. on the same day. On the same evening thousands of people from East and West Germany gathered at the border checkpoints and enforced their opening. At about 10:30 p.m. all controls had been stopped and the borders opened without any resistance movement because of the many people crowded at the checkpoints. Thereby the Berlin Wall lost its function as a symbol of the German separation, which had far-reaching consequences. Above all it allowed the GDR-citizens the opportunity to enter the Federal Republic of Germany without any limitations and to experience its parliamentary democracy and the better living conditions. After the 9th of November more and more people hoped for unification. The slogan 'We are the people' changed into 'We are one people'. The opening of the Berlin Wall in November 1989 proved to be the decisive political guidance of German unity.

Now everything happened very fast, but did not always head consistently in the same direction.

The unification process has been impelled rapidly by the Federal Government. First they attempted an early realization of a currency union, economic union and social union for both German halves. They connected an efficient collaboration and a largely financial support of the GDR to the presence of a democratic legitimized government in the GDR, because of the little trust of the GDR-citizens in the government of Modrow, who displaced Honecker. That means that a newly elected parliament was unavoidable, which reflected the actual balance of power in the GDR. Therefore elections were held on 18 March 1990, preceded by a heated election campaign. The political parties of the Federal Republic of Germany achieved effective assistance and affected campaign strategy and election programs of their counterpart parties in the GDR. The 'Alliance for Germany', which consisted of CDU, German Social Union (Deutsche Sozialunion/DSU) and

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Democratic Awakening (Demokratischer Aufbruch/DA), won 48% of the votes at a voter turnout of 90%. The Social Democratic Party of Germany (SPD), which considered the favourite party for a long time, won only 21,8% of the votes. The election result showed clearly that most of the East German people were for a fast unification. The communist party PDS received 16,4% of the votes.

The negotiations about the currency union, economic union and social union were quickly continued after the election.

The currency union required the D-mark notes (D-Mark) as sole currency in the GDR. Taking effect from 1 July 1990 the GDR adopted the D-mark. The German Central Bank had as the only bank the right for monetary policy and credit policy. Thus they launched an operating commercial bank system according to private law principles and a voluntary finance and capital market throughout East Germany. Wages, scholarships, retirement benefits and rents and other recurring payments were changed 1:1 to the D-mark.

The economic union regulated that the social market economy worked as a basis for the economic union. The economic system of the Federal Republic of Germany, which is characterized by private property, competition, free resale price maintenance, liberality of work, capital goods and services, was integrated into the GDR.

The Social Union, which became part of the contract on the initiative of the GDR, wanted to launch a social market economy according to the labour law and the system of the social security in the GDR. This means freedom of association, free collective bargaining, right of labour dispute, works constitution, company codetermination and employment protection were established in the GDR through treaty.

Everything I mentioned were political decisions, which were not exactly calculated. These decisions were made although there were warning opinions for the economic outcome in the Federal Republic of Germany. The newsmagazine

'Der Spiegel' mentioned in his seventh edition of the year 1990 with his title 'billions for years' that the unification is going to be an 'economic adventure.' Some divisions of the German Central Bank mentioned that the initiation of the D-mark could at the earliest initiated 4 years after the beginning of the political unity became effective. The Federal Government ignored these warnings for political reasons, because they thought that the stability in the population development could not be assured. One slogan, which would be chanted during the demonstrations, could be the evidence for many things: 'If the D-mark does not come to us, we will come to it.' the demonstrators shouted during the so-called 'Monday Demonstrations'.

The transformational process of the economic preconditions for creating equal living conditions in the old Federal Republic of Germany and the GDR was in fact more complicated than initially expected. Today, we still have a legal and contractual agreement stating that for the creation of these equal living conditions transfer payments from the West to the new federal states of Germany have to be made until 2019. For example, equal collective labor agreements in the East and West have not to be ensured. Nevertheless, if we want to take stock of whether it was the right decision to enforce the unification at this rate, I, also in my role as a political actor of that period, want to clearly affirm this. Of course, there are still transfer payments being made today, as previously mentioned. These include annuity payments, unemployment benefits and the expenses for civil servants and employees of the federal government in the new federal states. There exists development aid for the allocation for the improvement of infrastructure, and the support of enterprises in the area of the new federal states. There exists development aid from programs which were specifically designed for the new federal states. Moreover, we had to pay the costs for the withdrawal of the Soviet forces, albeit not the entire ones but an actually minor sum of 12.5 billion D-mark. This sum was subdivided into the housing program, the costs for sojourn and withdrawal, transportation cost, retraining measures and a bonus for early withdrawal.

The transfer of the GDR economy into the Federal Republic of Germany, more specifically the integration into the federal economic system has been executed by a

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so-called privatization agency, although at first it was expected that the sales revenue of enterprises of the former GDR would greatly exceed the costs. The remaining amount was supposed to be disbursed to the population of the former GDR. In reality, on 31 December 1994, the dissolution of the trust revealed a deficit of more than 200 billion D-mark. However, developing economic crime was also crucial to this. Furthermore, enterprises were sold not to the highest bidder but to the bids best guaranteeing employment or fund commitment.

The German Unity fund for supporting investments in the East German infrastructure was created in 1990. Originally, 115 billion D-mark were intended for this purpose but until 1994 the capacity was raised to 162 billion D-mark. On 1 January 2005, the fund was dissolved, the remaining debt of 38.3 billion Euro (25 billion D-mark) were included into the general federal debt of the federal budget.

Financing the costs of the clean-up of the authoritarian, dictatorial, communist regime was done as follows:

1. Through tax increases
2. Through levies in annuity payments and social security
3. Through new federal debt
4. Through the federal states and the municipalities of the old Federal Republic of Germany and allocations of the European Union.

One must not forget that since 1957, the old Federal Republic has been a part of the European Community of that time – what later would be the European Union – and the EU immediately agreed to accept the new federal states into the European Union without any whys and wherefores. This doubtlessly demonstrated a strong solidly united attitude of the Western European countries belonging to the European Union. However, there was some unification-related surplus counteracting the deficits. For example, through unification the state-owned property of the GDR was transferred into the federal assets. The GDR's foreign assets of real estate of that time are estimated at up to 1.3 billion D-mark. With the German unification, zonal border development, development of Berlin and the welcoming money for migrants from the GDR in the area of the old states of

Germany became unnecessary. Furthermore, the refugee centers in Giessen, Uelzen and Marienfelde as well as correspondent integration services for migrants (refugee aid, equalization of burdens for left-behind belongings) became redundant.

Payments from the Federal Republic of Germany majorly contributed to the GDR's acquisition of foreign currency on the basis of treaties with Eastern Europe. For example, these included the ransom of political prisoners (3 billion D-mark until 1989), a fixed rate for transit for the traffic between the Federal Republic of Germany and West Berlin, which in 1989 alone cost 524 billion D-mark, as well as interest-free loans for the inner-German trade. In 1990/91 there were also some unification-related special business cycles which were borne by the demand from the acceding territory.

Today, I can summarize that despite the substantial strains, the considerable payments and challenges, which also posed difficulties for the administration; the welcoming of the German Democratic Republic as part of the whole of Germany from 1990 onwards has been a success, also for the economic situation of the Federal Republic of Germany.

The so-called "peace dividend", which was achieved through the accession of the German Democratic Republic to the ambit of the Basic Law, must not be overlooked under any circumstances. Due to the end of the Cold War, disarmament measures were taken which led to considerable reduction of armament and defense tasks, as well as expenditures for the upkeep of the inner-German border. In the 70s, the manning level of the GDR army amounted to 170.000 men and the manning level of the Federal Republic to 175.000 men. At the end of 2009, the German armed forces in the unified Germany amounted to 250.000 men in total and correspondent structural measures, which are currently under way, are supposed to reduce the German armed forces to 180.000 men. Accordingly, the Federal Defence Ministry's expenditures of the state budget sank from 20% in the then Federal Republic to 10% today. Expenditures of the occupation troops stationed in the West were omitted, as well as expenditures of the now non-existent GDR for state security, border troops and the regional insurance office (LVA) and also reparation payments to the Soviet Union up until the

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unification.

The political situation in Europe has transformed itself completely in favor of peaceful development. Today, former Eastern bloc countries like the Czech Republic, Slovenia, Hungary, Poland and the Baltic States belong to the former Western defensive alliance NATO and are, to a large extent, members of the European Union. When the unification came into effect, the European Union consisted of 12 members. Today it consists of 27, a fact extremely significant for the peace in Europe.

Of course, these remarks are only notes and individual examples for the, as I perceive it, positive development in Germany, which has started with the bourgeois revolution (bürgerliche Revolution) in 1989. At another presentation I gave during my visit, I described the important infrastructural measures, which improved the population's standard of living in the GDR. For example, I could have mentioned now, what has happened with regards to traffic infrastructure alone, because infrastructure is the precondition for all sensible economic action.

Looking back on a political life which includes 29 years of membership in the German Bundestag, as someone who has been interested in politics since the age of 12, and who has been actively following the development of the Federal Republic of Germany since 1949, has repeatedly visited the world's many hot spots and is still visiting them today, I can say that despite all the challenges which the details entailed, I am still glad today that there has been a peaceful unification of the two halves which should never have been divided. And please allow me to conclude, maybe somewhat solemnly for some people, that I thank providence – religious people can say God – for this development.

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Conference  
**Capacity-building in  
North Korea**

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***Session 1***

***An Academic Perspective of Capacity-building in North Korea***

**Moderator: Bernhard Seliger (HSS)**

Kim, Chinkyung (President of PUST) “Peace comes with a price”

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“Capacity-building by teaching German and by exchange programmes  
– the German experience”

Discussant: Kim, Philo (IPUS)



## Peace Comes With a Price

**Kim, Chinkyung**

President

Pyongyang University of Science & Technology (North Korea)

Yanbian University of Science & Technology (China)

Today, I was invited here to talk to you about how will North Korea will change and what can we expect in the future. Since I am not a fortuneteller or any sort of prophet, I won't presume to know how North Korea will turn out. I am just an educator who is blessed to have an access to North Korea. I am however willing to tell and discuss with you some of the methods in which we can approach them more effectively and efficiently.

In many respects, even though we live in the most technologically advanced and sophisticated age, ultimately, it is about bringing people together globally to create peace. Thus far, we have made our efforts toward that goal within our special domain but now we are standing at a crossroad where we have to unify our efforts to create "Peace" globally.

Now, I see too many people lose their focus during the process of achieving this goal. Especially, when the leaders lose their focus, the rest will tend to follow. They fear and worry too much about doing their works that they forget to see the "Big Picture".

I just came back from Pyongyang to share with you current situation and the steps needed to bring North Korea out into international society.

Each one of you has a specific purpose for why you are here, and each one of you has a responsibility to the rest of the world to influence and to lead. And, I

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take it upon myself now to tell you about what is really going on with North Korea & its people and how we should involve ourselves to spread “Peace”.

Your natural knowledge and talent are so unique and special, and they are individually customized for you and you alone. Just like your face and fingerprint, there is no one else who can do or replace those things that only you were meant to do on this earth. If you miss the opportunity to do what you can do for the Humanity, no one else can replace or re-do what has not been accomplished.

*15years Old:*

*When I was 15years old, I have volunteered for a military service during the Korean War, 60years ago, but was denied initially because I was too young. When I finally took a piece of glass on ground and expressed my patriotism by writing in my blood “Ae-Gook” (which means “Patriotism” in Korean), they accepted and allowed me to join on the spot. During the war, I was really scared and saw many of my officers and fellow soldiers die right in front of me. Then I prayed, “God, if you spare my life this time, I will spend the rest of my life spreading your ‘Love’ to those who are shooting at me right now. Instead of aiming the guns at them, I will aim the bullets of your words and LOVE. When the war was over, I realized that from over 800 Student volunteer soldiers there were only 17 survivors and I was one of them. This is the Start of my Great Commission and for that promise I made when I was 15years old, I’m still working to keep my promise and it allowed me to open a University in Yanbian, China as well as in Pyongyang, North Korea against all odds and unrelenting skepticism.*

When you think about your life’s Dream, you may think about having a big house, nice cars, and maybe an i-phone, but the dream of that 15year old boy at the battle field is not to have anyone go through what he saw and went through during the war. As a child, we have been naïve and show much wishful thinking in our dreams but as an adult, we lose our purity and become skeptics of once our own dreams, often before we even begin to try.

The most secluded and forsaken place on earth is North Korea. Are we going

to turn our backs just because they are not able to meet our standards of politics? There will be tough negotiations and little compromises with the outside world. These are the premises we need to work around it to get to the solution or remedy, if you will. However, we will be just as naïve if we sit here and wait for the given premises to change one day.

The only way is through “Reconciliation & Education”!

As we all know, we must differentiate between North Korean citizens from their political environment which they had no control or choice over.

Therefore, I urge you that it’s time for us to redirect our focus from the politics to making slow & gradual changes of fundamentals, internally (one person at a time). We can make demands until they yield but I advise all of you “don’t hold your breath!” On the other hand, we could find sets of possible solutions that could make fundamental progress from within by showing the individual North Koreans that there are proven wealth of knowledge to be had which could significantly improve their daily lives and their children’s while we wait for them to change their minds.

I believe in the power of education which is non-political, non-religious, and most of all non-threatening. I have established Pyongyang University of Science & Technology (PUST) right at the heart of North Korea in order to show them how to be efficient, effective and productive in modern society. Do not worry! We do not offer any courses in nuclear physics nor nano-technology and stem-cell research. We teach them English, basic modern agricultural technology, modern business logistics, and basic communication skills.

*When I was detained in North Korea for treason, I was detained for 42days and after many days of grueling excruciating interrogations, they have asked me to write WILLS to the US Government, and to them as a State because I have just received the Death Sentence. I, therefore, wrote wills to my family, US government, and North Korean State. In the will, I did not curse them, blamed them, nor*

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*wrote any other negative or bitter feelings towards them. I also wrote that since I didn't drink, smoke or had any major illnesses, I donate my entire body to Pyongyang Medical School where they can dissect my body for medical uses in implants and medical studies. I have told my family and US government not to retaliate against my death since it is purely by my choice and I'm dying for the "Love of my country and my people". I have asked US government if they take any actions for my death then my death would truly have been for nothing and for no reason.*

*North Korean government was moved and allowed me to return to my home in China and this was the absolutely the first time that someone was released after they got the death penalty. Even though affiliated in the same political party, I also appreciate Chinese Government for not only accepting me back in to their country but also endowing me with permanent resident citizenship. Throughout the entire experience, I have never felt more peaceful and protected in my entire life. After when I was released and came back to my home at YUST (Yanbian University of Science & Technology) in China, I still did not say anything to complain about the whole experience nor about the North Koreans publicly, and that was what really moved the North Koreans. After 2years later, they have invited me back to North Korea and asked me if I would forget our differences in the past and build a University just like YUST for them.*

As they have allowed me to go into their country and establish a University, this is evidence that they can be touched and messages can be communicated at some levels. It is now up to us to find that channel once again.

In much grander scale, we need similarly to reconcile by being involved in their lives internally and daily. I see it every day from unexpected of sources how their thinking pattern and outlook on life slowly change by interacting with our staffs and faculty members. It won't happen overnight and we should not expect sudden change for better. Therefore, if we bring them the gift of basic necessity of life, education, means to develop basic infrastructure such as highways, electricity, telecommunication lines and etc., they will see, learn and change from our actions. Otherwise, as we have witnessed in the past, we will only aggravate them and

escalate the current sensitive issues at hand if only efforts in our part is in political front. I am not saying the political aspect is not important because it is a huge factor; however, it should not be the only form of our efforts. We need to bring and teach them the means to be self sustainable even if we feel like nothing significant is happening at the moment or we are the only ones that are making the sacrifices which go on without a recognition or being appreciated. Many times we will experience the heartache by witnessing that those sacrifices are passing without coming to its fruition. Believe me you will feel like that most of the time and it will be demanding and costly in all aspects of life: physically, mentally, financially, spiritually and on.

Without paying the price we can't get anything.

These are time of terrorism, natural disasters and uncertainty in all areas, so the world requires a new philosophy and that new philosophy is "LOVISM".

"Peace" comes with a "Price" and that price must be paid by those who are blessed and fortunate for those who are lost and in despair. We are those who are blessed and fortunate by our birthright, and it allowed us to enjoy many of the benefits which are unthinkable to those who struggle just to sustain their livelihood. That price must also be paid with the efforts of those who can give and spread "LOVE" & "PEACE"

There is nothing that won't change or inspire by it. It is the only thing that can touch the heart of souls in North Korea.

### **What can we do for them now?**

Now, you need to Challenge yourselves to make each day your masterpiece. Instead of playing the blame games and waiting for things to happen, I plea with you to utilize our Pyongyang University of Science & Technology (PUST) to support and influence them from inside out. Let's stop right now all the finger pointing and start figuring out ways to work together and truly respect each other.

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Political and economic efforts alone do not result in peace and prosperity. Rather, they may breed competition, division, and war. Education, however, can plant seeds of the values that are critical reaching our desired end. These values include:

- Understanding
- Respect
- Sacrifice
- Reconciliation

Education also has the power to transcend nationalistic boundaries and promote cross-cultural understanding and respect. These are reasons why it is critical for East Asian countries to unite in recognizing and supporting education as the foundation for our future peace and prosperity. The successes of the Erasmus and Socrates programs in Europe, as well as the success of my own Yanbian University of Science & Technology, support this claim.

Currently, we have professors from US & European countries due to our political climate. We will be teaching them fundamental orientation and language courses (mostly English) for their 1st year which will be the basis for all of our courses & lectures. We will need to get the students accustomed to the languages and terms & phrases that are used often during their course of study. The courses we offer are in Information & Communication Technology (ICT), Agriculture, Food Sciences (AFS), Public Health and Environmental Sciences (CPES), Architecture and Construction (AC), and Masters of Business Administration (MBA). These studies/ majors will be the foundation for us to link them to our global society by exposing them many of simple but useful technological advancement that average citizen can enjoy.

From the Industrial Revolution that showed us the way for mass production, now we have entered into the “Information Age” with internet and other technological advancements.

The Society now requests and puts tremendous value on knowledge based on

Human Capital and Human Resources. This area is so vital in North Korea and the truth is that they are having problems developing everyday functional technology for average citizens.

Right now, As I speak to you at the World Knowledge Forum, we want to support them through “Knowledge” based solutions and the core purpose of PUST is just that “Providing the Vital Knowledge” for them to be self sufficient and teaching & showing them how to co-exist with the rest of the world.

We need upright, competent professionals working together for greater good. You have probably heard or know the reference, “No man is an island” in Meditation by John Donne. You can be independent and go out on your own, do things alone, and accomplish many things alone in helping the North Koreans. But if you think carefully, you will see that literally you cannot do anything absolutely without help from anyone, especially when it comes to helping out North Koreans

“Interdependency” results when separately independent professionals depend on each other to produce much greater result. Example, through networks and development of current technology, it is not only possible but its possibilities are limitless in how creatively and effectively to support North Korea and its people.

In our case, we have interdependency with the nature, the environment, the society, and with each other. We need serious professionals who are willing to depend and work with each other regardless of their backgrounds to come up with many diverse solutions to many problems facing the North Koreans.

Right now we need many independent professionals and experts in all walks of life to join us at YUST & PUST in order to utilize what have been prepared through the sacrifices and labor of many dedicated & humble professionals who gave their lives for Northeast Asia, specifically for North Korea. I am an educator and maybe that is why I am looking at the solution that history has boldly and loudly been telling us all along. I serve to spread “Peace & Love” and my vision & philosophy comes from the Bible.

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Please, join us as we fulfill the work of “Peace” through sacrificing what we are so blessed with. It will be costly sacrifice in many aspects and it will be time consuming and difficult; however, once that price has been paid it will, in turn, give us “Peace” and will give our community, society, nation, and ultimately, will give “Peace” to our humanity. So let’s unite our efforts together and pay that “Price of Peace” for them regardless of our discomfort. Let’s join hands!

# **Capacity-building by teaching German and by exchange programmes – the German experience**

**Armin Herdegen**

DAAD-Lektor

Kim Il Sung University – Pyongyang – DPR Korea

With the (re)establishment of diplomatic ties between the unified Germany and the DPR Korea in 2001, it was also decided to create a posting of a “DAAD-Lektor” at the German faculty at Kim Il Sung University in Pyongyang as one of around 475 such postings around the world.

The main idea behind was to strengthen and support the German language education in all fields (e.g. culture, literature, economy etc.) but also to increase the academic exchange and to put it on a systematical way.

At present time the teaching consists of listening and conversation courses for students in the first to fourth study year (there are five study years until the final degree). My concrete teaching topics are mostly the present life in Germany and the economic and political structures. As the students are on a quite high language level by entering university, I can use authentic materials from books or the internet. Another advantage is that the classes are quite small (from 3 to 11 students only). Under these circumstances it is possible to give the students an idea from the outside world, first of all of course from Germany. As North Korea is not very interested in letting people know what's going on out of the country this has quite an impact to young people. In that case I'm like a window to the outside world for them, even if it's only a small amount of people. I will give you some examples in my speech.

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On the academic exchange field, we provide scholarship programs for research for short (three to six months) and long (one year) terms.

Each year we could send around 10 Korean scientists to Germany, at present time only postgraduates, so that we have around 100 Alumnis. Until 2009 Natural Sciences and Ingeneering were the most preffered fields (around 75%).

After the UN-Resolution we are not allowed to go on in these fields so that it changed in favour to Medicine, Music and Agriculture.

The experiences with the schoarships holders in Germany and after coming back are very good, especially when we can contact them at Alumni meetings in Pyongyang wich are held yearly. I will also specify this in my speech.

## Discussion on Capacity-Building in North Korea

**Kim, Philo**

Research Professor

Institute for Peace and Unification Studies (IPUS)

Seoul National University

I am very honorable to have an opportunity to participate in this international conference. I am happy to meet honorable president Kim Chin Kyung of PUST and professor Armin Herdegen.

President Kim's presentation is deeply touching my heart. Peace comes with a price, we have to pay to get something. We could not realize anything without sacrificing something. I have got much insight on how to build a peace on the Korean peninsula, at the institutional level as well as at personal level.

Education is very much important to prepare future unified Korea. It is said that education is a plan which spans a hundred years. We need to prepare human resources to undertake the building unification of two Koreas. Particularly, we need to develop human resources to undertake the reformation of their economic system in North Korea. North Korea is very weak in the area of market economy, business administration, philosophy and certain areas of social sciences such as national history and world history. North Korea has tried to learn high technology by introducing certain institution like PUST and Pyongyang Business School. But it is limited to very small group of elites. It needs to broaden such education for preparing the modernization and development of North Korea.

North Korea has been boasting of their educational system. However, it has been reported that recent situation in education is very critical. Many young student were forced to get involved in market activities; most of people mobilized

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in labor market are those of ages 12 through 16, which means that many young student were out of school.

North Korea needs to expand the educational opportunity in the area of business administration and market economy, and the areas to be able to reach to western world, such as language skills, so as to communicate with western community.

In this sense, power of education is enormous. The issue of education does not seem to be urgent than nuclear problem, but I am sure that knowledge and knowledge cooperation is most valuable, from the viewpoint of long journey to prepare future generation for unified Korea.

The last issue I like to point out is that knowledge cooperation is being pursued by mostly western institution. I mean that there exists almost none of inter-Korean knowledge cooperation, even though it would be very effective and efficient. The two Korean government should be open their hearts and reconcile each other more than ever before.

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Conference  
**Capacity-building in  
North Korea**

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***Session 2***

***NGO Experiences of Capacity-building in North Korea***

**Moderator: Kim, Byung-Yeon (IPUS)**

Andray Abrahamian (Ulsan University/ Choson Exchange)

“Choson exchange – a new approach to capacity building”

Park, Sung-Jo (Free University Berlin/Dong-A University)

“Beyond Kant and Sen: Capacity building by European NGOs in North Korea”

Discussant: Hur, Joon-Young (SNU)



# Choson Exchange

## - A New Approach?

**Andray Abrahamian**

Professor

Ulsan University/ Choson Exchange

We support long-term economic development in North Korea by partnering with young North Koreans and North Korean institutions to share business, finance, economics and legal knowledge through innovative and high-quality programs. There are three core programs we are working on: a lecture/workshop series in Pyongyang, graduate level study-abroad programs and internships with international firms. We are currently all volunteer run.

### Why Engagement?

It is the opinion of this author that interaction exposes people to nuance and detail that is otherwise easily avoidable. When you are allowed to conceive of any group of people as a single mass or a whole, it opens the way for de-humanization and demonization. The more people who see past the oversimplifications of stereotypes, the better we are able to work together and understand one another.

The Korean peninsula holds one of the world's most difficult social and political problems. The situation is one of crisis that has managed to continue for 66 years, without resolution. Its recent contours will probably continue for some time. A broad effort to encourage improvement in North Korea is needed. Pressure does not appear to be the answer.

Building capacity in the countryside is vital and admirable work. Complimenting

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that, we see our mission as focused on young elites in Pyongyang who have (or may someday have) the ability to influence the fiscal and economic governance of the whole country. Through our work we hope to enable their institutions to function better by providing the education they need.

We target different programs at different age groups in North Korea with the aim of building a talent pipeline connecting young North Koreans in early stages of their professional careers with targeted emerging institutions. This allows us to help develop partner institutions as well. We try to understand the career objectives of North Korean students we support with scholarships and ideally to connect them with the economic institutions we work with in North Korea.

We believe that carefully selecting who we want as recipients of our efforts and making the effort to really understand their needs is necessary to have an impact at an institutional level. Rather than providing mass-lectures to an undifferentiated audience, we try to partner with a limited set of institutions at a time to understand what they need and how we can effectively help them.

### **Three Programs**

We have one closed program and three current programs in various stages of development. The first is our lecture/workshop series, of which we have run two. Here we take foreign lecturers into North Korea to give lectures and have discussions with bank staff, government officials, employees of other SOEs and academics. We have conducted two such short-term lecture series and have taken follow-up trips to map needs and identify points of cooperation. The second is our internship program. We've run a pilot with a student in Europe, placed at a law firm, which was successful. We have since been in touch with companies that have offices in Beijing about accepting North Koreans for unpaid internships. The next stage will be to have companies confirm interest and select interns from our partner organizations. The final is our study abroad program, in which we want to provide graduate-level study in Singapore for top North Korean students. We envision either an actual M.A. program or at a minimum a year of graduate level study with some kind of certificate, dependant on funding and other factors.

In 2010 we introduced a valuable educational tool into the higher education system: OpenCourseWare. This was warmly received. We have relinquished our OCW initiative to partners in the DPRK to implement and explore further as they see fit.

## **What Institutions?**

In line with our aims of promoting knowledge exchange in economics and business (especially in finance), we are exploring ways to work with Kim Il Sung University Finance College to develop intellectual capital. Aside from short-term guest lectures at the college, we are looking to set up a faculty development fund to bring professors out to overseas universities.

Beyond academia, however, we attempt to target influential financial institutions as partners. In 2010 we identified two that we thought were to be key financial organs in the near and medium-term. Unfortunately, we were wrong. Over time, we came to understand through their staff size and activity that they were not functioning as we thought they would. Was this because of some kind of barrier to investment from China? Was it incompetence? Was it ideological conflict in Pyongyang?

More recently, we've identified other institutions which appear to have a stronger capacity to act. It appears they have more political support. What we discovered from this process of partnership-selection is that there is strong competition in Pyongyang to develop the financial sector. Failing to produce results can result in the political and thus practical death of an institution. One of our challenges in an information-poor environment is identifying winning institutions and working with them. Obviously, we don't want to invest effort in capacity building for an institution that doesn't have a chance to apply the knowledge we are trying to transfer.

On a recent needs-mapping trip we selected three institutions to work with out of a larger pool. These organizations expressed a surprising level of openness with regard to the need for learning from development models from abroad and for skills-training overseas. (A list of institutions we met and profiled can be found on

our website.) Key partners also expressed strong interest in training and a focus on providing such opportunities to younger members of their organizations, which is in harmony with our overall model.

## **What Environment?**

There is clearly a tension in Pyongyang between conservative and more liberal approaches to the economy. But since the 2009 currency reform – clearly a conservative policy move – we think we see the pendulum swinging the other direction.

The 2010 New Year's Joint Editorial talked about “a decisive change in the people's lives by accelerating once again light industry and agriculture.” This is opposed to the joint editorials of the past few years, which have focused on the more traditional themes of military strength, revolution and socialism. The 2011 joint editorial echoed the previous year's. When the parliament met on April 9, 2010, lawmakers increased spending on consumer goods by 10.1 percent and agriculture by 9.4 percent.

Kim Jong Il has visited China three times in the last year, Beijing's interest in the Rason Free Trade Zone seems to be increasing and the Tumen River Area Cooperative Development Plan appears to have been revived. They are finally paving the road between Hunchun and Rason. Choson Exchange has even received requests to learn about the Chinese and Vietnamese experience, for example.

Choson Exchange is trying not to be naive: as much as there are signs of change, forces of conservatism are strong and the final decision-makers are wary of change. This, however, ties into generational shifts in leadership. If the leadership transition is to go smoothly, the government needs to attract investment and trade. Without it, North Korea continues to struggle in its attempts to purchase daily necessities from abroad and demonstrate to its people that it is prosperous as well as strong. In a way, we see the convergence of both conservatives and reformists in Pyongyang. Conservatives require more trade and investment to reassert the state's role in the economy, liberals require more trade and investment to generate wealth and change.

## Challenges

Finding congruence between funders, participants, North Korean partners and our own capacity as an all-volunteer organization can be difficult.

By way of example, for our graduate-level study abroad program in Singapore, we struggled to find a potential source of funding. Once we had, our great worry was the student selection process. Would the North Korean side interfere with our need to select the best candidates? Would there be a political component? These worries were unfounded as we were able to select from a pool of very promising candidates and found a great deal of co-operation from our North Korean partners on the issue.

What we didn't expect was that the Singapore side would give us problems. The university that seemed likely to host the students has decided that this year it will be impossible to implement such a program and want potential students to go through the normal application process. Another university displayed little interest in the program. As such, we are now actively seeking university partners further afield, especially in the United Kingdom or Hong Kong, that would be willing to process our candidates for the fall, but time is running out.

Another issue is opacity in decision-making in Pyongyang. When it comes to visa issuance, for example, we have had some problems. One lecture/workshop series we have planned for this summer is currently in jeopardy as we wait for visas. Is it because of Americans in the lecture pool? Is it because the visa issuing organization and education-target can't agree on something? Is it because office workers are being mobilized for rice-planting and bureaucracies aren't running normally? We don't know and can't do much to influence the situation.

Finally, the major issue we face is a lack of financial stability. Currently, lecturers must pay their own way. We would like to take people for return visits, but without our own capacity to fund trips, this is difficult. The time and intensity that CE staff can devote is limited by the volunteer-nature of the organization. With one or two full-time staff, this might be resolved.

## **Conclusion**

We have received mostly positive feedback from North Koreans and outsiders alike. There seems to be a gap in non-profit work in the financial sector. There is also a knowledge gap in the sector in North Korea that they are eager to fill. Outsiders with an interest in Korea issues have also been very positive. We recognize that as a relatively young organization we have a lot to learn from those with much more experience than us. We gratefully accept advice and assistance going forward.

# Beyond Kant and Sen

## Capacity Building by European NGOs in North Korea: Empirical Evidences

**Park, Sung-Jo**

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### 1. Introduction: Beyond Kant and Sen

Attention has escaped us. The fact that a fragile, but sustainable silent revolution is ongoing (*incognito*) in rural areas of North Korea, thanks to NGOs' (Campus für Christus, ADRA, Diakonie, CESVI, German Agro Action etc.) tireless efforts. They are *still* operating or their operation being 'tolerated' in North Korea, despite the fact that the creed of these NGOs are obviously at odds with the Kim Jong Il dictatorship. How can we interpret their acceptance in North Korea? Is there a plausible argument which justifies this 'generous tolerance'? The author attempted to explore reasons for the cooperative relations between European NGOs and the Kim Jong Il dictatorship once in his book "hanbando bung-ge" (The Decline of the Korean Peninsula 2006). Along with the notion inherent in this book the author will try to focus on *capacity building* by European NGOs in and for North Korea

Doing this the author is borrowing logical insight from Immanuel Kant's 'Enlightenment' (Vernunftdenken) and Amartya Sen's 'Capability Approach'. Kant's notion about the enlightenment (Aufklärung) consists in making the ratio the maxim of human-being's behavior:

*"Aufklärung ist der Ausgang des Menschen aus seiner selbst verschuldeten*

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*Unmündigkeit. Unmündigkeit ist das Unvermögen, sich seines Verstandes ohne Leitung eines anderen zu bedienen..... Es ist so bequem, unmündig zu sein". (Kant 1875)*

Sen claims *global justice* for the Third World which is saliently alluding to Seneca's "*alteri vivas oportet, sie vis tibi vivere*" sees in capability enhancement as chance for development inherent in humankind regardless of race, culture and location. Sen says:

*"Befähigung ist nur einer von mehreren Gesichtspunkten, unter dem die Begünstigungen und Benachteiligungen einer Person vernünftig einzuschätzen sind. Dieser Gesichtspunkt ist für sich genommen signifikant und darüber hinaus von entscheidender Bedeutung für Theorien der Gerechtigkeit und der politischen und moralischen Wertung". (Sen 2009, p.323)*

Further, Sen's justice is of decisive importance to seeking *capability* of perceiving chance to choose freedom. The poverty is not simply lack of material resources, but primarily *capability-deprivation*. This philosophy of Sen allegedly made imprint in working out of UN human development conception.

Let us deal with UN's capacity concept (isomorphous to Sen's capability) *in concreto* : the capacity is conceived of as "comprising the abilities of individuals, communities, institutions, organizations and political systems to make use of natural, political, social and human resources that are available to them for the definition and pursuit of sustainable development goals." Further, the capacity building is regarded as the "process in which individuals, institutions and countries enhance these abilities". As a matter of fact, the capacity building as development goal loomed large in the recent time in pursuing external assistance for the Third World, particularly famine-, and underdevelopment-afflicted economies.

Special consideration in this vein is to paid to external actors (for instance NGOs) to be focusing on the following:

"1. strengthening skills, knowledge and social abilities that already exist among individuals, institutions and social and political systems,

2. supporting their integration into knowledge networks that help maintain these abilities,

3. continuing to material and financial support which is required to apply skills, knowledge and social abilities". (UNDP 2002, p.4)

## 2. Marginal Costs versus Opportunity Costs: Is sustainable structure formation possible?

Mark McDonald entitled his recent article in *Herald Tribune of April 23/24, 2011* about North Korea "*From disenfranchised in the North to Boss in South Korea*". He writes: "They left, . not because of the jackboot repression in North Korea, and not because of Kim Jong Il's secret police or other political strangulations. It was the *eating* problem, said Lee (defector).. I was starving, said Son (defector)".

For coping with the famine in North Korea two strategic arguments have been competing: the one position is *industry policy approach* favored by American and Korean experts. This option stresses priority in a rapid establishing of (light) industry, of which manufactured labor-intensive goods could reach export earnings. By means of these earnings grains can be imported for lessening famine in North Korea. This strategy is seen in contrast with the '*help for self-help*' approach preferred by European NGOs which aimed at bringing north korean people into *consciousness to solve* the problem of *food supply by their own efforts*. This approach is, however, to be feasible in a long time perspective which *presupposes structural policy from below*.

This approach does not reconcile itself with short-term goal orientation which is for instance a dominant motivation for Korean NGOs. Also their efforts are mostly not coordinated with each other under the guiding principle of "I pursue my own project by myself independently of others". For this behavior is the buzzword "*han-kun jooi*" characteristic.

Marcus Noland is a prominent supporter of industrial policy concept and once

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admitted that "aid is not a viable long-term solution". (Noland 2003)<sup>1)</sup> He emphasized the urgency of revitalizing of the industrial policy with expectation that it could lead to expansion of production of manufactured goods, of which exports could allow North Korea to import a huge volume of grains. His argument sounds plausible and eventually plausible, provided that abolition of domestic and external impediments be carried out combined with establishment of infrastructures. This would necessitate huge amount of investment and efficient allocation of resources and logistics management.

In contrast, European NGOs regards this approach with scepticism and stress a long-term opportunity costs approach opting for that only the *development from below* (endogenous strategy) is a feasible way for *self-reliant food supply structure* combined with rural development. This is to be based on working with local people on the spot which implies *prima facie* the process for local people in which they made conscious of development under their responsibility in the sense of Immanuel Kant.

The argument by the European NGOs' structure formation approach accentuating gradual increase of food production share by reducing induction of grains from outside would entail also to a certain degree investments, however, primarily an active and sustainable engagement of human capital for a longer period of time. In this case the identity of local people with projects initiated and implemented under their own auspices contributes to enhancement of work motivation and of accountability. Not only classical concepts and tools of community development even with a full-fledged extension service, but also tangible (sic!) physical and emotional engagement of 'foreign helpers' as 'true, reliable and sacrificing friends' are of great relevance. These foreign experts are not 'flying experts, but in most cases resident on the spot with local people<sup>2)</sup>. (see the following map showing project sites of AGAPE) In more precise terms, the European NGOs approach depends to a large extent on how reliable networking between local people and foreign NGO representatives on the spot has been established.

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1) He seems to be recently supporting more local institutions building in North Korea (Noland 2006)

2) The importance of those foreign helpers resident on the spot describe in internet-available reports their field experiences such as Caritas, Diakonie, Camus fuer Christus, German Agro action, ADRA, ASB, CARE Germany, Johanniter Unfallhilfe, World Vision, Malteser Hilfsdienst, etc.

&lt;Map 1&gt;



How could this notion feed in the philosophy of European NGOs? The author is sceptical of attributing this specific notion of European NGOs to the *nomadism* or *con-ism* à la Jacques Attali who has shown primarily his strong inclination towards generalizing young generation's propensities in future. The notion inherent in motivation of European NGOs in North Korea and other Third World countries is contrarily more substantial and sustainable. One could say that the former belligerent Europe became peace-loving Europe. Especially Germany is standard-bearer. The question which arose was for European people to think about how to contribute to international philanthropy.

Fundamental importance for this change especially in Germany was the *satisfactio operis principle* (compensation by concrete action) which align with other principles *contritio oris* (heart of remorse) and *confessio oris* (readiness of confession). These principles which appeared first after the second world war as german protestants' creeds in reflecting on the Nazi fascist misconduct inculcated profoundly the young generation in Europe, especially in Germany. *Satisfactio operis* formed a momentum for cleansing 'the suppression of the past and exploitation through dictatorship, colonialism and war'. (Park 2007, p.12) This led to unlimited support, not only in terms of material resources, but also especially of

spiritual engagement for the Third World since the second world war and transformation economies since 1990. There was no dissent among social and clerical groups and cultural elites which has been conducive to 'help-for self-help'-based structure-development approach for the Third World. Resulting from this it is rather normal that european NGOs work together with local people in order to create structures tailored toward, first of all, meeting *basic needs in underdeveloped economies*.

### **3. From Food Aid to Self-Reliant Capacity Building**

#### **3.1. Learning Personality**

It seems of utmost importance for how to create and maintain sustainable reliable relations with peoples, groups, institutions and government agencies in North Korea. The first question may be NGOs' intercultural learning as regards attitudes, value systems and behaviors of North Koreans. Usually NGOs-related people working in North Korea have not undergone intercultural training which obviously gave rise to misunderstanding between both sides. Some common sense about the so called socialist personality may be of help on the spot. According to reports by NGOs on their working experiences in North Korea (e.g. German Agro Action 2004; Medico International 2004; Caritas et al 2005; Campus fuer Christus 2002 and 2003), and further authors on North Korea such as Mohr (2000), Moeskes (2004), Oh Youngjin(2004) we obtain some idea of how to accede to north koreans in their working and learning morale and behavior: One can summarize their findings as follows: North Koreans are

*authoritarian-oriented (tantamount to confucianistic behavior?),*

*introverted,*

*concealing emotions,*

*abiding by disciplines and rules,*

*passive and receptive attitude,*

*lack of creativity,*

*permissive, power-orientation,*

*ambiguity in responsibility,  
but  
enthusiastic and diligent in learning,  
making strenuous effort at understanding of project,  
extremely cooperative,  
pride in their own performance,  
non-sophisticated,  
familism-oriented and high group spirit. (Park 2008)*

The above list-up of north korean personality traits remind us of Hans Joachim Maaz's book "Der Gefühlsstau". The author is not sure about whether there is a typical generality in defining 'socialist personality'. Nevertheless, by taking into account a range of extremely politically autocratic and economically miserable constellations in North Korea, disparagement and repression in human dignity must have led to a lopsided personality in toto. Nevertheless, the question remains from where the learning motivation, as we will see later, comes and how it is nurtured. What is the incentive for North Koreans to stick to that?

## 3.2. Individual-centered Capacity Building

### 3.2.1. German Agro Action (GAA): "Built-in Capacity Building"- Green Houses

German Agro Action convinced of great advantage in capacity development vis à vis individual projects which was anchored in its Orientational Framework "Partnership for Development" (2003) *the partnership capacity as "the ability of partner organizations to make use of available resources to achieve sustainable development". Further, the goals of developing partnership capacity is "steady improvements in quality, the impacts and the sustainability if joint development projects and enhancing the role of civil society and the participation of partner organizations.. in Asia."* (op.cit. 33). Beside instruments such as consultancy, organizational development, services in kind and financing special attention is given to training in terms of workshops, courses and OJT, coaching, etc. Since 1998

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GAA has been supporting in North Korea in connection with their projects objective-oriented project training, M&E (monitoring and evaluation), and Project Cycle Management (PCM). Additionally GAA supports North Koreans' organizing these training programmes by themselves.

The DWHH/German Ago Action has begun with its operation in North Korea in 1997. In the meantime more than 25 Million Euro flowed to 13 projects related to rural and agricultural development, *in concreto*, improvement of seeds, diversification and intensification of agricultural product They also built up a large maize seed processing factory in Unsan (2007). An important new project is in urban agriculture and renewable energy.

In the framework of urban agriculture the green house project (2008 Dec–2011 April; EU financed) is noteworthy. 30 green houses as models were built up in Pyongyang and Sunchon for the purpose of finding out a *flexible cultivation system*. In these green houses for producing tomatoes, aubergine, cucumber etc. are equipped with *sunshine-driven system and also with excellent water-delivery system* so that green houses can operate during the whole year with greater harvest than in green field. Products are not only for farmers' consumption, but also selling on markets.

It was also reported that at the beginning stage GAA provided an intensive training for farmers in order to run green houses effectively, even in cold winter, and to keep green plants from being affected by insects. Further the report is pointing to that North Koreans have been instructed how to grow green vegetables in urban areas by means of water supply even in a small scale and plantation technics. Even balconies, backyards and roofs are being cultivated. For the time-being the Massey University of New Zealand and the North Korean Academy for Agriculture are jointly working out a new flexible cultivation system which is adjustable to any kind of condition. In the meantime over 600 green houses were built up mostly adjacent to kindergartens, and schools so that children mit higher demand can be preferably served. North Koreans seems to be satisfied with the first experience in *urban agriculture*.

(<http://www.welthungerhilfe.de/nordkorea-gewaechshaeuser.html>)

German Agro Action reported the following result:

13 projects carried out in food distribution or with food for work components; 5 water and sanitation projects (6 million euro) in 22 cooperatives and two cities in North Pyungan Province and Kangwon province. The financing came from ECHO(EU) and WFP.

### **3.2.2. External Capacity Building**

German Agro Action carried out hundreds of capacity building seminars, workshops and study tours in the field of project cycle management, water sanitation, seed management,, improved agricultural production methods and erosion control. Participants came from KECCA (Korean-European Cooperation and Coordination Agency located in the Ministry of Foreign Affairs), line ministries, county agencies, and agricultural farms. KECCA was established in 2006 replacing Flood Damage Rehabilitation Committee. European development activities are coordinated by European Union Program Support (EUPS) in the field of Agriculture, Health, Water and Sanitation.

During this administrative reorganization process in the North Korean administration it was shown that both KECCA's and EUPS' staff have little experiences in handling European cooperation projects. Therefore it was necessary to offer intensive capacity building programmes for KECCA 's staff and related ministerial staffs.

German Agro Action is offering further study tours to China, Germany and other countries such as New Zealand. In these countries German Agro Action has partners for capacity building which comprises not only study tours, seminars and training, but also on the job-training.

German Agro Action is extremely systematic in pursuing capacity building programmes: It is reported that at the beginning of every year, first of all, intensive training needs analysis is made. After each capacity building measure an intensive evaluation follows in order to pursue qualified follow-up activities. Topics for evaluation are concepts, methods and procedures of development cooperation. Also technical issues such as seed processing, agro-forestry and waste water management are included.

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Our technical training activities have enabled local technicians to maintain and run all facilities by themselves. Korean engineers have been trained by German experts and can now manage large scale drinking water systems without external help. Green houses are fully operating and provide fresh vegetables all year round. In the seed processing factories in Unsan county the managers and technicians apply international standards which they learned during study tours.

One *specific* project in agriculture is the cooperation with GNE (Gesellschaft fuer Nachhaltige Entwicklung GmbH) Witzenhausen in the framework of DEVCO Food Security Program Capacity Building Organic Agriculture 2011–2012 (EU financing) offering training programs for North Koreans as follows:

- *1st training course* in organic agriculture (10 weeks) in Germany Witzenhausen; training course in project management (PM)/project cycle management (PCM) (3 weeks) in North Korea

Test Courses for organic agriculture are established in North Korea and cultivated in the participating academies of North Korea

- *2nd training course* in organic agriculture and PCM/PM (12 weeks(in Germany)

- *Follow-up and coaching concept development* to ensure impact.

([http://www.witzenhausen.de/index.php?option=com\\_content&vie...](http://www.witzenhausen.de/index.php?option=com_content&vie...))

Special mention deserves the Swiss AGAPE project for North Korean farmers: Regularly 10–15 farmers undergo a 4 months training in Swiss farmers houses in mountaineous areas., and additionally

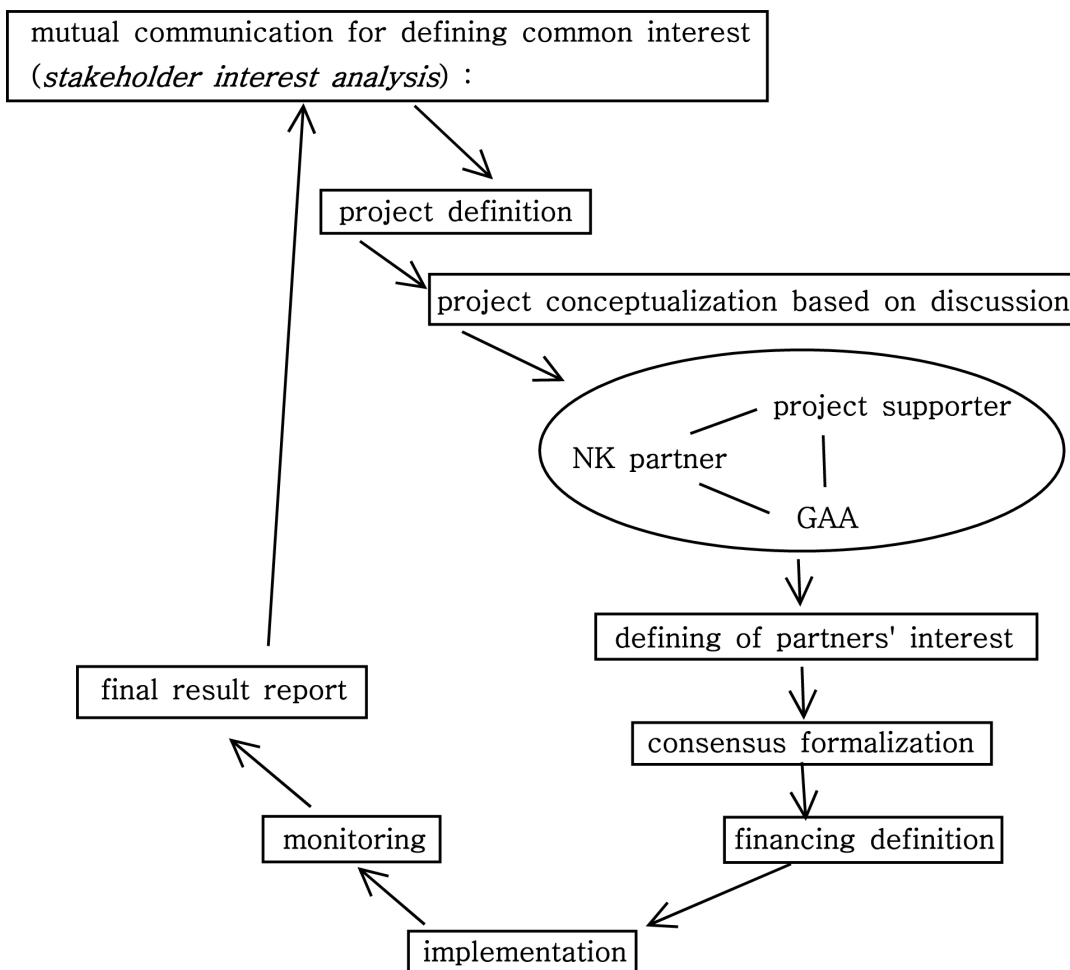
2 weeks intensive training at Landwirtschaftliche Schule Rheinhof since 1997. It was said that these trainings are expected to supplement practical works by Swiss expatriates resident in local areas such Duru Island, Hungsan, Kubin Ri etc. Cf. the above-map)

(<http://www.agape.ch/nordkoreaprojekt/de/projektstandorte/index.html>)

### 3.2.3. Project Planning/Evaluation, PCM and Outcome Mapping

The significantly decisive strategic key of GGA in North Korea consists in strenuous efforts to include local people into all steps of the project concerned (from design to evaluation) and to *build up local capacity* which is enabled to run project management under this own accountability. Pursuing this project planning the project cycle management (PCM) was introduced in 2002. Thomas Magura abundant in training experiences in the Third World was invited to instruct North Korean farmers, agricultural experts, extension workers, etc. The following picture shows the rough overview on project cycle management (logical framework: logframe), by which the most important element is participation by local people in all stages of project conceptualization, planning and evaluation. Nevertheless, this logical framework is characterized through ambiguity in responsibility at all stages project planning, implementation and evaluation. (Park 2007)

<Fig. 1>



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Magura and Schloms exemplified their PCM in 2002/3 in North Korea and came to the conclusion that the learning motivation of North Koreans was immensely high so that they could learn PCM and Logical Framework Approach (LFA) very enthusiastically and put into practice by themselves in a very short period of time.

In addition to PCM North Koreans learned various tools of monitoring<sup>3)</sup> such as SWOT analysis, Problem Tree Analysis and Mind Maps analysis. Given this condition it was said that most projects which have been carried out by GAA, in consortium with european NGOs (European Program Support: EUPS) turned out remarkable success.

The new method which replaced the logical framework (logframe) method in 2007 is outcome mapping (OM) as an alternative for project planning, monitoring and evaluation in PCM resting on dividing of two responsible systems, the one is project donor's responsibility and the other endogenous responsibility system. This means a more refined PCM with clear-cut responsibility on both foreigners and North Korean side. The OM became necessary, because the former logframe PCM was ambiguous in responsibility at each project step and North Koreans failed to take over responsibility and they felt lack of work motivation and strong willingness of participation. (Lee 2002)

According to Jones and Hearn (2009) the OM is based on the following principles:

- actor-centered development and behaviour
- continuous learning and flexibility
- participation and accountability
- Non-linearity and contribution, not attribution and control (Jones & Hearn 2009, p. 1f.)

What about advantages of OM in comparison with the Logframe?: the clarification of role of stakeholders is being necessarily made, in particular, if the

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3) The monitoring in case of PCM has been undoubtedly accepted and learned by North Koreans which is quite different from the monitoring in case of food supply as emergency aid. Contrary to most Korean experts' opinion about impossibility of monitoring recent project contract between North Korean agencies and European/UN Organizations is even containing intensive monitoring practice (cf. ISFP Project Proposal between DPRK and FAO on Increasing food availability for vulnerable urban populations through increasing double cropping and vegetable yields)

capacity building is important; further, the OM is process of human-centered development, not a technical process and oriented toward grass-roots development with upstream effect and also allowing for communications among beneficiaries and reflection by them on results. (op.cit., p.2-3)

Noteworthy mention was that for North Koreans the first planning process which they experienced was not easy in January 2007. Even though the project documents were not perfect North Koreans had for the first time their own projects which means that they took over responsibility for project implementation. Further, the Monitoring Mission of Nov. 2009 said that still many problems remained unsolved. However, their success experience was a remarkable motivation for furthering development projects under their own auspices. (Schaepfi 2008)

**3.2.4. A Case of Individual-centered Capacity Building especially in Monitoring: *Evaluation Report on "Rehabilitation of the Water Supply System and Sanitation in the Town of Kujang and Anbyon" (2007):***

This Report is on the project (GAA) "two gravity-fed water supply and sanitation projects in the town of Kujang and Anbyon". "The main objective of the project consisted of the development of the existing water resources, the construction of transmission mains and water shortage facilities and the rehabilitation of the water distribution system...". (p.2)

Since North Korea has not been able to pursue an overall monitoring and evaluation system, GAA took initiative of project monitoring substantially supported by KECCA and technical staffs of the People's Committees in two towns. In opposition to the opinion of North Korea and GAA about impossibility of impact monitoring due to lack of data and information IBE Consultant GmbH (Jochen Binder) was of opinion that only a rough assessment of impact monitoring should be possible by leaning on replies of health beneficiaries.

In the following one can see the assessment of project planning and monitoring in two counties (Tab.1):

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	kujang	anbyon
principal objective:	support of urban population counteract existing strain for survival	promote health and support of urban population to counteract existing strain for survival
specific objective	improvement of water supply and sanitation	
result 1	water supply in eastern Kujang rehabilitated	water supply is safeguarded
result 2	sanitation facilities improved in institutional bldgs	water quantity available for population increased
result 3	sustainable O/M is introduced	increased sewage production is counteracted
result 4		sustainable O/M is carried out

(source: op.cit., p.4)

The People's Committee of Kujang and Anbyon and GAA at the project level shared responsibility for project planning and implementation, and monitoring.

Special attention was paid to project beneficiaries (Specific Objective) in both towns by means of rehabilitated water supply system, improved sanitation facilities and further sustainable O&M (Operations and Maintenance), as has been result-stepwise notified in the above table.

At the beginning of project construction the projects participants underwent *an intensive training joined under direct observation by expatriate specialists*. This method was later underlined as contributing to capacity building in various specific skills-necessitated work steps which finally decisively resulted in success of projects. (op.cit., p.6) The IBE Consultant lauded local people and local experts' enthusiasm for a successful project implementation.

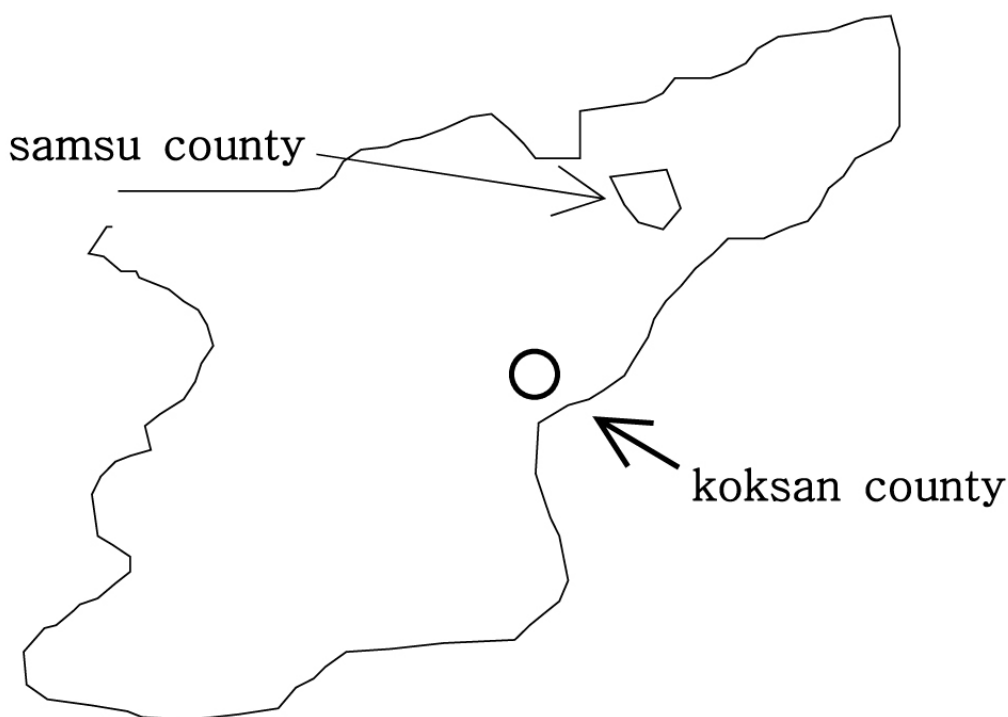
The responsibility of project management was, however, laid in the hands of two Pyongyang-resident water and sanitation experts which means the project *management was remote-controlled*. The IBE Consultant said that this remote control was not a hinderance for a successful project implementation which implies that the local responsible project managers and local people of North Korea

already got sufficient training and experience in on-the-spot management without direct intervention by foreign experts. It can be notified that this remote-control method is different from that of Swiss AGAPE NGOs placing more accent on experts' local stay and direct communication and human touch with local people.

### 3.3. Institution-centered Capacity Building: Interim Project Evaluation on "Upland Food Supply Project" (2009):

This project based on multilateral support governance of UN Agencies, WFP, CESVI etc. aimed at " promoting balanced, sustainable and replicable cropping systems and environmental management on 46 cooperative farms in upland areas of the country, with a view to improving soil fertility and achieving higher and more secure production levels. This was expected to result in better standards of living for 18.000 low income household ad benefit some 61.000 individuals directly." (op.cit. p.vii):

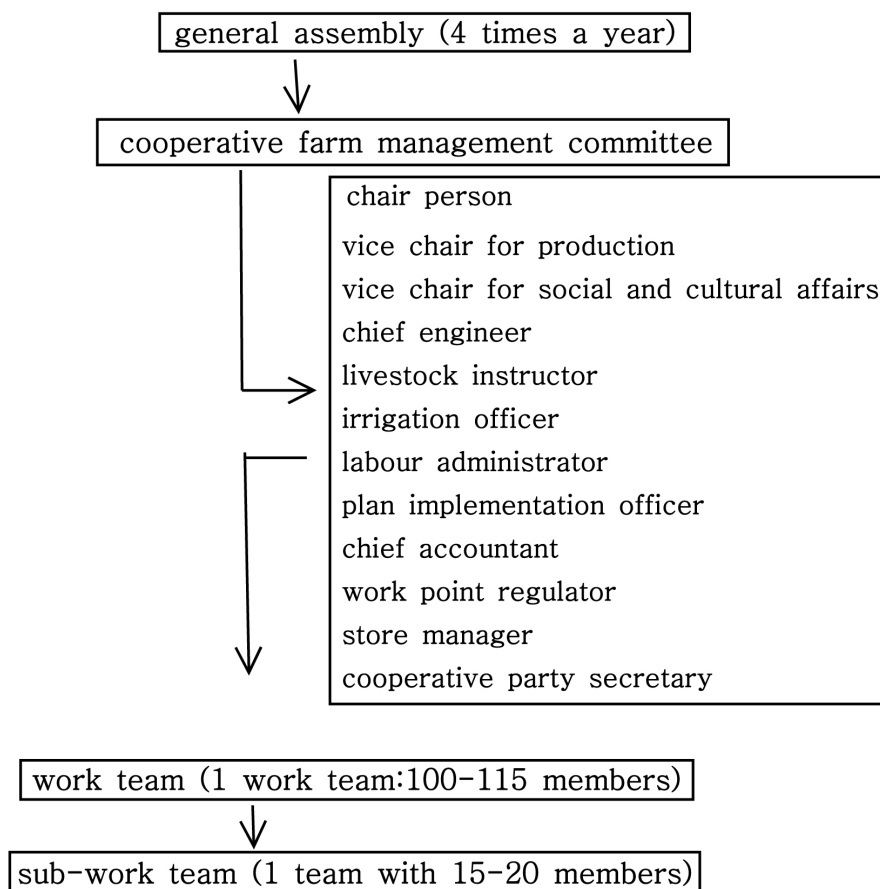
<Map 2>



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Since to develop local institutions such as farm cooperatives was also an essential goal of this project, the Interim Project Evaluation report stressed in connection with project performance : " Overall, project partnerships were weakly developed during project design, both national and international institutions". ( op.cit., p.20) The Report made clear that the success of the project noted for significant improvements in household income and assets in social capital and empowerment, agricultural activity and food security was attributable to local cooperative farms and their credit activities.

Let us have a look at how a typical cooperative farm in rural area works (Tab.2):



North Korea's agricultural production is to rely on efficiency of institutional infrastructure in local areas. This means one has to understand the structure and function of cooperative farms with various social and economic functions: first, to achieve self-sufficiency; second, to reach national targets for grains and other

agricultural commodities; third to comply with social functions. (op. cit., p.5)

CFs (Cooperative Farms) at local level, provincial level have to achieve production goals approved at highest level (Ministry of Agriculture). It also finances its costs from CF's common fund depending mainly on crop production and livestock. Net income is given to CF members according to work points reached by themselves. It is however not clear whether the 'work point system' is an incentive system.

For the project implementation "the PMU (project management unit), beside machinery procurement equipment etc. is responsible for project coordination, training and monitoring/evaluation and for convening project steering committee monthly meetings." (op.cit., p.17) For an efficient project management by PMU the Provincial Rural Economy Committee organized training, workshops and study tours to Thailand, China and Germany. The Report stated further: "The project has contributed to improving the management capacity of CFs, which provide a social safety net to an important portion of the rural population and in all appearance function in a democratic and relatively transparent manner.." (op.cit., p.25)

The Report, beside lauding a successful result of the project, accentuates in its Recommendation in connection with partnerships that the local project partnership is an essential requirement in North Korea, not only "for the design of interventions, but all through project implementation, monitoring and evaluation". For promoting agricultural development projects IFAD (International Fund for Agricultural Development) should place particular focus on partnership development and strengthening collaboration with national and international institutions. also the Government in North Korea should strongly motivate partnership development and information sharing between PMU and project partners, all through project cycle. Of great importance is contribution of the project to CFs' efficiency in management made possible through "(i) the evaluation mission was granted access to households, in all appearance without prior notice, (ii) both managers and household members had facts and figures on project relevant CF and household activities at their fingertips seems to underpin this assessment". (op.cit., p.25) Interestingly here the fact is becoming manifest that rural institutions, farm

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households and other rural development-related managers show self-confidence in their capacity.

The following table indicates the rating of performances measured according to various criteria and last not but least partnership capacity development.

Rating Summary of Performances of the Upland Food Security Project (UFSP) (4: moderately satisfactory) (Tab. 3)

evaluation criteria	evaluation ratings	
<i>Project Performance</i>	4	
-----		
<i>Rural Poverty Impact</i>	5	
household income and assets		5
human and social capital empowerment		6
food security and agricultural productivity		5
.....		
<i>Other Performance Criteria</i>	4	
-----		
<i>Performance of Partners</i>	4	
IFAD		3
UNOPS		3
government		4
beneficiaries or clients		6

(source: op.cit., p. 34)

This table shows a very interesting picture that first the 'human and social capital empowerment' reached over-average point (6), also the 'beneficiaries' the same. This means that the project effectiveness measured in local capacity building was more than satisfactory, in contrast the external partners such as IFAD and UNOPS have shown meagre performance. The growing self-confidence of local partners in capacity building is once again buttressed by these figures.

### 3.4. Multinational project governance and its learning effect

In connection with the capacity building which has been gaining increasingly importance NGOs are undertaking deliberately strenuous efforts to promote human, social and institutional capital in North Korea. Striking in the field of education and human capital are examples such as Syracuse University Project at Kimchaek University, Pyongyang University of Science and Technology, Hanns Seidel Foundation, Friedrich Nauman Foundation, Swiss Pyungyang Business School, etc. (Tayler & Manyin 2011)

These projects are commonly based on the following pillars: first, multinational project governance; second, not only education, but also energy, environmental protection, food (incl. fish) and sanitation; third, most projects are coordinated by an agency (e.g. EUPS), frequently with local representative; European NGOs' projects are in most cases partially funded by EU, SIDA, OCHA, German Embassy, Swiss Government, French Government's Aide Alimentaire Programme, etc. (<http://www.reliefweb.int/rw/res.nsf/db900SID/OCHA-8CZDUV>)

IISD (International Institute for Sustainable Development), Canada involved in North Korea has been pursuing capacity building in the field of environmental protection in the framework of expressis verbis multinational project governance. As the North Korean-Canadian project (2004) indicates, both parties stressed their efforts under the auspices of 'multilateral environmental agreements' such as:

-build government capacity to undertake strategic planning for sustainable development at the national and sub-national levels;

-to build capacity to monitor, assess and report on environmental pressures, impacts and responses and analyze policies and emerging in the context of sustainable development planning; and

-strengthen knowledge transfer and environmental cooperation between organizations in China, Canada and DPRK."

(<http://www.iised.org/measure/knowledge/national/korea.asp>)

The other interesting example is Energy Efficient Construction in Cities – Renewable Energy Training Center: This is AGAPE's project, begun in 2009, in partnership with NCECDC (Non-Conventional Energy Center), Pyongyang aiming

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at "dissemination of the knowledge about the energy efficient planning and construction in combination with the use of alternative energy ..(biogas). This shall be demonstrated in a practical manner with construction of the energy center in Pyongyang based on current standards in Switzerland. The building is aimed to be a model for further buildings within the.....energy standards in design and construction work for in training domestic specialists that are able to train others".

(<http://www.agape.ch/nordkoreaprojekt/en/development/energieeffizie>.)

The following list shows further how many Swiss organizations and North Korean agencies are jointly working on projects in North Korea.

### **1. Swiss partnership with North Korea**

- Non-Conventional Energy Center (NCDEC)
- Ministry of Agriculture, Section Cattle Breeding and Pasture Management
- Technical directors on the project locations
- Government Representation by DPRK Embassy, Berne/Muri

### **2. Swiss Partners:**

- Haessig Sustech GmbH
- Rieben Heizen mit Holz, Oey BE
- Landwirtschaftliche Schule Rheinhof Salez
- Milch- and Lebensmittelzentrum Ruetti, Zollikofen
- Senioren fuer die 3. Welt
- Joerg Wyder, Schweizerische Arbeitsgemeinschaft fuer die Berggebiete
- Buerro fuer visuelle Medien - Documentary Film "Axes of Good"
- Alstom Corporate Foundation
- many different private persons

(<http://www.agape.ch/nordkoreaprojekt/en/partner/index.html> ; retrieved 2011-04-07)

No doubt that North Koreans take profit from these governances in many respects; first, intercultural communication with foreigners and negotiation skills; second, access to more information and management know-how; third, reach reliable international business contact; fourth, creation of momentum for further

projects and project funding. Nevertheless, one can not ignore that the decision-making process can waste much time and lots of communication and social costs can be incurred.

#### **4. Conclusion**

Based on Kant's ratio and Sen's capability to choose freedom we undertook a promenade through some empirical evidences related to NGOs' activities in and for North Korea. Since North Korea called for help from abroad in 1995 in order to alleviate food supply gaps European NGOs have given preference to the opportunity costs approach which results in time-consuming, risky rural development with and for local people on the spot. Due to North Koreans' learning élan and working morale something which eventually could be termed 'a fragile, but sustainable silent revolution' is ongoing in rural area of North Korea. In other words, self-confidence of local people in their own capacity building. Is this not an inkling of hope?

Concluding NGOs seem to have tellingly achieved their envisaged goals to that extent, to which they evoked change of mind and consciousness of local people. It is also a process of mutual learning for NGOs and North Koreans, through which the global justice of Sen experiences a new sustainable dimension. hommes, dum docent, discut.

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## Discussion: NGO Experiences of Capacity-building in North Korea

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In this session we have two valuable presentations, which focus on the capacity-building experience of various NGOs in North Korea. These experiences have a crucial meaning in the background of a changing form of aids from humanitarian to capacity building (refer to the handout). They can help us to show how we could cope with North Korea adequately through their experiences. Especially, a reconcile mood between North – and South Korea is gradually being created and South Korean government is willing to give a positive signal towards an era of cooperation.

Through Professor Abrahamian's case study I could understand what challenge and limitation does a NGO face in North Korea. However, interestingly enough, I could not observe severe pressures by the North Korean government during the NGO activities. Rather, it seems to be opposite compared to its usual hostile acts such as the recent attack on Yeonpyong-do. As the author explained with the recent New Year's Joint Editorial, the North Korean Government itself conceives the development of its economy and the daily life of its citizens instead of military strength. Therefore, Pyongyang seems to show its tolerance to the NGOs. Apart from its tolerant reaction, a question still remains: Evaluation. How could we evaluate the capacity-building schemes for North Korea? We often make two assumptions: the programs are oriented towards capitalism, and the programs would work for changing students of North Korea to think and act in favor of capitalism and an open economy. However, I am still skeptical whether those

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capacity building programs would bring them a different idea. Like humanitarian aid, those programs could be criticized that they only help the North Korean government to keep its current system longer with loyal elites, who adhere to the Juche ideology. How could we escape from this situation?

When it comes to the funding for the NGOs especially in North Korea, promoting the fund-raising events is not a piece of cake and is affected by the political situation. When the program is shortened or cancelled because of budget cuts, which party will be responsible for that? It is a significant problem how NGOs continue to get stable funds in North Korea.

Professor Park contributes to our topic with the idea he has taken from Kant and Sen about the notion of capacity building. As he mentioned, a successful experience of the European NGOs is based on a 'help for self-help' approach as well as a long-term opportunity costs approach.

Their activities give a valuable lesson to me such as time-consuming, risky rural development with and for local people on the spot. We easily assume that North Korean needs an open economy and capitalism. However, which capitalism and how its rule would be set? It sounds just like a technique to earn money. However, the important thing is the variety of capitalism. Without justice, a sound capitalism could not survive. In that sense, global justice of Sen could be a new sustainable dimension, as Professor Park concludes. Moreover, justice should be adopted into the capacity-building programs. Who knows that this justice notion rather than capitalism itself could play a key role in North Koreans' hearts as a Trojan Wooden Horse?

### **Economic Capacity Building Programs (ECDPs) for NK<sup>1)</sup>**

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1) This handout is the modified version of a presentation during Roundtable 5: Economic Engagement at the conference "Towards a Human Security Framework for North Korea: Promoting Human Rights through Pragmatic Approaches" (2010. 12. 2-3 / Chatham House, London).

## I. General Trend of ECDPs

- Changing the focus of foreign aid: from humanitarian aid to capacity building programs
- ECDPs could spread capitalistic way of thinking to NK society
- General trend (1997 – 2006)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Total
Number	4	5	4	5	16	13	10	20	9	5	91

: Strong dependency on political situation: visit to China (2000, 2001), inter-Korea summit (2000) / nuclear program (2005)

- Trend by Partnership Model

Hosts/Guests	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Total
One-One	3	3	2	3	10	6	4	9	4	1	45
One-Many								1			1
Many-One	1	2	2	1	4	5	3	6	4	3	31
Many-Many				1	2	2	3	4	1	1	14
Total	4	5	4	5	16	13	10	20	9	5	91

: Increasing proportion of ‘many-one’ model

: Minimizing risks and facilitating NK’s participation by working with co-hosts

## II. Business schools in Rajin and Pyongyang

### 1. Rajin Business Institute (RBI: 1998)

- First Western-style business school affiliated to the Rajin University
- Joint project between NK government and the UNDP
- Practical business subjects in 3 types of courses (5 years and 6 months)
- Computer science/foreign language courses to train practitioners for the Rason Economic Zone

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- Faculties are professionals from Asian countries and North Korea  
: Training local Elites(practitioners) on the implementation level

### 2. Pyongyang Business School (PBS: 2004)

- Joint Project between NK government and Swiss Development Cooperation (SDC)
- Various sponsorships from companies and institutions ex. ABB, BASF, Credit Suisse, and so on
- The same subjects as MBA in 12 three-day seminars per year
- Faculties are Professionals who have practical (business) experience with China  
: Educate national Elites who are able to think strategically

### 3. Spread of Capitalism?

- A case of SWOT Analysis class: Socialism is not a threat factor but an opportunity
- Capitalism seems to be still regarded as an instrument under the control of ideology
- Motivation originated not from individual needs but from collective needs  
: The “Juche” Ethic and the Spirit of Capitalism?

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