

North Korea's Female Factor

A Case of Knowledge Sharing
for Women in Business

*Nils Weisensee & Geoffrey K. See
Choson Exchange, Singapore*

*International Conference on North Korea's Development Capacity
and International Cooperation for Knowledge Sharing*

Seoul, South Korea — June 11, 2014

Abstract

Since the initiation of its Women in Business (WIB) program in 2012, Choson Exchange (CE) has been training more than 130 female North Koreans in business, finance, and law. Several dozen competitively selected participants have been taken to Singapore for study trips on international business practices and policy-making. The WIB program focuses on women because ambitious female professionals in the emergent small and medium enterprise sector (SME) are increasingly driving economic change in the DPRK. Feedback from participants and North Korean partners on this initiative has been very encouraging. Therefore, CE plans to expand both its workshop series in the DPRK, as well as the study trips to Singapore. CE also works to reduce some of the hurdles that prevent North Koreans from starting a business by providing mentorship, a network of peers, and possibly funding to get startups off the ground. Having strong local partners, as well as programs on both macro-economic policies and micro-economic business skills, puts CE into a position to scale its impact as much as donor support permits.

1 Introducing CE

Choson Exchange (CE) is a Singapore-based non-profit organization founded in 2010 with the purpose of organizing workshops on business, finance, and law in the DPRK. CE also arranges study trips, internships and other educational programs for young North Korean professionals in Singapore and China. Through these programs, the organization provides opportunities for personal and professional growth, both through knowledge-sharing and relationship-building with foreign experts, as well as with fellow participants.

CE has two main umbrellas, one focused on business skills and entrepreneurship, the other focused on economic policy and macro-business environment. These are mutually supportive, seeking to influence the conversation both on management strategies for companies and their operational environment.

In 2013, CE trained more than 260 North Koreans in the country, with an additional 18 people trained in Singapore. This year, more than 350 North Koreans are expected to join workshops in the country, while an additional 30-40 will join one of CE's overseas study trips to Singapore. By the end of 2014, CE will have trained more than 600 North Koreans.

In-country workshops are lead by foreign experts who are joining CE as volunteers for trips to North Korea that last between five and seven days. In 2013, a total of twelve workshop leaders travelled to North Korea as part of these trainings. This year, CE expects to bring more than 20 foreign experts into the country. In-county workshops can be up to four days each, with a maximum of two sessions per day. Each workshop is attended by 30 to 50 North Koreans, which usually ends with a panel discussion on the last day that allows for questions and concludes the training. While most of CE's workshops take place in Pyongyang, since last fall trainings have been organized in Wonsan, which has allowed CE to gather audiences from nearly every province in the country.

To support economic growth and promote change in the DPRK, CE has developed three key programs: The Young Entrepreneurs Network (YEN), the Provincial Development Program (PDP) and the Women In Business program (WIB). The PDP in particular focuses on regions that are developing Special Economic Zones (SEZ).

YEN aims to educate young North Koreans in their twenties to forties who are interested in venturing out of state-owned enterprises (SOE) and setting up their own businesses. YEN trainings include workshops on project management, business development, customer validation, product innovation,

budgeting, and similar topics related to setting up and growing a private business.

PDP trainings focus on workshop topics like feasibility studies, investor expectations, economic policy, and other skills and knowledge that support economic development in the provinces, especially in context of the new SEZs. In 2013, North Korea introduced a total of 14 SEZs, which — while poorly implemented — indicates a degree of recognition that economic policy changes are needed, and that experimentation may take place in the provinces. The PDP aims to support this notion.

The WIB program seems to be the first female-focused business program in North Korea, and has been one of CE's most important successes. While there is some overlap with topics also covered in YEN trainings, the WIB program specifically focuses on helping North Korean women advance their careers in business. So far, women in the DPRK have had only limited access to business education and management positions. Therefore, WIB aims to support aspirations of women to move towards managerial positions, take on leadership responsibilities, and start their own enterprises when the opportunity arises.

2 Getting Started with WIB

CE initiated its WIB program in fall 2012 with the goal of supporting female managers and entrepreneurs in North Korea, focusing on women between 20 and 40 years old. Many members of this age group have gained some professional experience, may have started to move up within the management structure of North Korean SOEs and government agencies, and are looking for further professional opportunities. This includes the possibility of starting their own businesses, using the skills they have learned as young professionals.

In North Korea today, women represent an important and dynamic force for economic development. While leading positions in government and SOEs are still dominated by men, women have begun to pursue their own careers in newly set up businesses related to tourism, service or trade, which are operated as subsidiaries of government entities but often independently managed and autonomously profitable. Often, a share of their profits is paid to the state entity that they are affiliated with.

While connections to officialdom are still crucial to succeed with an enterprise in the DPRK, a career in business is quickly becoming an attractive alternative to traditional careers (or none at all) for ambitious women. The goal of the WIB program is to specifically support these

female managers and potential entrepreneurs who underpin the emerging sector of SMEs.

Fig. 1) Areas of business activity in North Korea

Informal Markets	Scalable Private Businesses	State-Owned Enterprises
Small-scale businesses in the <i>jangmadang</i> with <10 employees	Illegal or legal businesses run by individual North Koreans with significant state collusion	Government-owned businesses, but increasingly developing joint-ventures
e.g. small-scale retail, restaurants, agriculture	e.g. property development, restaurant chains, wholesale, etc.	Wide range of industries
Traditionally where funders have been active but difficult to scale .	Highly scalable business with significant opportunity to become dynamic private sector . This is the "gray zone" with most opportunities to accelerate entrepreneurship .	Privileged sector with rent-seeking advantages . Scalable business, but not an effective driver of private sector .

A second, but perhaps more important purpose of the WIB program in the DPRK is to get regular access to ambitious women who are then interviewed for joining a future study trip to Singapore. Out of all participants who have joined workshop series in the DPRK, CE has been selecting 15-20% who have later participated in such a trip.

Because there had been little precedent or state sanction for this type of work, North Korean partners initially tried to steer CE towards gender-neutral trainings. The few professional training initiatives that had existed for North Koreans in the past have predominantly had male participants. Therefore, skepticism was high, and CE's partners initially voiced doubts whether it would be possible to recruit a sufficient number of women who fit the program's requirements and would be permitted by their employers to attend the workshops. This was even more of a problem for the overseas component in Singapore: It was unclear whether female participants would be able to get permission to leave the DPRK.

Since the concept of business trainings focused on women was new to CE's North Korean partners, some male participants suggested the gender preference of the selection process was a kind of sexism. One male candidate explained that "you have to interview us for the overseas program... men make all the important decisions!" CE did not follow this request.

Recently, some of CE's North Korean partners changed, and the two key contacts are now 23 and 29 years old. Possibly due to their relatively young age, these partners have shown a particularly good understanding of the workshops' goals and the value of CE's programs for North Korea. This should make it easier to raise support for future workshops with increasingly complex and more challenging content.

3 Recruitment & Planning

When preparing a training, CE staff recruits workshop leaders in China, Singapore, Europe, and other countries. These volunteers are then grouped according to their expertise in order to create a series of workshops on a specific area of topics. Recruitment happens through talks, presentations, personal contacts, and recommendations from former workshop leaders who help with outreach.

Past workshop leaders have come from eleven different countries, and have focused their trainings on a variety of topics like innovation, management, lean production, customer relationships, consumer behavior, strategy, project planning, accounting, and even corporate social responsibility. Workshop leaders are consultants, managers, entrepreneurs, restaurateurs, lawyers, journalists, PR executives, and more. They have at least three years of experience in their field and are collaborating with CE staff to prepare workshops according to their expertise and the needs of the North Korean audience.

CE staff arranges meetings with workshop leaders and helps them to adjust the content and style of their presentations to this new audience. CE strongly encourages workshop leaders to include interactive components in their trainings where the audience is split into small teams, collaborates on discussions, and competes to achieve specific goals related to the content of the workshop. Past practice sessions have included developing business ideas through mind maps, learning how to react to customer feedback and increase production efficiency by cutting paper snow flakes, improving team work by building paper towers, analyzing personal strengths and team dynamics by building paper bridges, and many more. The excitement, ambition, and competitiveness among workshop participants during these practice sessions is astonishing, and their impact on learning outcomes is significant.

In order to build support for a series of workshops, and to clarify what kind of audience would be suitable for the proposed topics, upcoming trainings are explained to CE's partners in the DPRK. CE also suggests industries, institutions and demographics which participants should or should not come from, and let North Korean partners put together the

pool of candidates based on these suggestions. The goal is to create a large pool of participants who have an interest in business and are ambitious about their future. Each workshop series requires at least 30 participants and is attended by up to 60 people.

Topics are not only suggested by CE, but also by its partners. For example, recent workshop series that have focused on hotel and restaurant management were partly initiated by North Korean partners, who specifically requested training in certain areas and industries. Additionally, workshop topics have been requested through feedback forms that are collected after each workshop, as well as in conversations with participants who express interest in certain skills.

***“This panel discussion format is really good...
I want to learn how to run them myself” - WIB participant***

Based on the topic of the workshop, CE's partners invite institutions and companies to send participants. Other times, past participants or CE's partners informally reach out to people they think are suitable for a workshop, and encourage them to take part. Sometimes, participants hear about CE from their friends, and request a place in a workshop by contacting CE's partners in Pyongyang.

From this pool, CE interviews and then selects the top 15-20% of participants for two-week overseas training components, where they learn from managers and entrepreneurs about international business standards and innovative business models. Participants for overseas trips are picked based on their education, current industry and position, professional achievements, as well as their entrepreneurial ambitions for the future.

For many candidates, these culturally unfamiliar interview questions put them on the spot. Few are willing to claim any accomplishments, and some stare blankly at the interviewer or give generic answers. Interviews last between 10 and 30 minutes, and are conducted by CE staff in Korean and English, depending on the abilities of the interviewer and the candidate. English skills among the candidates are not required since interpreters are available throughout the study trip.

The strongest candidates articulate concrete ideas about their plans for the future, how they want to get there, and what they want to learn in the process. Unfortunately, candidates like these are few in a typical pool of participants. Due to a shortage of qualified candidates, CE has occasionally reduced the number of participants in an overseas program.

An even smaller group of participants is being shortlisted for longer-term programs in Singapore, such as internships or more extended educational programs. So far, 24 WIB participants have been selected for overseas programs.

Like everything done in North Korea, CE is not immune from the political context. In August and September 2013, CE selected managers from several restaurants for an overseas program that was to take place in November. When some participants were suddenly unable to travel abroad, the program was first delayed to early December, and later cancelled. As it was unclear if the disruption was linked to Jang Song Thaek's purge, CE's Managing Director took an emergency Christmas visit to Pyongyang. Fortunately, North Korean partners assured that there was continued interest in this program, despite the changes at the very top of society.

Fig. 2) Recruitment process at Choson Exchange

Step 1: Workshops in NK	Step 2: Overseas study trips	Step 3: Internships & Scholarships
<p>Initial workshops run by volunteer leaders who cover the logistical costs of going to North Korea.</p> <p>Selection of participants for overseas programs through interviews at workshops to ensure proper use of resources.</p>	<p>Short workshop exposing participants to developed environment in Singapore and to discussions on international business standards or policy-making.</p> <p>Enables participants to understand how unusual the environment in NK is.</p>	<p>Selected suitable candidates take part in internship programs or scholarship programs to build deeper knowledge and understanding.</p> <p>Leverages database of past participants to select the right people.</p>

4 Successes & Challenges

After running the WIB program for more than a year, the understanding of and support for this initiative among CE's North Korean partners has significantly improved, and the program has gained an increasingly positive reputation among SOEs and other organizations in Pyongyang. Now, some companies in the DPRK reach out to CE's partners, trying to gain access to workshop series organized in the country. CE hopes that the increasing appreciation for the value that WIB workshops offer for managers and regular employees will help to scale this initiative.

Since the start of this program, the interest, attitude and excitement among North Korean participants for the content offered during WIB workshops has been extremely encouraging. Each workshop usually

includes one or two practice sessions where participants are asked to split up into smaller teams and put theory into action: develop business plans, create mind maps, collect and incorporate customer feedback, streamline production processes, built bridges and towers out of paper to learn lessons on team work and collaborative behavior, and much more. Participants actively interact with workshop leaders, and ask concrete, detailed questions related to business ideas and professional improvement.

In feedback forms filled out at the end of each workshop series, participants regularly express their intention to share the insights and information they have learned with coworkers and friends. They also say they plan to tell their peers about CE's workshops, which helps to grow the program and reach potential candidates for study trips that may otherwise have not been suggested by CE's North Korean partners. An overview of the results from these feedback forms is shown in Fig. 3.

Fig. 3) Feedback from workshop participants

I would recommend this program to a colleague at my department	88% positive
I learned new concepts	70% positive
I learned something new I can adapt to my working life	70% positive
Meeting the other participants will help me in my business	64% positive
I will share this knowledge with my colleagues	98% "yes" or "probably"

(N=92, Sample drawn from both in-country and out-of-country programs, omitted some incomplete questionnaires and WIB programs in 2012)

Based on these results, CE sees significant value in continuing to focus on this demographic in North Korea. When recruiting workshop leaders, CE tries to find professionals who are experienced in their field, but are somewhat close in age to the North Korean participants to help both groups relate to each other and identify with each other's professional experiences — despite all differences. However, even if age differences exist, personal interactions during the trainings seem to frequently inspire female participants to pursue their own professional goals.

- At one workshop focused on service-sector businesses, an Australian entrepreneur who pioneered fine dining in China talked about her business experience. The entrepreneur claimed what made her successful after dropping out of college, was that she did every job that could be done in a restaurant — cleaning the floors, washing the toilets, cooking, waitressing, handling the money and bar tending — before setting up her business. A Korean participant enthusiastically responded to the story,

telling the workshop leader over coffee break how she too worked on all those jobs before becoming the manager of a restaurant. She was also full of questions about systems that could raise the productivity of her waitresses.

“I agree that you have to have done every job in the business to really understand how a company functions.” – WIB participant

- In another case, a workshop on management styles and customer relationships caused excitement among participants because the workshop leader was the founder of a coffee company — an industry that has recently received significant interest in Pyongyang. The “coffee expert” was asked for autographs and was later requested to visit several coffee shops in the capital for short trainings and product feedback. His workshop was not only attended by previously registered and authorized participants, but also by several employees from coffee shops around the city who had heard about the event and spontaneously joined in. When this workshop leader left the country, the immigration officer noted: “Ah, you are the coffee expert!”

Fig. 4) Examples of independent entrepreneurship

The Entrepreneur	The Potential
30 year old female tookover a failing petrol station from parents and turned it around to generate >\$1M in revenue per year.	Building a chain of petrol stations and expanding sales of petrol products.
26 year old North Korean, fluent in English and French, wants to set up a bakery and supply baked goods to universities in Pyongyang.	Supplying a 2-3M people market in Pyongyang which is served by only two known bakeries.
43 year old North Korean setting up construction firm to cater to growing infrastructure and housing demand.	Positioned for potential market liberalization policies.

However, not all workshop series are equally successful: Personal capability, enthusiasm and ambition among the audience varies, and the interviews with some audiences yield significantly fewer high-potential candidates for overseas programs than those with others. To make sure the few spots in the overseas programs are filled with the most capable candidates, CE occasionally decides to scale down or even cancel a planned study trip to Singapore if no fitting participants can be found. This rigor is also a reminder for CE’s North Korean partners that it is

crucial for them to press their contacts to propose the most talented, ambitious, and creative employees for attending a workshop series. CE has always considered active participant selection for overseas programs to be absolutely critical.

There also have been cases where one company sent a disproportionate number of employees to attend a workshop series. Since CE's goal is to reach a wide variety of participants from different institutions and professional backgrounds, North Korean partners were asked not to let one or few employers dominate any series of trainings.

5 Participant Demographics

The WIB program is structured to have a majority of female participants in order to shift away from participants working in government ministries or commissions, and to continue focussing on the key demographic of young professionals. The workshops for CE's WIB program are not completely closed to men, but are aiming for a significant female majority, particularly in the overseas component.

In total, the WIB program has had more than 200 participants, about 65% percent of which were female. Compared to other CE programs in 2013 on tourism and SEZs, which had around 20% female participation, this is a major improvement. For the overseas component, the total share of women was about 90%.

Participants for WIB workshops come from a variety of industries and companies. So far, more than 41 institutions have had female employees take part. Most of them were junior to mid-level managers. The restaurant and service sector are the best represented, alongside participants from light manufacturing, mining, logistics, and retail.

“I learn that grasping the demands of consumers is important in market strategy” - Workshop participant

At the time of attending the workshops, only a small minority of participants were actual entrepreneurs with managerial autonomy. While hard statistics are limited and it is at times difficult to distinguish SOEs from SMEs, participants who run SMEs generally come from either the service sector, trading, or retail and distribution. None of them are from the heavy industries.

This quasi-private sector of SMEs is growing and providing dynamism to the North Korean economy. These companies are different from the grassroots markets much studied in the West: Some of them have annual revenues of more than one million USD, and are able to invest in growing their business. CE expects that this sector will provide the basis for North Korea's transition into a mixed economy, and will help absorb the labor that will come from layoffs at inefficient state enterprises. Encouraging skills upgrading and growth in this sector should be a priority.

Many of the women in the WIB program have strong aspirations to run their own businesses someday, and most of the content that is being taught during workshops can be applied at SOEs and other institutions to improve management, productivity, customer awareness, and other aspects of the operation.

Unlike CE's policy-focused programs in the past, WIB participants also come from more varied personal and educational backgrounds. For instance, quite a few women attended vocational schools instead of universities, whereas in policy-focused programs, most participants come from top universities.

6 Tracking Impact

The WIB program is still in its early stage and comparably small in scale. From its initiation in 2012 until March 2014, a total of 130 women have attended one or several workshop series. 24 of them have also joined CE's overseas programs. Because of its limited scope, expectations for the program's impact are modest.

The immediate impact of every workshop series is measured through a survey that is used to track learning outcomes. CE asked participants to rate on a scale of 1 to 10 (10 being strong agreement) their opinions on some questions posed after the workshops. Results in the range between 8 and 10 are considered positive responses. As shown in Fig. 3, the results are overwhelmingly positive.

Here are two examples of individuals who have participated in the WIB program that show how CE supports entrepreneurial interests in the DPRK:

- Heung Mi (pseudonym) is a graduate from the Pyongyang University of Foreign Studies. After graduation, she worked at a major North Korean library. She does not have experience with business, but after attending a CE workshop in Pyongyang, she was inspired by the stories of some of the

entrepreneurs who spoke at the event, and came up with an idea to set up a restaurant to serve people who study at the library.

- Un Byol (pseudonym) started out as a waitress at a restaurant. After jobs in cleaning, cooking and waitressing, she found herself managing the waitressing staff. She was able to eventually obtain funding to set up her own restaurant – two floors with a pleasant outdoor patio. Un Byol was interested in ways to use technology to improve the efficiency of her operations, and to provide her restaurant with a differentiating factor.

Most participants find value in the workshops, and the knowledge that is being shared translates into action. CE has seen participants leave their positions to start their own business after attending programs, although this remains a small proportion of all program participants. CE staff have also noticed that participants of study trips to Singapore stay in touch with each other afterwards, organizing get-togethers over dinner.

While current successes are inspiring, CE would like to see more long-term outcomes, and find better ways to measure the long-term impact of the WIB program in the DPRK. One of the major challenges has been to retain regular contact with workshop participants beyond each workshop series. While the total number of North Koreans who have participated in CE programs is now high enough that staff occasionally meets former participants on the streets of Pyongyang, there are few ways to contact groups of CE alumni in a planned and reliable way to organize follow-up meetings and assess the long-term impact of the programs.

Unfortunately, phone calls and emails are still fairly unreliable means of communication with North Koreans. While CE staff has received anecdotal evidence that some WIB participants have made the leap and set up businesses on their own, there are many more who have expressed strong interest in doing so where the outcomes are unknown.

CE surveys indicate that one of the key restraints for WIB participants to realize their entrepreneurial plans is the lack of capital available to them. Another challenge is the lack of continuous support in form of mentorships for would-be entrepreneurs. CE plans to help with both aspects through two initiatives that are key priorities in the coming months, and are explained in more detail in the chapter 8 of this paper.

7 Overseas Programs

The study trips to Singapore are tailored to offer inspiration and additional insight to the most compelling participants who have been picked through competitive interviews during the workshop series in the DPRK. Overseas

programs last one to two weeks and include presentations, trainings and workshops on a variety of topics that match the professional background and interests of the North Korean participants. Typical topics covered during these trips are business development, logistics and supply chain management, the impact of the Internet on business in Singapore, international standards in accounting, and more. Throughout the program, participants are given opportunities to build bonds among themselves and with the workshop leaders they meet.

CE has picked Singapore as the main destination for overseas programs because North Koreans tend to look at Singapore as a potential role model for a successful path towards strong economic development. The strong role of the government in a very young Singaporean society makes the city-state comparably easy to relate to, while the ethnic diversity and entrepreneurial culture provide plenty of inspiration and learning opportunities for visitors from the DPRK. More than 90% of Singaporeans live in public housing, while healthcare and education are heavily subsidized by the state. Many North Koreans are fearful of abruptly abandoning their current economic system. The change that is most acceptable to them is one that is gradual and incremental. The purpose of holding programs in Singapore is not to have them copy a “Singapore-model”, but to emphasize that they should take away ideas useful to their economic development, and adapt it to the specific circumstances they face.

“I plan to implement the lean production systems that allow you to respond to the market” - Workshop participant

Singapore’s neutrality is also important. While China and South Korea provide highly relevant lessons on economic development for the North, they are less desired places to study economics or business because of the ideological competition and their political involvement in the North. North Korea does not want to be seen as a satellite state of China. Claiming to adapt policy ideas from Singapore does not come with the same political baggage, even if these are the same policies that China or South Korea have. The positive impression of Singapore’s neutrality is reinforced by the visa-free entry North Koreans enjoy when visiting the city-state.

Feedback from participants about these trips is extremely positive. According to anecdotal reports, North Korean participants tend to remain in touch with each other through private social events. CE staff were able to meet a few CE alumni during visits to Pyongyang, albeit only by chance.

To ensure the financial sustainability of the WIB program, it is particularly important to control the costs of overseas trips for North Koreans. When avian flu forced a shift of overseas workshops from Shanghai to Singapore, rising program expenses were a major concern. Fortunately, participants are content staying at cheaper hostels, eating street food, and using public transportation to move around. North Korean participants are also contributing some of their own money to cover a symbolic portion of their transportation costs to Singapore. Additionally, CE plans to establish a small cover charge for participants who are attending workshops in the DPRK. The purpose is not only to improve the financial sustainability of the WIB program, but also to continue promoting a sense of the value offered by CE to partners in North Korea.

Given CE's limited budget, and the high costs associated with study trips to Singapore, the selection process is critical to ensure that the few positions available are filled with the most qualified candidates. The current process — a combination of personal interviews by CE staff among pre-selected workshop participants in the DPRK — has been a relatively effective way of finding high-potential candidates.

8 Steps Ahead

In order to increase impact and improve connections with WIB alumni, CE plans to arrange workshop modules that are built on top of earlier workshops, targeting women who have already attended a training and are interested in deepening their understanding of selected topics. These training modules will satisfy requests from North Korean partners for longer and more in-depth trainings, while giving CE an opportunity to reconnect with WIB alumni, survey them about their progress, and assess the challenges they are facing on the path to entrepreneurship. These follow-up programs will also give participants who have met each other before a second chance to connect, build their network with peers, and form partnerships for the future.

The success of this initiative will strongly depend on available funding for CE, as well as on the ability of North Korean partners to reconnect with former WIB participants and get permission from their employers to attend additional trainings. However, considering the positive reputation that these programs have gained among employers in Pyongyang, there is reason for optimism. Even this year, a few former workshop participants have returned for additional trainings, some of which have already attended several WIB series, including overseas programs in Singapore. If CE succeeds in creating a system of modularized trainings,

the goal of long-term connections, engagement, and mentorship of ambitious women in the DPRK will be much easier to achieve.

A second strategy that CE plans to pursue this year is the creation of an alumni center in Pyongyang, which is intended to become a meeting point for CE alumni who want to reconnect with their peers. This alumni center may also provide a more permanent location for trainings, which will help further spreading the word about CE's educational initiatives in the DPRK. CE staff has started working with North Korean partners on finding potential locations for this venue, and hopes to make significant progress before the end of 2014.

The third objective is to help CE alumni overcome capital restraints that prevent them from starting their own business. In the long-term, CE is exploring ideas to initiate a startup incubator program that provides funding and entrepreneurial mentorship to alumni who have been identified as having the ambition, capability and determination to build a business in the DPRK.

Looking at the current financial infrastructure, or lack thereof, there are even bigger opportunities for improvements. A lending facility for SMEs handled by a neutral third party could help support the emerging private sector in North Korea. Or, to support the development of the financial sector, a joint-venture bank meant to transfer best practices could be set up. Aside from micro finance, seed venture capital could be provided to get new enterprises off the ground. Based on initial experiences and the entrepreneurial expertise of volunteers and staff, CE aims to create a solution for what seems to be the missing link between the ambition of WIB alumni and more small startups in the DPRK.

Last but not least, CE plans to expand the number of trainings in SEZs like Rason, Wansong and others in order to broaden its audience and support the economic development of the North Korean countryside.

9 Conclusions & Recommendations

North Korea is still a country that emphasizes military over economy. However, there is debate over whether to reform the economy, how to reform it, and how fast to push ahead. While a clear decision does not seem to have been made yet, there is increased willingness to learn more about experiences in economic development elsewhere. This should be encouraged. Independent of CE's programs, multiple North Korean governmental delegations have been visiting Singapore each year over the past few years. They often request to meet with different agencies to learn about various economic policies.

CE also has been noticing a number of encouraging developments which indicate that engagement, knowledge exchange, personal interaction, and professional capacity-building are falling on fertile grounds. Interest in business skills is increasing, personal ambitions are more openly expressed among peers, consumerism is on the rise, and there seems to be a more common agreement that the DPRK should experiment with its economic policies in order to move the country forward.

Now, a younger generation of women (and men), who have barely experienced the old centralized distribution system in proper operation, are pushing to develop their own careers in business. They tend to be more ambitious, more flexible, and more eager to secure a share of the increasing wealth they see and know about.

Looking to China, Singapore and other countries for inspiration and successful examples is not frowned upon, but more and more perceived as a smart and promising strategy towards success. The inauguration of 14 SEZs last year is — while not overly successful yet by economic measures — a symbol of this new willingness to learn from others and try things out.

In the coming months, CE hopes to see a sense of competition develop among the current SEZs, as well as additional applications for future SEZs in other parts of the country. CE's focus on expanding its programs towards the provinces reflects this hope and attempts to support this trend.

“I want to be in business to show that women can be good business leaders” – WIB participant

At the same time, the push for development of the tourism industry seems to increase the interest of policy makers and government officials in the exchange of knowledge with foreign experts. CE's North Korean partners in the provinces seem well aware that in order to provide attractive environments for foreign visitors, they must improve their understanding of other cultures, needs, and international expectations towards a host country.

CE believes that economic development in North Korea can come from better economic policies, as well as from the development and growth of SMEs. Having both a policy and an entrepreneurship program allows CE to equally support these sources of change.

While stable funding remains a major challenge, CE believes that these programs should be supported regardless of political tensions. They are not about rewarding the government. These programs are about encouraging it to move in a direction that is better for its neighbors, better for the region — and most importantly, better for North Korea's people.

*Nils Weisensee & Geoffrey K. See
Choson Exchange, Singapore*