

Interim Development Assistance for North Korea

A Multilateral Approach*

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North Korea has been such a closed country that it is impossible to accurately assess the state of her economy. However, all measures available to outsiders indicate that the North Korean economy is functioning below subsistence level. It seems to have lost not only the ability to sustain itself without outside assistance but also the ability to recover by itself. Thus, it is now incumbent upon the international community to find a long-term solution for developing North Korea backed by appropriate resources. The purpose of this article is to propose a multilateral framework through which resources can be effectively and sensibly channeled into North Korea, satisfying current political constraints both donors and the recipient face.

Historically, North Korea has been mostly an inward-looking country except when she makes occasional brushes with the outside world. Recently, however, North Korea has shown some willingness to change her attitude toward outside. On the diplomatic frontier, she has normalized ties with EU countries, Australia, the Philippines, and Canada. Most significantly, North Korean leader Kim Jong-il met with South Korean President Kim Dae-jung in Pyongyang in June 2000. The summit was followed by exchange visits of separated families, ministerial level talks, and even defense minister meetings. In the

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economic area, the two sides agreed to introduce institutional safeguards for investment such as protecting investment and avoiding double taxation. They also agreed to reconnect the Seoul-Shinuiju railroad line and build a road between Moonsan and Kaesung.

After the summit, the North-South rapprochement first proceeded at a pace not anticipated by most people. This raised hopes that North Korea would greatly improve her external relations. Then, the initial euphoria subsided. There are at least two factors for this change of mood. One factor is the North's attitude toward the North-South dialogue. The North has been backing off from commitments made earlier. They have shown the pattern of insisting on deals that require front-loaded economic gifts from South Korea and then not honoring their share of the deals, mostly humanitarian and peace-enhancing measures. Such attitudes from the North have turned public opinion in the South against further unreciprocated concessions to the North.

The other factor contributing to the slow progress of the North's external relations has been the change in the stance of the US government. Before they left office, the Clinton administration came close to striking a deal with North Korea, linking the resolution of the weapons of mass destruction (WMD) issue with the normalization of ties. The new Bush administration came into office without a coherent set of policies regarding North Korea but with the traditional Republican stance that favors hardline postures against certain regimes, such as North Korea. The policy review that had been conducted in the first half of 2001 did not help to make the US policy more transparent. Then came the September 11 attack on the World Trade Center and the Pentagon by Middle Eastern terrorists. Since North Korea is still on the US list of countries that sponsor terrorism, the attack made any positive development in the US-DPRK relationship very difficult. Then came President Bush's remark in his 2002 State of Union address labeling North Korea as part of the "Axis of Evil" that included Iran and Iraq. Even though the "axis" part may be misguided rhetoric, the "evil" part reveals President Bush's moral judgment on the North Korean regime. It is a signal that the Bush Administration intends to use more sticks than carrots in dealing with North Korea. In other words, even though the US is maintaining that it is open to dialogues with North Korea, the US is signaling that she will attempt to resolve the WMD issue with the threat of sanctions rather than offering additional incentives. This development makes the prospect of any rapprochement between the US and North Korea unlikely, if not impossible, in the near term.

North Korea has stalled on North-South relations and seems to be losing a great opportunity. For instance, the North has ignored repeated calls by President Kim Dae-jung for the North Korean leader's visit to

South Korea. North Koreans have cited the stalled US-DPRK dialogue as the main reason for the stalled North-South dialogue. This claim partly reveals their strategy of using the North-South rapprochement as a stepping stone toward improving relations with the United States. But the real reason for their hesitancy is most likely their concern for regime security.

President Kim Dae-jung, who received the Nobel Peace Prize in 2000 for enhancing the prospect of peace between North Korea and South Korea, will attempt to achieve some tangible progress in the North-South relationship before he leaves the office. This effort will not be easy. President Kim is in his lame duck year and the public support for his "sunshine" policy is waning.

One can have some hope for the North's desire to make deals with President Kim rather than his successor. But, if past behavior is any guide, the North will only attempt to extract as much economic aid as possible from the South without seriously addressing issues that concern the South Korean public. Another hopeful factor is the dire economic situation of North Korea. She cannot afford to lose economic assistance from the outside, despite all the reservations her leaders might have about the wisdom of letting in outside influences.

The North Korean regime seems to be increasingly split between the desire for seeking outside economic assistance and the desire for maintaining internal security and thus is becoming less coherent. The unpredictable nature of the North Korean regime revealed itself one more time in the naval clash of June 2002 between North and South Korea. The regime probably wanted to raise the stakes by showing that she can still cause armed conflicts, a concern for all her neighbors. The South Korean public was filled with dismay and demanded that the flow of economic resources from the South to the North be stopped. The United States halted a planned visit by a special envoy to North Korea, further dampening the prospect of an improved DPRK-US relation. Then, in another unpredictable turn, the North Koreans expressed "regret" over the naval clash, swallowing their ego. This was a clear signal that their choices were limited, given the dire economic situation and the increasing international pressure on dealing with "rogue" countries. They renewed efforts to improve their external relations. This resulted in a resumed North-South dialogue in August 2002 and the first visit to Pyongyang by a Japanese prime minister in September 2002.

In resumed ministerial-level talk between the two Koreas, the two sides agreed on implementing the previously agreed railway connection and the North's sending athletes to the 2002 Asian Games in Busan, South Korea. Following up on the agreement, they actually began in

September to clear mines in the DMZ, the 4km wide no man's land established at the end of the Korean War.

During Prime Minister Junichiro Koizumi's visit to Pyongyang, the North Korean leader, Kim Jong-il, admitted to North Korea's kidnapping of Japanese citizens in the past and promised that those who are still alive would be returned to Japan. This issue has been a longterm major roadblock in improving relations between North Korea and Japan. They agreed that talks for normalizing diplomatic relations should be resumed. One of the major issues will be reparations for the Japanese colonial rule on Korea. The reparations are expected to be settled in the form of economic aid.

While the road is still murky, the signals from North Korea indicate that she is becoming increasingly dependent on the outside world. Paradoxically, the chill after the naval clash induced her to recognize this dependence.

Given the prospect that the progress of North Korea's external relationships will be less than satisfactory in the short term, one should now perhaps shift the gear toward longer term perspectives. Addressing long-term issues is not only desirable but also practical. In designing long-term policies, one has to take into account the welfare of the North Korean people. Only such policies could contribute toward peace and prosperity in the region in the long run. In this regard, what one needs now are plans for developing the North Korean economy. Outsiders who have stakes in the stability of North Korea should help North Korea develop herself.

Of course, it is not an easy task to develop a nation's economy when the initiatives are not coming from within. One should remember, however, that political situations can change quite unexpectedly as one has seen in former socialist countries. Thus, it would be desirable to pursue policies that would be fruitful, whether or not political situations change. This approach would be beneficial to all parties no matter what political and strategic goals they may have.

We submit that it would be useful to set up an interim multilateral framework that can deal with the economic development of North Korea. Specifically, we propose establishing an Interim North Korea Development Assistance Group (INKDAG) that would consist of major donor countries and international organizations.

The multilateral framework can achieve what bilateral relations cannot. For instance, it can facilitate the transparent and efficient use of valuable resources provided to North Korea. When it looked as if things were going well, especially after the North-South summit, South Korea, US, and Japan all focused on their bilateral relationships with North

Korea and did not pursue any multilateral framework. Also, it has been assumed that a natural multilateral framework will emerge as North Korea joins the international financial institutions (IFIs). But with recent developments in international relations, this cannot be hoped for in the near future. Thus, there is a need for some interim solutions in coordinating the effort of the international community in assisting North Korea in the economic area.

Assisting North Korea's Development

It is unfortunate that North Korea is unwilling to take bold initiatives to improve her economy. As a consequence, the North Korean people have long been suffering from economic hardship, especially chronic shortages of food. What is encouraging, however, is that the North Korean leadership now seems to be accommodating what is inevitable, if not championing reform and opening North Korea's economy. This is evidenced by their allowance of spontaneous markets for necessities, reaching out to donor countries, and pursuing North-South economic cooperation. In other words, even though the North Korean leadership has been reluctant to embark on a reform strategy that may risk regime security, it seems to be adopting a more realistic approach to enhance the sustainability of the regime.

Given the recent signals that North Korea desires to benefit from economic interactions with the outside world, she deserves serious attention by the international community as a target for development assistance. The bulk of the assistance is bound to come from South Korea. But there are other neighboring countries that have stakes in the stability of the Korean Peninsula and are willing to contribute to the economic development of North Korea.

At present, North Korea is not able to effectively absorb private investment. She has insufficient infrastructure and cannot access international private loans because of her virtual default status on external debts. Thus, she needs public assistance, such as grants and concessional public loans, in the form of development aid. South Korea went through a similar stage in the 1950s and 1960s.¹

The North Korean economy has steadily fallen after making significant progress up to the mid 1970s, exhibiting a pattern shared by many former socialist countries. Even though most former socialist countries adopted market economies after the fall of the socialist block in the early 1990s, North Korea has maintained a closed command economy. As a result, the North Korean economy has deteriorated to a state of virtual collapse. In particular, the state distribution system has ceased to function, and many people are starving.²

One consequence of the collapse of the state distribution system has been the rise of spontaneous markets, where some necessity goods are exchanged. This, however, does not mean that North Korea is becoming a market economy. The North Korean leadership is not deliberately introducing the market system but is only tolerating market elements out of necessity. There is no sign that the leadership is ready for the institutional reforms necessary to unleash market forces.

The international community has responded to the plight of the North Korean people with humanitarian aid. But this effort seems to be running out of steam. There is recognition that private donor groups possess neither sufficient resources to continue their operations nor the technical skills to deal with North Korean partners. What is needed now is the broad and systematic efforts of the international public sector to assist North Korea.

Even though North Korea has been slow in initiating internal reforms, she has recently demonstrated her willingness to participate in international financial institutions that could provide financial assistance. In April 1997, she applied for membership to the Asian Development Bank (ADB); in September 1997, she received a fact-finding visit from the International Monetary Fund (IMF); and in February 1998, she hosted a senior World Bank official. In August 2000, North Korea wrote a letter "reminding" the ADB Executive Board of her application for membership made in 1997,³ but there were no positive results from these applications.

If North Korea joins IFIs, she can receive both financial and technical assistance. Possible sources of assistance include the Poverty Reduction and Growth Facility (PRGF) fund of the IMF, the International Development Association (IDA) fund of the World Bank, and the Asian Development Fund (ADF) of the ADB. If, furthermore, North Korea successfully implements reform programs required by the IMF and the World Bank, she can receive external debt relief through the Koln Initiative, which is an enhanced version of Highly Indebted Poor Countries (HIPC) Initiative. Thus, North Korea's joining the IFIs would be a major step toward international development assistance for North Korea.

South Korea has supported North Korea's membership in IFIs. At the ADB Annual Meeting held in May 1997, and at the IMF/World Bank Joint Annual Meeting in September 1997, the South Korean government announced its position supporting North Korea's joining the IFIs. On May 15, 2000, President Kim Dae-jung indicated that it was time for the global community and international organizations to participate in efforts to provide North Korea with economic assistance, if the North requests it. And the South Korean government formally

asked the members of the ADB to support North Korea's efforts to become a member at the Bank's annual meeting held in Thailand in May 2000.

To clear the way for North Korea's membership, the bilateral relationship between the US and North Korea as well as the bilateral relationship between Japan and North Korea need to be improved. Of particular importance is the removal of North Korea from the US Administration's list of countries supporting terrorism. Under a domestic law, the US Administration is required to oppose financial assistance from IFIs to countries on the terrorism list. North Korea has been on the list since January 1988. Seven nations are currently on the list. The other countries are Cuba, Iran, Iraq, Libya, Sudan and Syria. Given the attitude of the current administration in Washington, the removal of North Korea from the list is not likely to occur any time soon. The US eased sanctions on North Korea on June 19, 2000, but restrictions on North Korea based on multilateral arrangements remain in place.

Interim Assistance for North Korea

Even if all hurdles are cleared, it would still be a couple of years before North Korea can become a member of IFIs and begin to receive substantial financial assistance. Thus, it is necessary to come up with some interim measures to assist North Korea until the IFIs are in a fully operative mode.

Possible interim measures include both multilateral and bilateral initiatives. One conceivable multilateral measure is to establish a Trust Fund for North Korea that could provide not only technical assistance but also financial assistance before North Korea's admission to the IFIs.⁴ There are precedents for trust funds such as those for Bosnia and Herzegovina, the West Bank and Gaza, East Timor, and Kosovo. Setting up a trust fund requires the support of major stakeholders but to a lesser degree than in the case of membership in the IFIs. Richard Armitage, US Deputy Secretary of State in the Bush administration, supported the idea in a report written before assuming his post: "If the North takes the necessary steps, the United States, with its allies, should consider establishing a Korean reconstruction fund within the World Bank or Asian Development Bank."⁵

The most effective measure to assist North Korea during the interim period would be to establish an Interim North Korea Development Assistance Group, which would serve as an aid coordination group.⁶ Participants could include major donor governments, major IFIs, United Nations Development Programme (UNDP), international aid agencies,

and NGOs. In establishing and operating the group, South Korea needs to take a central role as the largest donor. But as North Korea joins the IFIs, the INKDAG can be transformed into a formal Consultative Group (CG) led by the World Bank.⁷ Alternatively, the INKDAG can be given a fixed lifespan, say five years, so that it can operate as a CG for a while even after North Korea joins the IFIs.

The INKDAG as a multilateral aid coordination group has certain merits. First, from the viewpoint of the recipient country, a collective approach compensates for the lack of diplomatic capacities to reach out to many donors. Second, from the viewpoint of donor countries and organizations, a multilateral policy dialogue mechanism can be useful in preventing aid duplication and in assuring transparency of the use of resources provided. Third, for both the recipient and donors, a multilateral mechanism is less susceptible to domestic political concerns than bilateral channels.

The Korean Peninsula Energy Development Organization (KEDO) is a precedent for a multilateral coordination group for North Korea, albeit one restricted to the energy sector. There is also a precedent in a multilateral coordination meeting in the agricultural sector: there were two Roundtable meetings in Geneva sponsored by the UNDP,⁸ one in May 1998⁹ and another in June 2000. North Korea asked donors to provide \$250 million for North Korea's agricultural development programs based on unrealistic production projections. Still the Roundtable on agriculture has not been well supported by its participants. In contrast to these initiatives, the INKDAG would be a comprehensive aid coordination group covering all sectors.

The KEDO has had its critics who are skeptical of the efficiency of nuclear plants in resolving the energy problem in North Korea. Some groups in the US have argued for replacement of light water nuclear reactors (LWRs) by coal-fired power plants or even the abandonment of the Agreed Framework signed in October 1994. Others, to a lesser degree, have noted a need to update certain provisions of the Agreed Framework. For instance, David Von Hippel, Peter Hayes, Masami Nakata, and Timothy Savage suggested offering a package of infrastructure assistance to North Korea in exchange for changes in HFO (heavy fuel oil) deliveries.¹⁰

We note that the main structure of KEDO should be maintained in order to retain credibility with North Korea. Furthermore, any changes in the contents of the KEDO agreement need to be approved by its major financiers, South Korea and Japan. Nonetheless, as many energy experts have already pointed out, construction of two LWRs will at best trigger many infrastructure problems in North Korea's energy sector.¹¹ For instance, the electricity grid in North Korea has to be substantially

rebuilt if the nuclear reactors provided are to operate properly. The providers and the recipient of the reactors will have to talk again to resolve these problems and perhaps launch another round of talks concerning the agreed framework. It seems to us that we have little time to spend on devising a series of quick fixes. What we need is a much broader multilateral coordination framework than KEDO, however improved it may be.

If INKDAG forms, earlier multilateral coordination groups can be absorbed by the new framework, even though this does not necessarily have to be the case. Under the INKDAG, the US and its allies could get more than the KEDO program is supposed to secure, say a nuclear moratorium. North Korea surely demands more carrots in the form of development assistance, international guarantees of her security, etc., while the North needs to offer more than nuclear concessions. China and Russia would also be interested in participating in the INKDAG.

Private Investment in North Korea

North Korea is not able to effectively absorb private investment at her present stage. The investment by South Korean firms in North Korea approved by the government from 1995 to 2001 has totaled approximately \$400 million including almost \$200 million for the Mt. Kumgang project, but not including investment for the LWR construction of more than \$4 billion.¹² Some projects were aborted even before they began, and some were discontinued because the North Korean government did not allow the necessary personnel to visit the North. Most projects have lost money.

The largest obstacle to foreign investment is North Korea's insufficient infrastructure. Most transportation in North Korea is by rail. In 1996, the total length of the railroad network was about 5,000 km, 80 percent electrified. Most railroads are single-tracked and allow operating speeds of only 30-40 km per hour.¹³ In 1996, there were about one million main telephone lines in North Korea, but only 10 percent of them were owned by individuals. During the 1990s, the North Korean government made a substantial investment in optical fiber networks. They have been mainly used for vertical linkages from Pyongyang to local areas, but horizontal communications between households and businesses have not been encouraged.¹⁴

The problem of infrastructure facing private investors can be best illustrated by the plight of a South Korean company, Taechang, which has invested in a spring water project in North Korea since 1996. In order to carry out the project, the company had to build a railroad with its own resources. Partly due to its loss in the North Korea project,

which cost more than \$10 million, the company went bankrupt.

The infrastructure problem applies not only to the physical infrastructure but also to institutional and intellectual infrastructure. For instance, contract enforcement is not taken seriously by North Koreans. In the case of Taechang's spring water project, the contract originally stipulated that Taechang pay \$3.5 per ton to the North Korean counterpart, but later the North Koreans demanded that the payment be raised to \$100 per ton. Also, it is not rare that North Koreans make "exclusive" deals with several parties.

It is well known in public economics that the private sector cannot be expected to provide adequate public goods because of the free-rider problem. Thus, it is the public sector's responsibility to provide public goods such as infrastructure. The INKDAG can be used as an instrument of the international public sector to provide infrastructure necessary for facilitating private investments in North Korea.

If massive public assistance enters the North, private companies can participate in implementing the development programs such as building infrastructure. In particular, the member countries of the INKDAG will probably have some advantage in getting their commercial enterprises involved in the development projects. Furthermore, if private companies believe in the effectiveness of the public programs in developing the North Korean economy, they might enter North Korea on the basis of anticipating evolving and expanding markets.

Another problem that hinders private investment in North Korea is her inability to access international financial markets, due to her default status on external debts. North Korean debts have been traded at more than 90 percent discount in the secondary market. To the extent that the ultimate success of the development program lies in its ability to attract private investment to the target region, the INKDAG should get involved in debt relief and in rescheduling negotiations that would be carried out by the Paris Club, which consists of public creditors, and the London Club, which consists of commercial creditors.

Perhaps what is more important than the external conditions is the will of the North Korean leadership to attract private investment with a view to developing a market economy. In this, we have not yet seen any clear signal. Despite apparent efforts to attract foreign investment, there seems to be no commitment to market-oriented reforms, which would be a necessary condition, not only for a full-scale investment inflow but also for this inflow to have a positive impact on the North Korean economy. Instead, there are indications that foreign investment is only regarded as a channel for generating hard cash for the North Korean regime.

A good case to examine is the Rajin-Sunbong Free Economic and Trade Zone (RSFETZ), established in December 1991 in a remote Northern border area. Rajin-Sunbong is one of the three locations within the UNDP's Tumen River Economic Development Area, which includes also Hunchun in China and Posyet in the Russian Far East. According to the data from the DPRK's Committee for Promotion of External Economic Cooperation available on the website (www.korea-np.co.jp) of Chosun Shinbo, the total cumulative investment realized in RSFETZ as of December 1997 was \$58 million for 77 projects (\$62.5 million including investment by UNDP and "private foreign investors") out of business contracts valued at \$750 million for 111 projects. The poor performance is due to many factors, including the infrastructure problem mentioned above. But the most significant factor is probably its location. The isolated and remote border area was chosen, not to maximize the probability for success and the positive effect on the North Korean economy/but to minimize the impact on the rest of North Korea.

The Mt. Kumgang tourism project, sponsored and operated by the South Korean conglomerate Hyundai since 1998, is another case in point. On this project Hyundai has lost about \$300 million. The project is now dependent on subsidies from the South Korean government. From Pyongyang's perspective, this is a perfect project, one that generates cash for the North Korean government but does not affect the North Korean economy.

The lack of commitment by the North Korean leadership for pro-market reforms and the opening of the North Korean economy is obviously due to the fear that the change introduced may start a dynamic process that cannot be controlled and may eventually lead to the loss of political power. Also, even if the leadership is inclined toward a bold move, the military establishment, which is the most important power base for the current leadership, does not seem to be predisposed to market-friendly reforms. The technocrats who are relatively more open toward changes do not seem to hold sway.

Conclusion

Whatever assumptions people of different ideological shades may make on the future course of North Korea, there seems to be a consensus on one observation: North Korea needs outside assistance to develop her economy. If so, the international community may well take a systematic and organized approach to the task and begin the coordination process now. The long-term benefits of such an approach includes peace and stability on the Korean Peninsula and therefore in East Asia.

In this paper, we have argued that North Korea should be a major target for development assistance. Specifically, we propose an Interim North Korea Development Assistance Group (INKDAG). If North Korea can join the International Financial Institutions now, INKDAG would not be necessary. But this is very unlikely, given the recent international environment. Thus, one should find some interim solution in assisting North Korea's development.

South Korea should take a lead in the proposed multilateral effort. It is perhaps natural that South Korea hopes to reap fruits from an improved bilateral relationship with North Korea. But it would be difficult for the South to control the progress of the bilateral relation, primarily because of North Korea's refusal to let the North-South relationship to become the centerpiece of her external relations. Thus, it would be practical for South Korea to pursue long-term policies based on multilateral efforts for North Korea's development. Once South Korea takes the lead, the US, EU, Japan, and international organizations are expected to participate in the multilateral framework, perhaps after some initial hesitancy.

From North Korea's point of view, the multilateral framework would provide an opportunity to tap large-scale international resources even when bilateral relations with key players are fluctuating. Through the multilateral framework, North Korea would be subject to more economic logic and discipline and fewer political demands compared to bilateral assistance. Once the process begins, the new mode of economic development will have a major impact on popular attitudes toward the economy and on the fabric of the North Korean society, especially given the dire economic situation in North Korea. In the long run, economic development will be the real driving force changing the North Korea.

Notes

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2. See, for instance, Bradley Babson, "North Korea on the Brink: A World Bank Assessment," in Suchan Chae and Kap-Young Jeong, eds., the *Post Conference Volume of North Korea Workshop* (published in January 2000) held at the James Baker III Institute for Public Policy at Rice University in December 1998; see also Myung Chul Cho and Hyoungsoo Zang, "The Present and Future Prospects of the North Korean Economy," *Journal of Asia Pacific Affairs*, Vol. 1, (August 1999), pp. 165-211.
3. *Financial Times*, September 6, 2000.
4. See World Bank, *West Bank and Gaza Update: A Quarterly Publication of the West Bank and Gaza Resident Mission*, Third Quarter 1999.
5. Richard L. Armitage, "A Comprehensive Approach to North Korea," *Institute for National Strategic Studies*, No. 159 (March 1999), National Defense University Strategic Forum.
6. For discussions on aid coordination, see Leelananda Silva, "Aid Co-ordination," UNDP/MDGD Discussion paper, 1999, UNDP, and Paul P. Streeten, "International Cooperation," in H. Chenery and T. N. Srinivasan, eds., *Handbook of Development Economics*, Volume II (New York: North-Holland, 1988), pp. 1153-1186.
7. For a short outline of a general CG process, see World Bank, *Guidelines and Procedures for Preparing Consultative Group Meetings*, March 1989.
8. For discussions on the round-table mechanism, see Thomas J. Hopkins, *Evaluation of the Round-Table Mechanism: A Participatory Approach*, 1998, UNDP; see also UNDP, *The Round Table Mechanism (RTM)*, November 1999.
9. See UNDP, *Thematic Roundtable Meeting on Agricultural Recovery and Environmental Protection in the Democratic People's Republic of Korea (DPRK)*, 1998.
10. Von Hippel, David, Peter Hayes, Masami Nakata, and Timothy Savage, *Modernizing the US-DPRK Agreed Framework: The Energy Imperative*, Nautilus Institute for Security and Sustainable Development, February 16, 2001.
11. *Ibid.*
12. See Ministry of Unification, *Intra-Korean Exchange and Cooperation for 2001*, February 2002.
13. For the status of transport infrastructure in North Korea, see Hae-Hak Oh, "Strategies for Developing Transport Infrastructure in North Korea", in Chang-Ho Yoon and Lawrence J. Lau, eds., *North Korea in Transition*, (Northampton: Edgar Elgar, 2001), pp. 215- 236.
14. For the status of telecommunications infrastructure in North Korea see Chang-Ho Yoon and Young Soo Lee, "Transformation of the Telecommunications Infrastructure in North Korea", in Chang-Ho Yoon and Lawrence J. Lau, eds., *op. cit.*, pp. 183-214.