

## **Policy Forum Online 06-61A: July 25th, 2006**



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### **North Korea Focusing On Technological Development To Revive Economy**

#### **Report by the Institute for Far Eastern Studies**

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I. Introduction This report, published by the Institute for Far Eastern Studies at Kyungnam University, notes, "North Korea has chosen technology as a national priority and refocused its budget through the principle of 'focus and choice.' Furthermore, it seems to be pursuing technological development by simultaneously renewing its existing industries and establishing a foundation for high technology." The views expressed in this article are those of the author and do not necessarily reflect the official policy or position of the Nautilus Institute. Readers should note that Nautilus seeks a diversity of views and opinions on contentious topics in order to identify common ground.

II. Report by the Institute for Far Eastern Studies- North Korea Focusing On Technological Development To Revive Economy  
by the Institute for Far Eastern Studies North Korea has recently been focusing on technological

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development as a means of spurring economic development. The recently obtained June 2005 issue of "People's Education," a North Korean magazine on education, states the following: "In order to establish a mighty socialist nation, we must build up our economic power to the highest level, which in turn necessitates advanced technological development as a prerequisite." Regarding the emphasis on technology, the magazine explains that "we will concentrate our efforts on the nation's technological development, strengthening state investment and raising the interest of society as a whole . . . Technology must support the revolution! for socialism to triumph" The magazine also states that "our nation is not a large one, either in terms of size or population . . . If we intend to advance ahead of larger nations by rapidly developing our technology, we must utilize both physical and human resources to their greatest effect." Technology development cannot be achieved through the efforts of a few scientists and technicians; "it must be based on the creative powers of the general public on a wider scale." North Korea has held several events to promote international as well as domestic technology exchange (such as the Pyongyang International Technology Book Fair in June and the Inventions and New Technology Exhibition last September) and is attempting to improve the quality of education for training technology-related human resources. In his June 12th interview with The Chosun News, a publication of the Association of Korean Residents in Japan, Lee Moon-ho, head of the Science Institute's technology division, stated that a system for beneficially linking technology and the economy is being put in place since the measures to improve economic management were adopted on July 1, 2002. According to Lee, scientists "research results, inventions, and technological developments -- so-called 'intellectual goods'" -- are now exchanged and circulated, whereas in the past they were not. This is meant to foster cohesive guidance and management of the technology and economic sectors. The information exchange takes place between research centers and factories according to their autonomous approval, independent of the state. Under this system, the research centers can directly contract with factories or businesses to undertake practical research. The centers are also guaranteed funds to develop new research and allowed to establish their own method of operation. Instead of relying wholly on government support as in the past, research centers now consider which projects will actually generate income for the scientists, according to the principle of utilitarianism. The criteria for judging management have also changed, so that factories and businesses will have a vital interest in technology. Not only must each unit produce the amount specified in the state's plan, but the price will also vary according to the quality and innovativeness of the products. Factories and businesses will be unable to meet the production targets unless they introduce more advanced technologies. As most mid-level research centers under the Science Institute are concentrated in Pyongyang, efforts are now being made to develop the in-house research capabilities of regional production units. Individual factories and business are attempting to foster research staff, and the state is adopting the necessary administrative measures. North Korea has chosen technology as a national priority and refocused its budget through the principle of "focus and choice." Furthermore, it seems to be pursuing technological development by simultaneously renewing its existing industries and establishing a foundation for high technology.

III. Nautilus Invites Your Responses

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: [bscott@nautilus.org](mailto:bscott@nautilus.org). Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

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