

How people envision becoming an entrepreneur in North Korea

Submitted by: BlueSky Education

Tuesday, 7 September 2021

Despite the fact most forms are illegal, entrepreneurial engagement is still possible and desirable in North Korea, according to new research by Aalto University School of Business.

The study, conducted by Professor Ewald Kibler and his co-authors, examined how individuals wish to become an entrepreneur under the serious institutional constraints in a rigid, planned economy.

They found that despite the fact most commercial forms of entrepreneurship are illegitimate, and often illegal, individuals residing in North Korea are very much able to identify opportunities for entrepreneurial engagement.

The researchers were able to distinguish four types of prospective entrepreneurial narratives: personal dreamwork, economic patriotism, industrious collectivism, and individualistic heroism.

With personal dreamwork, individuals dismiss the expectation to follow the governments directives by developing novel products and service based on their personal interests.

“This observation is puzzling because prior research on North Korea commonly points towards the rigid and strict limitations of business ownership, as illustrated by the words of a North Korean presented in Kim and Rousseau’s (2019) study, ‘In North Korea, even if you work hard, there is nothing you can own.’ Such view sharply contrasts with what we identify as personal dreamwork, where North Koreans strongly envision entrepreneurial ownership,” says Professor Kibler.

For individualistic heroism, the individual adopts the dominant template of government approved businesses to pursue personal goals that contradicts existing norms, but conformity is only displayed to gain legitimacy.

With industrious collectivism, compromise is shown because entrepreneurs try to strike a balance between firms’ internal goals (to generate profit, innovate etc.), and its external goals (to contribute to society).

And finally, with economic patriotism, individuals use their elite status and exclusive social connections in order to gain legitimacy in a planned economy.

The study reveals that for entrepreneurs in North Korea, it is mostly value-laden and politically charged, suggesting that entrepreneurs make use of political strategies to gain favour and approval within the context of constraining institutions.

The research was published in the Journal Academy of Management Discoveries.

/ENDS

For more information, a copy of the report, or to speak to Professor Kibler, contact Katie Hurley at

BlueSky Education on khurley@bluesky-pr.com or call +44 (0) 1582 790708.