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The Role of Regional Councils in Assisting Resettlement of North Korean Refugees

- Evidence from Labor Market Participation -

August 2018

Graduate School of Public Administration
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The Role of Regional Councils in Assisting Resettlement of North Korean Refugees

-Evidence from Labor Market Participation-

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Abstract

This study aims to examine the role of regional councils for assisting North Korean refugees in the formation of social capital that North Korean refugees can draw on in their resettlement efforts. In order to confirm regional councils’ role and effects as measured by indicators of labor market participation, this study takes both qualitative and quantitative approach. First, a directed content analysis is conducted on transcripts of interviews with 24 North Korean refugees regarding their experience of career adjustment with the purpose of differentiating various channels of information, referrals or support in securing a job. Then, another directed content analysis is conducted on a set of government records of regional councils’ decisions and actions in order to determine whether and how regional councils affect the formation of social capital in the surroundings of North Korean refugees. Lastly, a panel analysis is conducted to quantitatively assess the effects of regional councils on North Korean refugees resettlement as measured by indicators of labor market integration.

Findings of this study are as follows. First, a directed content analysis on 24 interview transcripts revealed that North Korean refugees receive support from government institutions, North Korean refugees and network of South Korean contacts in the form of information, referrals or recommendation or direct offer for employment. Second, a directed content analysis on 104 government records on the decisions and actions of regional councils demonstrated that by facilitating exchange of accurate information, coordination and cooperation, regional councils are actively engaged in the formation and expansion of social capital among actors involved in community level resettlement assistance in three different dimensions, 1) among government institutions; 2) between government institutions and civil society
organizations and 3) between North Korean refugees and the community residents. Lastly, fixed-effects and random-effects regression analyses using different policy instrument as control variables showed that *ceteris paribus*, the number of regional councils per region has statistically significant correlations with North Korean refugees employment rate and unemployment. On the other hand, the same explanatory variable could not account for changes in the out-of-labor-force rate among North Korean refugees per region.

Keywords: Regional Councils for Assisting North Korean Refugees, North Korean Refugees, Resettlement Assistance, Labor Market Participation, Social Network, Social Capital

Student ID: 2015-24357
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Chapter I. Introduction

Although North Korea has toughened out a series of grave challenges, political and economic as well as internal and external, and left the outside world repeatedly surprised at the hermit state’s unparalleled resilience, assuming such track record of resilience to continue long into the future would be not merely naive but irresponsible given its potential of causing tremendous instability in the neighboring region. Even if the young leader of the Democratic People’s Republic of Korea, Kim Jong-Un, succeeds in replacing the Korean Armistice Agreement with a peace treaty using his extraordinary diplomatic stratagem and do away with intensifying challenges to his fast-eroding legitimacy, it remains imperative that South Korea consistently stay prepared for potential impacts stemming from any form of the regime change in Pyongyang. In light of such heightened prospect of a major change in power dynamics surrounding the peninsula, the population of North Korean refugees residing in the South, while they can hardly represent the average citizens in the North, do provide an invaluable lens through which we can gauge future challenges we are likely to face in the course of unification and social integration. Particularly, the German experience of reunification and social integration suggests that restructuring and incorporating North Korea’s labor force into that of the South will almost certainly result in massive unemployment which in turn is likely to require a set of costly welfare programs for a prolonged period of time. The social safety net expenditure in post-reunification Germany amounted to approximately 50% of total unification costs mainly due to

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mass unemployment and withdrawal from the labor market in the former East German regions.

As of December 2017, there were over 31,000 North Korean refugees residing in South Korea. Of the identical ancestral, cultural and linguistic heritage, most of the refugees fled their bleak chance at life in the North and came to South Korea in search of liberty and better chances at education and economic prosperity. In spite of significant divergence in the ways of life since the time the peninsula was divided into two, few hardly imagine or expect the harshness of the reality that living in a democratic capitalist state would pose. Although some refugees do adjust relatively smoothly to South Korean society and achieve economic independence, a recent survey reveals that on average, a minimum of 7 to 9 years is required until most refugees feel adequately resettled in the new society. In fact, various indicators related to economic activity suggest that the extent of disparity in the quality of employment for average refugees as measured by average salary, duration of employment and occupational sectors is such that the conditions are much less favorable for North Korean refugees not just compared to their South Korean counterpart but even in comparison to average migrant workers in the country, suggesting that North Korean refugees experience even steeper entry effects. Indeed, Kim Hye-Rim notes that despite amplified importance of successful resettlement in South Korea, the challenges North Korean refugees experience have not been much alleviated. Particularly, she cites the fact that as of 2015, out of 791 refugees who could not be located in the resident registration system, 662 were confirmed to have left the country. The number of refugees seeking asylum abroad also have been

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2 김동명. 2010. 독일통일, 그리고 한반도의 선택. 한울.
growing from 11 in 2013, to 15 in 2014 and to 22 in 2015. Other indicators such as the numbers of people whose protection period were prematurely terminated due to commitment of crimes and incarceration, the number of refugees returning back to the DPRK, fraudulent claims of benefits and suicides point to the magnitude of difficulties refugees experience.\textsuperscript{4} Narrowing the scope to the labor market participation, the disparities in employment rate, unemployment rate and out-of-labor-force rate between North Korean refugees and the rest of the country provides a glimpse into the difficulties North Korean refugees experience in their resettlement process.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Comparison of Economic Activity Indicators, 2011-2017\textsuperscript{5}</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variables of Economic Activity</td>
<td>Employed</td>
</tr>
<tr>
<td></td>
<td>North Korean Refugees</td>
</tr>
<tr>
<td>2011</td>
<td>49.7</td>
</tr>
<tr>
<td>2012</td>
<td>48.3</td>
</tr>
<tr>
<td>2014</td>
<td>56.6</td>
</tr>
<tr>
<td>2015</td>
<td>54.6</td>
</tr>
<tr>
<td>2016</td>
<td>55.0</td>
</tr>
<tr>
<td>2017</td>
<td>56.9</td>
</tr>
</tbody>
</table>

Needlessly to say, in that first generation immigrants’ economic maladaptation in the form of underemployment is likely to be translated into underemployment and economic hardship of the next generation,\textsuperscript{6} such disparity presents a formidable

\textsuperscript{4}김혜림. 2016. 김정은 시대 탈북현상과 북한이탈주민 지원제도에 대한 고찰. 민족연구 66호.
obstacle to the long-term social integration of the South Korean society and to potential integration process that will unfold once unification is undertaken. Although the huge discrepancies in education level and contents are the most fundamental factors underlying low employment rate amongst North Korean refugees, statistics such as one that says only 10.3% of refugees’ employment was facilitated by the government institutions while 51.1% by North Korean refugees or neighbors cast serious policy implications and certainly suggest there exists ample room for improvement in the workings of labor market integration policy. According to the 2017 Settlement Survey of North Korean Refugees published by North Korean Refugees Foundation, respondents stated that assistance in finding jobs or starting a business is the area where support is most needed (24.6%), followed by healthcare (17.9%) and housing (13.2%). These numbers vary substantially depending on their domicile or the length of residence in South Korea. For example, in a survey conducted to North Korean refugees residing in Seoul, refugees pointed to medical assistance as the most needed service (21%) followed by financial assistance (18.3%), employment assistance (18.1%) and education assistance (17.9%). Yet, refugees under the age of 20 (24%) or with shorter period of residing in South Korea tended to be more in need of employment assistance while medical assistance (35.3%) and financial assistance (32.1%) were preferred by those over the age of 60.

Another set of complicating factors for resettlement policy is the speed at which the North Korean refugee population grows and correspondingly dwindling public housing in the metropolitan area to accommodate all North Korean refugees who prefer Seoul, Incheon or Gyeonggi to non-metropolitan areas. The steep increase

7 북한인권정보센터. 2017. 북한이탈주민 경제사회통합 실태.
9 북한이탈주민지원재단. 2014. 서울시 북한이탈주민 실태조사. P.4
in the number of North Korean refugees since mid 1990s, following the sudden death of Kim Il-Sung and the Great Famine that ensued in the North, came to trigger both a major shift in the policy approach to emphasize economic independence and the decision to assign greater proportion of newly admitted refugees to non-metropolitan areas. Inevitably, such policy change resulted in an extensive rearrangement in the structure of resettlement assistance. The new structure involves not only government institutions such as employment protection officers, resettlement protection officers and personal safety officers along with regional adaptation centers that are quasi-government institutions, now various civil society organizations in the private sphere also became an integral part of the community level resettlement assistance system. Whereas the rearrangement of resettlement assistance system was intended to facilitate community-level adjustment, the decentralized system of resettlement assistance also has been confronted with challenges inherent in such scattered system of implementation. Indeed, there has been gradual but surely growing recognition of the need for coordination and cooperation among the institutions involved in resettlement assistance. As a representative from a regional adaptation center noted, “a single institution can contribute only so much to effective settlement assistance. Services and programs offered by different institutions need to be shared and coordinated.”

Moreover, while the government incentivizes resettlement in the non-metropolitan areas by offering greater sum of monetary assistance for resettlement, inadequate support system, lack of quality employment opportunities, and generally lower living standards still prompt many North Korean refugees in the non-metropolitan area to move to the metropolitan area, accelerating the concentration.

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10 Incheon. 2015. Regional Council Minute.

This is not surprising in that resettlement in South Korea requires adaptation in almost every aspect – economic, social, cultural, political, etc. - in a given community and that system of resettlement assistance at the level of local community could as well be vital. After all, these communities are where North Korean refugees belong and live their everyday life.

Regional councils for assisting North Korean Refugees (hereafter, “regional councils”) are a policy instrument that was devised to fill the void. Consisted of representatives from government institutions, civil society organizations and professionals that are involved in the community-level resettlement of North Korean refugees, regional councils aim at building and nurturing a system of cooperation among relevant institutions and organization to enhance the efficiency and effectiveness of the resettlement assistance system. Regional councils were first established as a pilot program in 2001 in nine districts of higher concentration of North Korean refugees, and as of 2017, 114 regional councils have been established across the country.

Theoretically, in that regional councils explicitly attempt to harness the problem-solving capacity of the non-government actors and the role of public-private partnership in addressing social issues, it embodies the values of the new governance paradigm and constitutes a move away from a set of policy instruments that incorporate the values of new public management paradigm.

As much as the regional councils’ objective of facilitating communication, coordination and cooperation is critical to the success of the entire resettlement system in its current form, whether and how effectively they actually play such role deserves a closer examination.
1.1 Objective of the Research

This paper aims to examine the role and effects of regional councils on North Korean refugees’ efforts at resettlement as measured by different indicators of refugees’ economic activity. Specifically, it attempts to 1) look into the mechanism of how regional councils impact North Korean refugees’ economic integration as measured by indicators of economic activity and 2) gauge the degree of regional council’s influence relative to other policy tools such as regional adaptation center, employment protection officers, resettlement protection officers and personal security officers. To that end, theories of new governance and social capital are first explored for their implications on resettlement assistance policy. Then, prior research are reviewed in the areas of general evaluation of resettlement assistance policy, community level resettlement assistance system and the role of social capital in labor market participation. Then as informed by both existing literature and theories, the role of social capital in North Korean refugees’ career adjustment and the role of regional councils in the formation and expansion of social capital are examined using both qualitative and quantitative approaches. The analyses are conducted in the following steps. First, a directed content analysis is conducted on transcripts of interviews with 24 North Korean refugees on their experience of career adjustment to determine different channels of assistance that lead to actual employment. Then, government records on regional councils – minutes, plans and activity reports – are reviewed to conclusively establish the mechanism of how regional councils affect the channels of support in North Korean refugees labor market participation. Lastly, the effects of regional councils on employment rate, unemployment rate and out-of-labor-force rate relative to the effects of other community level instruments are estimated using fixed-effects and random-effects panel analysis.
1.2 The State of North Korean Refugees’ Labor Market Integration

Indicators of North Korean refugees’ labor market participation have seen constant improvement in recent years. As of 2017, the employment rate among North Korean refugees was 56.9% up from 55% in 2016. The labor market participation rate also saw a significant hike at 61.2% compared to 57.9% a year before.

However, underneath these superficially positive signs are persistent and structural disparities. Not only they are less likely to be employed and more likely to be unemployed, North Korean refugees in general are much less likely to participate in the labor force in the first place. Looking at occupational sectors, North Korean refugees are 50% more likely to work in manufacturing industry, almost 75% likely to work in lodging and restaurant businesses while 70% less likely to work in wholesale or retail industry, when compared to national averages in the year of 2017. Further, North Korean refugees were whopping 58% more likely to work in manual labor and 67% more likely to work in service industry whereas they were 39% less likely to work in professional industry. Among the employed, while the proportion of regular employees was slightly higher than the national average, the proportion of day laborers among North Korean refugees was three times higher at 16.5% compared to just 5.3%. The proportion of self-employed North Korean refugees was 36% lower at just 13.6% compared to 21.3%.

The above statistics demonstrate the extent of structural vulnerability in North Korean refugees’ labor market participation. Thus, despite the recent positive

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12 북한이탈주민지원재단. 2017. 북한이탈주민 정착실태조사. p. 46
13 p. 47
14 p. 48
changes in the indicators of North Korean refugees’ labor market participation, there
still exists a lot of room for improvement until a better integrated North Korean
refugees labor market is achieved.

1. 3 Changes in the Legal Framework of Resettlement Assistance

Pursuant to Article 2, Section 1 of the Special Laws for Protection and
Resettlement (SLPR) for North Korean Refugees, North Korean refugees are defined as
“individuals that 1) have address, direct family member, spouse, or employer in the
north of the military demarcation line; 2) have left the territory of the Democratic
People’s Republic of Korea; and 3) and have not since obtained a citizenship of a
foreign country.” However, for administrative purposes, the scope is narrowed down
to individuals that have defected to South Korea and have been determined as eligible
for resettlement protection. The Ministry of Unification started to use the term North
Korean refugees since 1997 in order to do away with the inherently negative
connotation of the term “defector.”

A country’s policy stance towards refugees is a “product of interactions
between foreign policy imperatives and domestic political and cultural
considerations.”15 Similarly, the objectives of past policies toward North Korean
refugees evolved largely in line with changes in South Korea’s relationship with the
DPRK and domestic needs. Whereas pre-1993 policies, amid strong anti-communist
ideology and attitude, treated North Korean refugees as national heroes who braved
death in search for liberty and democracy, post-1993 policy reflecting the steep

increase in the number of refugees aims at inculcating in North Korean refugees capabilities for economic independence and self-support. Such changes in the attitude are evident in the vocabularies used in relevant laws enacted heretofore:

   - There was no exact count of North Korean refugee population, and there practically existed no policy assistance. The refugees were accepted for the sole purpose of ensuring national security.

   - The 1962 act stipulates treatment of refugees to be commensurate to that of national war veterans.


- Takes the approach of humanitarianism, human rights protection, preparation for potential unification and achieving a mature society that embraces differences and the socially vulnerable.  

- Amendments made to the Special Laws on Protection and Resettlement Support for North Korean Refugee-Residents are listed in chronological order:

1) 1997-1999: Emphasized independence and self-support while replacing the concept of ‘returnees’ with ‘refugees’;
2) 1999-2004: Bolstered resettlement assistance program expanding the scope the eligible ages for the purpose of providing education assistance;
3) 2004-2006: transformed previous scheme of resettlement cash grant to resettlement incentive payment system, expanded provision of rental housing, and introduced settlement facilitator program;
4) 2006-2008: inserted provisions for special divorce, improved system for obtaining professional certification, and extended the duration of employment protection;
5) 2009: expanded protection for long-term overseas travelers, and provision of local adaptation training and assistance for schools and youth refugees; and
6) 2010: founded Korea Hana Foundation and North Korean refugees’ Preliminary school

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16 통일부. 2017. 2017년 지역적응센터 운영매뉴얼. p. 4
7) 2013-2014: inserted provision for assistance in asset accumulation, established basis for conducting research regarding employment and education.

Overall, insomuch as North Korean refugees’ adaptation into a democratic capitalist society requires a long-term, systematic and well-thought out intervention, the shortened period of protection eligibility accompanied narrowed scope of eligible refugee-residents heightens the importance of the support system at the local community level. In particular, the legislative intention of the 2009 amendment is to capitalize on the capacities and resources of the local government, employment assistance centers, resettlement helpers, and local social welfare institutions in providing systematic and comprehensive support to North Korean refugees.17

17 통일부. 2017. 2017 년 지역적응센터 운영매뉴얼. p.4
## 1.4 Current System and Process of Resettlement Assistance

[Figure 1] Resettlement Process for Newly Admitted North Korean Refugees

<table>
<thead>
<tr>
<th>Request for Protection and Transfer to South Korea</th>
<th>Enter South Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Upon registration of a request, report to relevant government agencies</td>
<td></td>
</tr>
<tr>
<td>• Accommodate refugees in embassy or consulate facilities</td>
<td></td>
</tr>
<tr>
<td>• Upon verification of identity, negotiate with the host country to arrange immigration of refugees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Joint Interrogation</td>
</tr>
<tr>
<td></td>
<td>• Conduct joint interrogation upon entrance of refugees by relevant government agencies such as National Intelligence Service and the National Police Agency</td>
</tr>
<tr>
<td></td>
<td>• Upon completion of interrogation, transfer refugees to Hanawon where refugees receive education and trainings for social integration</td>
</tr>
<tr>
<td></td>
<td>Determination of Eligibility for Protection</td>
</tr>
<tr>
<td></td>
<td>• Consultative Council determines eligibility for protection</td>
</tr>
<tr>
<td></td>
<td>• Make eligibility decision for each household</td>
</tr>
<tr>
<td></td>
<td>Resettlement Preparations at Hanawon</td>
</tr>
<tr>
<td></td>
<td>• Education and trainings for social adaptation (392 hours, 12 weeks): Psychological security, understanding of South Korean society, career counseling and basic vocational trainings</td>
</tr>
<tr>
<td></td>
<td>• Support initial settlement efforts by registering family relationship information in the government system and making arrangement for housing, disbursement of resettlement grants and incentive payments</td>
</tr>
<tr>
<td></td>
<td>Move into Assigned Domicile</td>
</tr>
<tr>
<td></td>
<td>5 years of Resettlement Protection</td>
</tr>
<tr>
<td></td>
<td>• Incorporate into social safety net and grant national basic living security and national health insurance coverage</td>
</tr>
<tr>
<td></td>
<td>• Provide vocational/employment assistance with employer subsidies, free vocational trainings, educational accreditation, etc.</td>
</tr>
<tr>
<td></td>
<td>• Provide assistance in education by allowing for special admission/transfer and tuition subsidies</td>
</tr>
<tr>
<td></td>
<td>• Assign personnel for protection in community adaptation, employment and personal safety</td>
</tr>
<tr>
<td></td>
<td>Engagement of Community Organizations</td>
</tr>
<tr>
<td></td>
<td>• Provide a wide array of services through Korea Hana Foundation</td>
</tr>
<tr>
<td></td>
<td>• Designate and oversee operation of 23 regional adaptation centers nationwide</td>
</tr>
<tr>
<td></td>
<td>• Assign volunteer resettlement facilitators</td>
</tr>
<tr>
<td></td>
<td>• Assign professional counselors</td>
</tr>
<tr>
<td></td>
<td>• Provide comprehensive counseling and deliver services tailored to North Korea refugees’ needs</td>
</tr>
</tbody>
</table>

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The current system of resettlement support requires implementation at the levels of the central government, local government and the private sector as described below:

a. At the central government level, the Ministry of Unification carries out government-wide deliberation and coordination.

b. At the local government level, various public and private institutions carry out programs to support North Korean refugees’ resettlement. At that level, regional councils function as a community-level policy coordination body composed of representatives from regional adaptation center, employment protection officers, resettlement protection officers, personal safety protection officers, school district, and civil society organizations.

c. At the local community level, regional adjustment centers nationwide and the North Korean Refugees Foundation manage a pool of pilot programs implemented in local communities in collaboration with community welfare institutions and civil society organizations.
1.5 Overview of Regional Councils for Assisting North Korean Refugees

Regional councils are governed by the Article 42, Clause 2 (Creating and Operating Provincial/District Councils) of the Enforcement Decree under the Special Laws for Protection and Resettlement Assistance for North Korean Refugees as well as by the Article 14 (Designation of Regional Adaptation Centers) and Article 30 of the Guidelines for North Korean Refugees Resettlement Protection (Constituting and Operating Regional Councils).

Regional Councils for Assisting North Korean Refugees were instituted in preparation for central government’s transfer of responsibility for resettlement assistance programs onto local governments. The Ministry of Unification set the ground for establishing regional council for assisting North Korean refugees in May 1999 by stipulating Article 14 of the Guidelines for North Korean Refugees Resettlement Protection with the purpose of building an organic network of support among community organizations and local governments as well as active engagement of the private sector in general. Pursuant Section 2, Clause 3 of the Operational Guidelines for Regional Councils for Assisting North Korean Refugees, head of provinces, districts and municipalities with over 100 North Korean refugees must put efforts to establishing a regional council. First tried in 2001 as a pilot project in nine areas of higher refugee concentration, as of 2017, there were 114 regional councils operating across the country. Intended to function as a deliberative body to boost coordination and cooperation among relevant actors, these councils consist of the head of or an individual appointed by the head of local government, resettlement protection officers, employment protection officers, personal safety protection officers, social workers, people from local religious and civil society organizations and major local
enterprises. These councils are charged with carrying out its responsibilities related to 1) programs to support employment, 2) programs to support education, 3) programs for medical and legal support, 4) programs to improve perceptions of North Korean refugees, 5) programs to facilitate interactions and alliances between North Korean refugees and community residents, and 6) programs to bolster the foundation for North Korean refugees’ adaptation that reflect local specificities.\textsuperscript{19} Below is a list of primary responsibilities of regional council as specified in the 2017 Operation Guidelines for Regional Adaptation Centers.\textsuperscript{20}

1. Introduction to local welfare system and administration of programs that cultivate shared understanding
   a. Gives out ‘Welcome Union,’ a booklet of community information
   b. Administer family support program that admits newly admitted North Korean refugees as members of the community and holds holiday, summer, year-end gatherings that cultivate familiarity between the refugees and community members
2. Promotes programs with local organizations that support North Korean refugees
   a. Form alliances between families of North Korean refugees and community residents
   b. Operates mentoring programs by volunteers from private organizations
   c. Facilitate close alignment with programs of regional Hana Center

\textsuperscript{19} Section 3 of the Operational Guidelines for Regional Councils for Assisting North Korean refugees.
3. Establish sector-specific counseling systems
   a. Expand and maintain the pools of professionals (social workers, doctors, lawyers, teachers, psychological counselors, religious leaders, etc.) for assistance in respective areas.

4. Develop and implement programs for job training and employment matching services
   a. Actively support employment related counseling with the help of employment support officer and local social welfare institutions

5. Hold seminars and occasions of public discussions in order to share experience of local institutions and organizations
   a. Discuss issues in and share ideas on support programs in regular council meetings
   b. Sponsor community-level seminar on effective resettlement support system
   c. Visit exemplary support organizations and publicize their case

6. Support and academic assistance programs for the youth (learning and career planning programs)
   a. Provide academic and/or career counseling
   b. Hold information sessions on college admittance and special admissions program to universities

7. Develop and implement gender/age-specific programs
   a. Social adaptation programs for women refugees (psychological counseling, health, family, etc.)
   b. Social adaptation programs for elderly refugees (psychological counseling, part-time work)
   c. Free health check-up at local medical institutions
Chapter II. Theoretical Discussion

2. 1 Theoretical Discussions

2. 1. 1 Theory of New Governance

Although it has been a very popular subject in various disciplines, there is no consensus on what precisely new governance refers to. Nevertheless, it is generally accepted that new governance broadly refers to the structure or ways of governing whereas the same term in its narrow sense denotes cooperative network among government, market and civil society. According to Kooiman’s categorization of political administrative systems, new governance corresponds to self-governance or network governance that emphasizes problem solving based on trust and cooperation among various actors within a network.\(^\text{21}\) Rhodes characterizes governance as 1) involving both government and non-government actors, 2) entailing sustained interactions among members of a network for the purpose of coordinated exchange and sharing of resources, and 3) being a network of individuals independent of government.\(^\text{22}\) On the other hand, Lee Myeong-Seok views new governance as a means of network-based social coordination, as opposed to hierarchy-based social

coordination that relies on political authority or to market-oriented social coordination based on voluntary exchanges.\textsuperscript{23}

The emergence of the new governance paradigm was a natural response to the recognition of the inability on the part of the market and the bureaucracy to properly address increasingly complicated social problems and an attempt at a noble approach that would allow for better grasp of social problems. Not only was the rigid bureaucracy incapable of moving beyond its staple of control and directives in solving problems, due to such rigidity, governments failed to perceive and adjust to the fast changing environment. The exploration and adoption of new governance approach was at the same time fueled by the inadvertent but debilitating byproducts of market-oriented managerialism widespread under the sweep of new public management (NPR) paradigm.

Although emergence of civil society in Korea was effectively repressed for as long as authoritarian regimes remained in power until mid 1980s, with the gushing movement of democratization unleashed by the 1987 June Democratic Uprising, decentralization and deregulation took root and resulted in the proliferation of civil society organizations representing previously suppressed interests and a sudden upsurge of their political clout to an unprecedented degree.

Civil society organizations are now dominant provider of social services (brown, 1993; Fisher, 1998) and their status in a society as institutions that pursue public good contributes to establishing and improving social governance (Clark 1991, Commission on Global Governance, 1995; Frantz 1987). Yet inasmuch as the success of new governance is contingent upon human, social and institutional capital

\textsuperscript{23} 이명석. 2006. 거버넌스 이론의 모색: 민주행정이론의 재조명. 국정관리연구. 1(1): 36-63
embedded in a society, intervention on the part of government as a party that possesses immense stocks of such capital is almost always necessary. In fact, official as well as unofficial interactions between government and civil society only attest to the interdependence between the two and that they indeed jointly facilitate materialization of collective interests.

While ways in which the state may affect accumulation of social capital and functioning governance depends on the particular historical, institutional, and cultural arrangement of each society, this paper limits its scope to the ways government forms and maintains complementary and cooperative relationship with the civil society.

2. 1. 2 Theory of Social Network

Robert Putnam’s theory of social capital or civic community as substantiated in his seminal work, Making Democracy Work, propounded a critical variable that can explain varied institutional performances of local governments. Used interchangeably, social capital or civic community as a horizontal association among individuals, refers to features and conditions of societal organization such as networks, participatory norms, social trust that facilitates or enhances cooperation among participants and

thereby collective productivity. Horizontal networks of civic engagement foster social trust and the norm of reciprocity by facilitating communication of accurate information and cooperation, and social capital augments a society’s ability to overcome dilemmas of collective actions. Social capital and institutional patterns are also cumulative and self-reinforcing in that experiencing voluntary cooperation and achieving common good, over time, become engrained in the social fabric as its cultural template. The chances of achieving greater common good are undoubtedly enhanced. And a civic community becomes “characterized by a dense network of local associations, active engagement in community affairs, and egalitarian patterns of politics, trust and law-abidingness.”

Putnam expounded four salient variables that explained disparities in the performance of local governments in Italy:

(1) Civic Engagement

In a civic society, citizenship is best manifested in citizens’ active engagement in public issues. Active interests in and pursuit of common good comprise the core of civic virtues.

(2) Political Equality

Citizenship entails not merely equal rights but commensurate degree of obligations. Also, sharing such obligations horizontally, citizens and leaders cooperate

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32 Putnam, 1993a: 167
33 Putnam, 1993a: 179
34 Putnam, 1993a: 182
35 Putnam, 1993a: 87
from equal positions rather than vertical governor-governed or patron-client relationships.  

(3) Solidarity, Trust and Tolerance

Citizens of a civic community cooperate, respect and trust even when they take different, even conflicting positions on social issues. 

(4) Associations: Social Structures of Cooperation

The norms and values of a civic community become embodied in and reinforced by distinctive social structures and practices. Particularly, internal and external effects of civic associations contribute to effectiveness and stability of a democratic society. Internally, civic associations engender habits of cooperation and prioritizing public interest; externally, it enhances the social capacity to express and mobilize interest. As Geertz observed, “the most successful local organizations represent indigenous, participatory initiatives in relatively cohesive local communities”

Another seminal contribution of Putnam is with respect to the role of social capital in addressing dilemmas of collective action and with distinguishing the pattern of kinship-based social exchanges and interactions from those that occur across many of such groups. While bonding social capital refers to a social network contained within a homogenous group, bridging social capital links members of heterogeneous groups. Bridging social capital exists amongst different heterogeneous groups to
“cut across social cleavages and nourish wider cooperation,” whereas bonding social capital may obstruct such nurturing of society-wide, between-group cooperation.\textsuperscript{41} Further, Putnam refutes Olson’s argument that stronger groups are incentivized not to cooperate in order to address social problems but instead are incentivized to seek socially costly and inefficient “rent seeking” behavior as patently evidenced in interest groups’ lobbying and collusion by means of identifying the specific type of social capital undergirding such rent-seeking behavior as “bonding capital.”\textsuperscript{42} Advancing his argument further, Putnam contends that with sufficient level of bridging social capital, a happier equilibrium can be reached, one that is based on voluntary cooperation and is superior to a forced equilibrium resulting from a hierarchical solution.\textsuperscript{43} What is even more encouraging has to do with his observation of how regional institutional reform resulted in social learning in Italy. Extrapolating that “formal change induced informal change and became self-sustaining,” he essentially argues that institutional changes, albeit slowly, do bring about changes in identities, values, power, strategies and overall political culture of a community.\textsuperscript{44}

On the other hand, it has been argued that nurturing of social trust and cooperation is possible in forms of social structure other than a horizontal network. While Putnam viewed that nurturing of social capital is possible only in a network of horizontal relationships and interactions while vertical network, regardless of its density and importance, cannot nurture social trust and cooperation\textsuperscript{45}, Coleman expands the scope of network capable of nurturing social capital by arguing that that

\textsuperscript{41} ibid
\textsuperscript{42} Putnam, 1993a: 176
\textsuperscript{43} Putnam, 1993a: 177-178
\textsuperscript{44} Putnam, 1993a: 184
\textsuperscript{45} Putnam, 1993a: 174
social capital is an intrinsic element that exist in any structure of relationships, be it vertical or horizontal, among individuals.46

The notion of social capital became even more encompassing when Seragedin and Grootaert argued that, in addition to unofficial interpersonal relationships, official and institutionalized relationships such as with government, regime, rule of law and judicial system as well as citizens’ political freedom comprise a society’s social capital.47 In this sense, the scope of social capital incorporates, beyond social structures of relationships, the totality of all norms that dictate interpersonal behaviors.48

Social capital is conducive to achieving practical objectives, whether such objective relates to developing human capital49 50, economic performance of enterprises,51 regional development52 53, or states54 or even democracy.55 Indeed, as early as 1984, Tocqueville observed that horizontal networks and various social associations in America generated democratic norms and virtues of mutual trust and cooperation which in turn carried out collective desires and objectives, ultimately leading to development of the society.56 Social capital, via network of relationships among individuals and active engagement in public issues, 1) allow official and
unofficial institutions to communicate accurate information, 2) restore trust by facilitating interactions among individuals, 3) create external effects through collective decision making.\(^{57}\) Further, different research have indicated that in the context of civil servants’ relationship to local community, social capital on the basis of network of trust and cooperation ultimately enables establishment of governance.\(^{58}^{59}\) Tendler’s research on health care program in Northeast Brazil, for instance, demonstrates how a network of trust between 7,000 newly hired health agents and communities overcame deeply rooted distrusts toward civil servants and led to the success of the program. Efforts to build personal ties of reciprocity based on perceiving each other as “true friends” helped generate a shared commitment to the community.\(^{60}\)

In that social capital, as collective stock of capital commonly available to members of a network,\(^{61}\) allows individuals within a network to attain first access to necessary information and available opportunities, discussion of social capital in the context of regional councils in North Korean refugees policy is indispensible. From neo-institutionalists view, a system of network system among actors of governance is a critically important cooperative system that can play a positive role in the formulation and implementation of public policy.\(^{62}\) Although some argued that vertically structured network may result in less optimal level of social capital compared to that from a horizontally structured network, it has been also argued that when government control is decentralized and local government, as a mediator and facilitator, share a

\(^{57}\) Segageldin & Grootaert, 2000:48-49
\(^{60}\) Ibis.
degree of independence with its community members, even vertically structured network may contribute to accumulation of social capital. As Evans points out, cooperation between strong public institutions and mobilized citizens of a community, embodying a more vertical structure of network, is an effective tool of development.

2. 2 Literature Review

2. 2. 1 Evaluation of Resettlement Assistance Policy

Until 1990s the little research that existed on the subject of North Korean refugees relied on deficient data and took the approach of national security. Despite proliferation of earlier studies on the psychological and welfare aspects of adjustment along with resettlement policies that shape them, discussion on North Korean

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64 Evans, 1996: 184
refugees’ economic aspect and labor market integration is a relatively recent development.\textsuperscript{69} 70 71 72 73

Park Kwang-Taek, for example, reviewed 157 research articles published since the adoption of new system of settlement assistance program regarding the issue of North Korean refugees’ adjustment in South Korea. Based on his review, Park concluded that the scope of existing research on the issues of North Korean refugees is limited primarily to social welfare and pointed out the needs for research on economic integration as it is the critical element in North Korean refugees’ overall resettlement. He argued that research must reflect political and public administration perspectives beyond the existing focus on female refugees and cultural conflict so that the experience of refugees’ adaptation could be addressed and incorporated into potential unification and post-unification social integration.\textsuperscript{74}

A drove of research find most North Korean refugees encounter considerable difficulties in their process of resettlement and that existing resettlement assistance programs come short of achieving its objective of facilitating successful adjustment. For example, Yoon In-Jin conducts four surveys and in-depth interviews with North Korean refugees in South Korea. After fitting the survey and interview results into

\begin{itemize}
\item 박광택. 2014. 북한이탈주민의 적응에 대한 연구 동향과 과제. \textit{직업과고용서비스 연구}. 9(2): 15-29
\end{itemize}
three stages of pre-departure, overseas stay and social adjustment and four adjustment outcome categories of integration, isolation, acculturation, and marginality, she found that most frequent type of adjustment among them are maladjustment and marginalization followed by isolation while sense of guilt toward families left in the North, fear about possible terror attack, prejudices and discrimination were the sources of added difficulty. On the other hand, she found that refugees who achieve adjustment and sufficient integration had extraordinarily higher education or status background. These people had been exposed to foreign cultures from studying in Eastern Europe or experience as diplomats or migrant workers sent to earn hard currency, and she argued that the type of human resources these people possess are still valued and applicable in the South Korean context. Given such results, Yoon diagnosed that existing support system relying on individualistic and assimilationist approaches have been ineffective and argues that settlement policy must focus on cultivating capacity to achieve economic independence and socio-cultural integration while sufficiently shielding North Korean refugees from the competition with their South Korean counterparts. 75

Roh and Lee, on the other hand, focus on the challenges experienced by North Korean refugees in locating and maintaining employment and the inadequacy of the support system in the area of vocational education and training. Noting a glaring gap between the needs North Korean refugees have and the programs offered for the purpose of increasing employment, they argue that the post-1993 policy approach of facilitating self-reliance failed to provide education that is relevant to the market and as a result, did not alleviate the marginalization of North Korean refugees in the labor market. Further, they argued that shortage of human network and less than optimal

level of coordination among relevant government institutions are factors that plaque North Korean refugees economic adjustment even further.76

Park Seong-Jae et al. focused on the changes in the pattern of employment changes among North Korean refugees and in connection examines the system of employment assistance. They find existing research suggest mixed conclusions: certain research report higher level of education is related to higher employment rate (Kim Hak-Seong, 2000; Sohn Mun-Kyeong, 2002; Lee Hwa-Jeong, 2004; Lee Ki-Yeong, 2006; Paek Gyeong-Min, 2007; Yoo Si-eun, 2009) whereas these factors do not play significant role in determining prospect of employment or economic adaptation (Kim Chang-Kwon, 2007; Chung Ji-Eun, 2008; Kim Hwa-Soon, 2009; Kim Byeong-Chang et al., 2010). Furthermore, research show although refugees themselves regard job trainings helpful in locating jobs and employment rate actually went from 16.4% in 2005 to 32.3% in 2009, a number of research indicated that there are little effect of job trainings or certificate on actual employment with some even finding negative effects. Kim Sun-Hwa (2011)’s research deals with employment subsidies. Based on examining all refugees admitted in the year of 2005, Kim found that while the proportion of people receiving employment subsidy is only 28.4%, suggesting underutilization, employment subsidy programs on the whole have resulted in limited achievement of its objective, partly due to fraudulent receipt of the subsidy. Such misuse of the system was possible due to the faulty design in the payment system that disburse payments after selective enforcement instead of disbursing payments based on verification of employment. Further, she noted that some North Korean refugees tend not to report their employment out of fear about losing eligibility for social

security benefits (Sohn Young-Ji, 2004; Kang Hye-Yeong et al., 2009).

Im An-na and Kang Il-bong conducted a trend analysis on the 2005-2012 Reports on Economic Activity among North Korean Refugees to evaluate the effectiveness of employment assistance programs. Four employment assistance programs were set as independent variables while dependent variables were enrollment in job training programs, satisfaction level, attainment of technical certificates, employment rate, income, stability in employment, use of employment assistance centers, and reduction in the receipt of social security payments. Their findings are as follows: 1) Although job trainings resulted in high level of satisfaction and were effective in inducing attainment of technical certificates, they were not effective in increasing employment or income; 2) Although employment cash grant programs were found to not have significant effect on the short-term employment nor the duration of employment, they did have statistically significant impact in the long-term; 3) North Korean refugees did not take sufficient advantage of job-searching assistance provided by employment protection officers at the employment assistance centers.; 4) increased efforts in job placement did not lead to much improvement in actual employment; 5) settlement subsidy programs are effective in reducing receipt of social security benefits but not so in raising employment rate; and 6) the receipt of national basic living security benefits are affected by settlement subsidy programs and other structural factors such as refugees choosing temporary or part-time employment over regular employment in order not to lose their entitlement to social security payment. Particularly, Im and Kang found that employment protection officers, employment subsidy programs and settlement subsidy programs become more effective in the long-term and thus that employment assistance policy must take...

corresponding approach.\textsuperscript{78}

Overall, the existing research on various programs aiming at greater economic activity were found to have limited or mixed effects. In other words, various policy tools – vocational trainings and licenses, job matching services, cash grant for employment – did not have consistently positive effects on employment rate or labor force participation rate. On the other hand, what is pronounced across these studies, if implicitly, is that these research in a way or another pointed to the role of social network, sociocultural integration and coordination among relevant institutions.

Despite the volume of the research on varied subjects, the scope of discussions on the support programs has been largely limited to providing an overview of the support system and subsidy programs for job training while there exist not enough research with respect to resettlement assistance programs at the level of local government and communities. Accordingly, discussions on the role of regional adaptation centers and regional councils for assisting North Korean refugee are little in comparison.

\section*{2. 2. 2 Evaluation of Community-Level Resettlement Assistance System}

Kang Dong-Aan and Lim Sung-Ok focus on the types of interactions between employees of regional adaptation centers and counselors employed and assigned by Korea Hana Foundation and attempt to draw implications that may enhance the

\textsuperscript{78} 임재남. 강일봉. 2014. 북한이탈주민의 취업활동 추이분석을 통한 취업지원정책의 평가. 한국지방자치연구. 16(1): 53-81.
operation of regional adaptation centers. Choosing a Hana Center operating in the City of Pusan as the subject of their case study, they point out the sense of belonging to different organizations among workers sometimes is at the root of conflicts between employees of the two organizations, ultimately harming the quality of service delivered to North Korean refugees.

In order to examine the adequacy of local support system, Ju-Ho Lee and Jeong Hwan Bae interviewed two refugees with 3-5 years of residing in the province of Chungbuk. They classifying the needs of North Korean refugees into economic activity, re-socialization, and education and found that economic difficulty is the primary source of insecurity and such difficulty is compounded by working in industries that do not reflect personal skillsets or competence. Particularly, interviewees expressed that upon completion of the Hanawon program, they were assigned to their current residence without sufficient understanding about the community and thus had to rely almost exclusively on the support of employment protection officers or resettlement facilitators. Further, interviewees stated that they practically do not have options for different employment opportunities when the available jobs are constrained to manual work. They also said that some refugees participate in training programs to take advantage of the secondary benefits that accompany vocational training such as training stipends and transportation allowances but not because such training programs are directly beneficial in locating better employment opportunities. They perceived that their wage-based purchasing power did not differ much from the purchasing power based on national basic living security. As such, Lee and Bae proposes 1) better coordination among components of the North Korean refugees support systems and consolidation similar programs; 2) stronger and concentrated support by the local community and civil society organizations for refugees with more than 4 years of residence in order to reverse the tendency to fall back on national basic
living security; and 3) improving the quality of employment by raising the quality of human resources and promoting labor force participation.79

Choi Jeong-Jin conducted a survey on 113 refugee-residents living in Daejeon area to examine North Korean refugees’ community-level adaptation. Analyzing the survey responses, Choi diagnosed that the vacuum in the support system caused by the budget constraint at local Hana Center, questionable effectiveness of professional counselors and unreasonable counselor-North Korean refugees ratio needs to be mended with the engagement by local. In particular, citing a city official who laments low participation in North Korean refugee related events and the need for someone that will channels information between North Korean refugees and the city without regard to personal interests, he stressed the absence of personal ties between North Korean refugees and community members as the critical missing component of the support system.80

Along the same lines, Jeong-Bin Lim emphasizes the need for establishing local governance system that inculcates organic network of relationships among relevant community actors. Categorizing the actors with whom North Korean refuge-residents have relationship at local community level into five categories – local residents, local government officials and community service volunteers, NGOs, local social welfare institutions and regional councils, Lim points out the sources of issues regional councils have as follows: 1) the budget allocated by the Ministry of Unification is administered primarily by local social welfare institutions and thus actual operation is conducted under the leadership of NGOs with the cooperation on the part of the

80 최정진. 2014. 통일대비 북한이탈주민의 지역정착과 취업 제고 방안. 아태연구 21(3): 181-211.
councils because regional councils by themselves do not have capacities to organize and carry out projects; 2) frequent rotations and heavy workload make it hard for government officials to accumulate sufficient level of experience and expertise; 3) many regional councils have been established to comply with evaluation requirements; 4) a lion’s share of the budget is spent on one-time events; 5) regional councils suffer from low budget and lack of human resources with sufficient specialized experience and knowledge. To address these issues, Lim prescribes 1) empowering the private sector to carry out projects as the councils per se lack executive power, 2) limiting job rotation in order to foster accumulation of expertise on the part of civil servants in charge, 3) limiting participation by actors in private sector to those with qualified credentials and sufficient level of understanding in the field; 4) expanding the scope of work for regional council to encompass local governments so the local governments can institutionalize legal framework that will enable securing needed human resources and budget; 5) focusing on mid to long-term projects that inculcate capacities for economic independence in North Korean refugee-residents; and 6) expanding the scope of local community advisory board to include professionals of diverse industries and fields.  

Similarly, Kang Kwang-Min stresses the importance of sustained attention and support and careful coordination among involved actors in order to inculcate a new belief system and facilitate North Korean refugees’ adjustment into a democratic society. First, city and district governments must disabuse themselves of the notion that policy towards North Korean refugees are formulated and managed by the central government. Instead, local governments must pay closer attention and allocate

81 임정빈. 2012. 북한이탈주민 정착을 위한 지역사회 지원체계 및 이해관계자 분석. 한국정책연구. 12(2): 249-272
material budget as they do to accommodate families of multicultural origin. Second, while capable of providing most hands-on assistance to North Korean refugees, local welfare institutions, primarily funded by the Ministry of Health and Welfare and the Ministry of Gender Equality and Family, currently pay insufficient attention toward the refugees. As the current system where all official resettlement assistance are provided by the Hana Center may hinder community-level adjustment, policy must align programs with, actively engage and capitalize on capabilities of community welfare institutions. Creating evaluation criteria in those regards should be considered.

Third, most programs Hana Centers offer are available only during the weekdays, thereby primarily serving basic living security recipients. However, Hana Center should establish programs for employed refugees and provide sustained attention and care. Fourth, in order to enable economic independence and self-sufficiency, local governments must facilitate entrepreneurial refugees to start their own businesses and social enterprises.  

In order to examine patterns of information exchange and coordination among programs in community level support system, Ahn and Lee conducted a network analysis based on surveys conducted to 123 institutions and individuals. Analyzing the degree of connectedness, density, degree of centrality, between centrality, eigenvector centrality and power centrality in five cities with regional councils, namely, Seoul, Pusan, Daegu, Gwangju and Daejeon, their findings are as follows. First, noting the differences in the size of networks these cities entail, they instead compared the mean scores of density, degree and inclusiveness. Network in Daegu was found to have the greatest strength followed by Pusan and Gwangju. On the other hand, Seoul

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82 강광민. 2016. 북한이탈주민의 지역정착 방안. 2016 년 통일부 통일교육위원 전남협의회 제 2 차 전문가포럼. 75-79
had 10 institutions that were not linked to the rest of the network and Daejeon had three. In cities with strong support network at work, they found very active engagement on the part of respective local government. Moreover, except for Seoul, in each city, it was found that a single institution had greatest level of centrality, between centrality, eigenvector centrality and power centrality. In other words, these institutions actively sought to connect with other institutions and functioned as the central hub of the respective network. As arrays of educational programs and strength of social support network showed such wide disparities among different localities, Ahn and Lee argue that local networks need heavy bolstering by engaging willing participants from the private sector in order to capitalize on available community level resources. However, as to the role of regional councils as part of support networks, they point out that interactions that occur at regional councils as coordinating bodies among relevant community-level organizations are unilateral, rather than bilateral, and thus, with the exception of Daegu where the local council has a set of instituted ordinances and a separate budget allocation that supported the work of other organizations, these councils did not act as the leader of the local support networks. Ahn and Lee propose to establish a community level support system that is capable of closely caring for individual refugees since the current role of regional councils is inherently formal and lacks real capacity to carry out programs. Further, they state that individual council members focused more on their respective segment of support and did not attempt solve problems beyond their usual boundaries (166-168).\(^83\)

A report prepared for the Ministry of the Interior and Safety also notes that they increasingly face problems hard to address with existing resettlement support system in areas of high North Korean refugees concentration such as Gangseo, Nowon

and Yangcheon, recommending support for programs that promote positive perception of North Korean refugees, mediate conflicts between North Korean refugees and community residents, and encourage frequent interactions. However, on a positive note, they report also finds that the role of regional councils have substantially expanded with greater engagement of civil society organizations and have induced material changes in facilitating coordination and cooperation by holding staff-level council meetings. Further, while still limited in number, community welfare centers, e.g., YWCA in Pusan and Hanbit in Seoul, Cheongsol in Seongnam, etc., receive vigorous support from regional councils to carry out programs that assist with North Korean refugees’ resettlement. Regional councils are also seeing increasing engagement from and expanded network with the private sector as well as community. More and more regional councils get their separately allotted budget from local governments, plan programs for children, youth and women, provide professional assistance such as in medicine or law, and ramp up their support for employment assistance to encourage North Korean refugees’ efforts for economic independence.  

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2. 2. 3 The Role of Social Capital in Labor Market Participation

Social Capital’s role in economic activity has been proved time and over to raise the likelihood of employment and even wages. Blau and Robins (1990), for instance, found that personal contacts generate the most frequent offers per contact and the highest acceptance rate per offer. Along a similar line, Rosenbaum et al. (1999) demonstrated that jobs found through both relatives and friends are positively correlated on earnings in the initial period of employment and that jobs found through relatives alone lead to higher earnings in later employment years.

In the South Korean context, the following study has shown the role of social capital on the prospect of employment. In order to empirically analyze the degree of dependence on human network for employment in South Korea, Kim analyzed the Korean Labor and Income Panel study and found that approximately 56.5% of South Korean job seekers relied on human network for information on jobs, 10.8 point percentage higher than the OCED average of 45.6%.85 Specifically, 50.7% of first-time job seekers and 63.9% of job seekers with experience found employment based on referrals or recommendations from their personal contacts, indicating greater dependency on human network among those with career experience.86 Moreover, Kim found that network-prompted career changes have statistically significant contributions to society-wide economic efficiency by better matching technical and educational background of job applicants to technical and educational requirements of available jobs, most likely due to the function of information communication within a

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85 김영철. 2010. 인적네트워크 (개인의 사회적자본)의 노동시장 효과분석. 정책연구시리즈. 한국개발연구원. Pp. 30-31
86 Pp. 32-33
social network. Such findings suggest very strongly that network of personal ties is all the more crucial for North Korean refugees in the labor market in light of the fact that they are transplanted in a very kinship-oriented society where people rely on informal relationships for critical information and opportunities.

Yu et al. argue that social networks make significant changes in North Korean refugees’ labor market outcome. Their 2012 study examined the role of different channels of finding jobs and of different government policies on the labor market integration of female North Korean refugees. After analyzing 289 survey responses, they found personal ties with South Korean people to be the most effective factor that raises the chances of employment. Such human network was found to be more effective even compared to public sources of information on employment such as mass media and government agencies. Furthermore, jobs obtained through referrals from South Korean are more likely to pay wages that is higher than jobs referred by government agencies or by refugee contacts. On the other hand, just between the network of North Korean refugees and government agencies, they found that the former is more effective in securing employment whereas government agencies is stronger in achieving higher wages.

Taken together, prior research as to the resettlement support system for North Korean refugees suggest that various policy tools such as subsidies for vocational training and licenses, employer subsidies for hiring North Korean refugees and

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employment cash grants only have mixed effects. Rather, when findings on the role of social network in labor market participation are taken into account, it is reasonable to infer that though subsidies for vocational trainings and licenses, wage subsidies for employers and employment cash grants for North Korean refugees do incentivize labor market participation, actual employment decisively hinges on the quality of social network North Korean refugees belong to. Further, while assessments on the role of regional councils also vary, it is also indicated that regional councils’ function of facilitating coordination and cooperation among government institutions and between government and civic community is on the trajectory of maturing.
Chapter III. Research Design

3. 1 Analytical Methods

This study aims to examine the role of regional councils for assisting North Korean refugees in the formation of social capital that North Korean refugees can draw on in their resettlement efforts. However, precisely because regional councils function as a coordinating body among government institutions and civil society organizations, its direct interactions with North Korean refugees are little. Hence, this study aims at 1) determining the role of social capital in North Korean refugees career adjustment, 2) determining the role of regional councils in the formation and expansion of social network surrounding North Korean refugees and 3) assessing the effects of regional councils on North Korean refugees’ labor force participation. To that end, transcripts of interviews with 24 North Korean refugees on their career adjustment process are analyzed using a directed content analysis approach. Then government records on regional councils’ decisions and actions are reviewed also using a directed content analysis approach. Lastly, a panel data regression analysis is used in an attempt to estimate the effects of regional councils on North Korean refugees’ labor market participation. The theoretical ground, rationale and procedure are laid out in each section with respective findings.
Chapter IV. Directed Content Analysis

: The Role of Social Network in North Korean Refugees’ Career Adjustment

The review of previous research suggested that employment of North Korean refugees hinges more decisively on the quality of their social network though various policy measures that aim at boosting employment rate may or may not affect the prospect of employment.

Before delving into the role of regional councils in North Korean refugees’ career adjustment, it is necessary to first differentiate various channels of support in securing employment and the relative importance of different components of North Korean refugees’ social network. This is because regional councils, as a coordinating body of different actors involved in resettlement assistance, are more likely to affect North Korean refugees’ career adjustment in indirect manners via channels of government institutions, civic organization and local community. As such, transcripts of interviews the Korea Research Institute for Vocational Education and Training conducted in 2013 with 24 North Korean refugees are reviewed for a content analysis. Since the transcripts have been obtained for a previously published study, relevant findings from the earlier study are briefly summarized below.
4. 1 Analysis of North Korean Refugees’ Career Paths\textsuperscript{92}

Kim Hyeon-Soo, Kim Soo-Won and Kim Min-Gyu analyzed career paths of 25 North Korean refugees with the purpose of extracting common success and failure factors from respondents’ experience of career adjustment in South Korea. Taking a life history narrative approach, they interviewed 25 respondents and conducted an in-depth analysis of their career paths from the time they were in DPRK to their current employment in the ROK. Their findings are as follows: 1) that North Korean refugees’ primary motive for finding employment is to meet their economic needs; 2) that they obtain information as to available employment opportunities from South Korean acquaintances, fellow North Korean refugees, institutional sources such as Hanawon, regional adaptation centers, employment protection officers or certified counselors as well as from nonsocial sources including the internet, periodicals, and public job matching services; 3) that psychological factors such as adventurous and proactive attitude and willingness to start from the bottom to learn are critical to successful career adjustment; 4) that North Korean refugees’ accents, amicable relationships at work, overcoming sociostructural discriminations, and establishing a system of support are important for North Korean refugees’ economic independence, and 5) that at times of career change, most of them make decisions with the help of and inputs from people around them.\textsuperscript{93} In the end, Kim et al. argue that effective labor market integration policy provides phase-specific assistance to meet a unique set of challenges that each of the 5 career phases – career preparation, career formation, career growth, career maturation, and retirement – entails.

\textsuperscript{92} 김현수. 김수원. 김민규. 2014. 북한이탈주민의 취업역량 강화를 위한 경력경로분석. 직업과고용서비스연구. 9(1): 45-79.
\textsuperscript{93} p. 45
From the perspective of social capital, what stands out in their study is that respondents repeatedly pointed to and stressed formulation of network with good people as the most important success factor in career adjustment. Many respondents emphasized the influence of the first person they met, the first employer on their career path. Personal ties with South Korean contacts and North Korean refugees also were important. Specifically, Kim et al. found, putting aside self-initiated, non-social job search using online services or periodicals, personal acquaintances were the number one source of job referrals. The following from Kim et al.’s study are directly relevant to our discussion of social capital and community network:

1) North Korean Refugees

They found that fellow North Korean refugees, family members and relatives, particularly those that have already settled in South Korea, comprise the most reliable source of assistance in the process of career adjustment. But the career paths of those without family members or relatives were shaped primarily by their personal contacts, while the magnitude of influence varied depending upon respondents’ personality.

2) Institutional Sources

Hanawon, regional adaptation centers, resettlement officers, employment protection officers and personal safety protection officers also play important roles in North Korean refugees’ career adjustment, especially in the initial stage of resettlement. Kim et al.’s analysis of respondents’ narratives demonstrated that these were not just sources of information, but North Korean refugees’ relationship with

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94 p. 70
95 p. 63
them matured into relationship of mutual trust, which in turn augments their influence in refugees’ career adjustment process.\textsuperscript{96}

3) South Korean Acquaintances

South Korean acquaintances also were source of influence that shaped North Korean refugees’ career path. Professors, the interviews revealed, are one such source. For North Korean refugees that attend college, the their advisors’ scope of influence went beyond the academic sphere to encompass employment, information, and penetration into different social networks, all of which in turn affected refugees’ career paths. Kim et al. found a few cases where employers or colleagues altered North Korean refugees’ career path. Interviewees repeatedly stressed the immense importance of the first employer and first colleagues on their career. Particularly, the interviews showed that because information these people provide are practical and grounded on the reality, South Korean contacts in the initial stage of resettlement and times of career change can play decisive roles in North Korean refugees’ career adjustment.\textsuperscript{97}

\textsuperscript{96} pp. 63-64
\textsuperscript{97} p. 64
4.2 Life History Narratives and Content Analysis

As narratives aim at recollecting an individual’s past experience, it cannot help but be personal and subjective. Although such subjectivity is generally perceived as an obstacle that hinders objective examination, in that narratives reveal not just fragmented truth about the past but also how and why an individual experienced and perceived the past as he did, the very subjectivity and individualism are the essence of any narratives. This is because insofar as personal life unfolds in a unique historical and social context, it is bound to be a product of politics and institutions at the relevant point in time.

In that regard, transcripts of interviews on the experience of career adjustment of 24 North Korean refugees manifest real life accounts from which salient patterns of how they seek, secure and change their employment can be unearthed.

According to Weber, content analysis is “a research methodology that utilizes a set of procedures to make valid inferences from texts.” On the other hand, Berelson viewed content analysis as “a research technique for the objective, systematic and quantitative description of the manifest content of communication.” Going one step further, Kerlinger defined it as “a method of studying and analyzing communication in a systematic, objective and quantitative manner for the purpose of measuring variables.”

In this section of the study, the method of content analysis is employed for the purpose of detecting the role of social network in North Korean refugees’ career.

99 Lee, Y.G., 2002: 366
adjustment. Specifically, a directed content analysis is applied as informed by the theories of social capital. In the end, occurrence and frequency of different patterns of support from different components of social network are determined.

4.3 Scope of Subjects and Sampling

This study uses 24 existing transcripts of interviews conducted in 2013 by the Korea Research Institute for Vocational Education and Training. Thus, the scope of subjects and sampling method are virtually identical as the original study. The only difference is that though the original study had 25 interviewees, only 24 transcripts were available for use of this study and thus, the number of subjects is reduced by one. Kim et al. used snowball sampling method. Starting from seven initial respondents who satisfied the requirements of representativeness in the type and length of employment, process of career changes and of receiving above-average monthly wages, additional respondents were contacted based on recommendations from earlier respondents. 103

4.4 Methodology and Procedure

When existing theory or prior research exists about a phenomenon that would benefit from further description, a directed content analysis approach can be applied to validate or extend a theoretical framework. 104 Guided by a more structured

procedure compared to a conventional approach, a researcher first identifies key variables as initial coding categories and determined operational definitions for each category on the grounds of theory. The process of coding in content analysis is to organize large quantities of text into manageable content categories. In cases where the objective of the research is to identify and categorize all instances of a particular phenomenon, transcript can be first read with all relevant texts highlighted. Then all the highlighted passages can be coded using predetermined codes while any texts that do not correspond to the existing codes can be given a new code. At the end of the procedure, a directed content analysis renders supporting or non-supporting evidence for a theory, which can be presented by showing codes with descriptive evidence.

In the process of conducting a directed content analysis on the interview transcripts for the purpose of detecting the role of social capital in respondents’ career adjustment, both manifest and latent contents were used for coding. Such approach is justified given that the transcripts are in the form of narratives in which some respondents referred to the name of an individual or institution directly while others used a combination of vague terms, e.g. “this lady,” “that person,” or “that place” to refer to a particular individual or an institution. For the latter cases, it was determined to err on the side of caution and coding is made only when it was possible to nail down information within the relevant texts as to whether the source is a government institution, a civic organization, a North Korean refugee or a South Korean acquaintance.

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Further, given the nature of interview narratives in which North Korean refugees recollect their process of career adjustment in South Korea, context unit analysis method is used. Contrary to recording units analysis in which the number of appearance of words or terms, characters or themes are counted, context unit analysis is conducted by searching the larger body of content to characterize the recording unit. Thus, rather than the appearance of coding units, appearance of context units, be it a sentence or a paragraph, are recognized and recorded accordingly.

4.5 Coding

Following the guidelines and procedure detailed above, relevant text in the interview transcripts were coded in the following categories:

1. Experience of receiving support from social network
   As long as a respondent obtained information on, received referral/recommendation for or otherwise secured a job with the help of social network even just once, the respective cell is marked with 0 regardless of sources or the degree of frequency.

2. Sources of support within social network
   For the purpose of determining the sources and occurrence of employment-related support, this study uses three categories denoting different components of social network.

\footnote{Berelson, B. 1952. 	extit{Content Analysis in Communication Research}, NY: Free Press.}
1) Government institutions

The government institutions cell is marked O when a respondent obtained information on or received referral/recommendation that led to actual employment or otherwise secured a job with the help of Hanawon, Hana Centers, employment protection officers, resettlement officers or personal security officers. Since the overarching objective of this study is to examine the role of regional councils for North Korean refugees assistance in promoting communication of information and cooperation among relevant parties, monetary assistance such as subsidies for vocational trainings or licenses or cash transfer for employment are deemed out of scope and thus excluded from this category. In addition, civil society organizations were distinguished from government institutions despite their representation on regional council and separately categorized to fall under South Korean community network.

2) North Korean refugees

When a respondent obtained information on or received referral/recommendation that led to actual employment or otherwise secured a job with the help of other North Korean refugees, e.g., family, relatives, peers or those who have settled earlier or later, the ‘North Korean refugees community’ cell for respective respondent was marked O.

3) South Korean contacts

When a respondent obtained information on or received referral/recommendation that led to actual employment or otherwise secured a job with the help of their South Korean contacts such as acquaintances from church, professors, civil society organizations, vocational schools, the ‘South Korean contacts’ cell for respective respondent was marked O. As noted above, civil society
organizations founded and run by non-refugees belong to this category as individuals from these organizations best represent ties with South Korean community while they cannot represent government institutions or North Korean refugees community.

After coding is complete for all 24 interview transcripts, the sources and occurrences are compared and implications are discussed. Additional test of reliability is deemed unnecessary since the coding process involves no more than one individual.

4.6 Findings

A content analysis on the interview transcripts of 24 North Korean refugees following the predetermined procedure above rendered the following results: 1) all of the 24 interviewees over the course of their career adjustment process received help in the form of information or referrals/recommendations or securing a job from their social network; 2) 15 out of 24 interviewees have received assistance from government institutions; 3) 9 out of 24 interviewees have received assistance from their network of North Korean refugees; and 4) 11 out of 24 interviewees have received assistance from their network of South Korean contacts.

Such results undoubtedly attest to the fact that social network is indeed playing a central role in North Korean refugees career adjustment and ultimately in achieving economic adaptation. After all, a person existing outside of a society or a mechanism of labor-wage exchange cannot create a job for himself. Thus, when all the other intrinsic and extrinsic variables such as a person’s skills, educational background, willingness to work, and the state of the society’s economy and labor market are held constant, how deeply and closely a person is embedded within a social network and how deep and wide the social network is cannot be more decisive.
### Table 2: Personal Attributes and Sources of Support within Social Network in Career Adjustment

<table>
<thead>
<tr>
<th>No.</th>
<th>Sex</th>
<th>Age</th>
<th>Year of Leaving DPRK</th>
<th>Year of Entry into ROK</th>
<th>Current Domicile</th>
<th>Educational and Occupational Background</th>
<th>Degree of Consistency in Career Adjustment</th>
<th>No. of Career Changes in ROK</th>
<th>Role of Social Network in Career Adjustment (Y/N)</th>
<th>Sources of Social Support in Career Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>M</td>
<td>44</td>
<td>1997</td>
<td>1998</td>
<td>Gyeonggi</td>
<td>High School, Athlete</td>
<td>Self-employed</td>
<td>6</td>
<td>Y</td>
<td>O</td>
</tr>
<tr>
<td>2</td>
<td>F</td>
<td>42</td>
<td>1999</td>
<td>2005</td>
<td>Seoul</td>
<td>College</td>
<td>Clerical</td>
<td>3</td>
<td>Y</td>
<td>O</td>
</tr>
<tr>
<td>3</td>
<td>F</td>
<td>53</td>
<td>2002</td>
<td>2003</td>
<td>Seoul</td>
<td>College, Accountant</td>
<td>Prfs'I</td>
<td>5</td>
<td>Y</td>
<td>O</td>
</tr>
<tr>
<td>4</td>
<td>F</td>
<td>38</td>
<td>2004</td>
<td>2006</td>
<td>Incheon</td>
<td>High School, Military Farming</td>
<td>Restaurant Waitress</td>
<td>4</td>
<td>Y</td>
<td>O</td>
</tr>
<tr>
<td>5</td>
<td>M</td>
<td>42</td>
<td>2000</td>
<td>2004</td>
<td>Seoul</td>
<td>College</td>
<td>Construction Laborer</td>
<td>3</td>
<td>Y</td>
<td>O</td>
</tr>
<tr>
<td>6</td>
<td>F</td>
<td>41</td>
<td>1998</td>
<td>2002</td>
<td>Gyeonggi</td>
<td>High School</td>
<td>Self-employed</td>
<td>2</td>
<td>Y</td>
<td>O</td>
</tr>
<tr>
<td>7</td>
<td>F</td>
<td>42</td>
<td>2007</td>
<td>2009</td>
<td>Seoul</td>
<td>Teacher</td>
<td>Foreign Currency Earner</td>
<td>1</td>
<td>Y</td>
<td>O</td>
</tr>
<tr>
<td>8</td>
<td>F</td>
<td>47</td>
<td>2005</td>
<td>2006</td>
<td>Seoul</td>
<td>Graduate, Medical Doctor</td>
<td>Medical Doctor</td>
<td>1</td>
<td>Y</td>
<td>O</td>
</tr>
<tr>
<td>9</td>
<td>M</td>
<td>60</td>
<td>2002</td>
<td>2004</td>
<td>Chungbuk</td>
<td>Soldier</td>
<td>Farming</td>
<td>3</td>
<td>Y</td>
<td>O</td>
</tr>
<tr>
<td>#</td>
<td>Name</td>
<td>Age</td>
<td>From Year</td>
<td>To Year</td>
<td>College, Major</td>
<td>Position</td>
<td>Gender</td>
<td>Status</td>
<td></td>
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<tr>
<td>10</td>
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<td></td>
<td>2009</td>
<td>2010</td>
<td>Seoul College</td>
<td>Reporter</td>
<td>Y</td>
<td>O</td>
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<tr>
<td>11</td>
<td></td>
<td></td>
<td>2000</td>
<td>2009</td>
<td>Seoul College, Mechanical Design</td>
<td>Acct</td>
<td>Y</td>
<td>O</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
<td>2002</td>
<td>2004</td>
<td>Seoul College, Teacher</td>
<td>Research</td>
<td>Y</td>
<td>O</td>
<td></td>
<td></td>
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<tr>
<td>13</td>
<td></td>
<td></td>
<td>2003</td>
<td>2005</td>
<td>Gyeonggi College, Design</td>
<td>Acct</td>
<td>Y</td>
<td>O</td>
<td></td>
<td></td>
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<tr>
<td>14</td>
<td></td>
<td></td>
<td>2006</td>
<td>2007</td>
<td>_ High School</td>
<td>Acct</td>
<td>Y</td>
<td>O</td>
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<td></td>
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<tr>
<td>15</td>
<td></td>
<td></td>
<td>2004</td>
<td>2008</td>
<td>Incheon High School</td>
<td>Civil Servant</td>
<td>Y</td>
<td>O</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td></td>
<td></td>
<td>2004</td>
<td>2008</td>
<td>Incheon College</td>
<td>Certified Counselor</td>
<td>Y</td>
<td>O</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td></td>
<td></td>
<td>2007</td>
<td>2007</td>
<td>Incheon College, Professor</td>
<td>Civil Servant</td>
<td>Y</td>
<td>O</td>
<td></td>
<td></td>
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<tr>
<td>18</td>
<td></td>
<td></td>
<td>2003</td>
<td>2007</td>
<td>Seoul High School</td>
<td>Restaurant, House Cleaner</td>
<td>Y</td>
<td>O</td>
<td></td>
<td></td>
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<tr>
<td>19</td>
<td></td>
<td></td>
<td>2009</td>
<td>2010</td>
<td>Seoul High School</td>
<td>Packaging Worker</td>
<td>Y</td>
<td>O</td>
<td></td>
<td></td>
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<tr>
<td>20</td>
<td></td>
<td></td>
<td>2003</td>
<td>2003</td>
<td>Seoul High School</td>
<td>Civil Servant</td>
<td>Y</td>
<td>O</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td></td>
<td></td>
<td>1994</td>
<td>2001</td>
<td>Chungbuk High School</td>
<td>Farming</td>
<td>Y</td>
<td>O</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>Age</td>
<td>Gender</td>
<td>Year of Birth</td>
<td>Year of Graduation</td>
<td>Institution</td>
<td>Field of Study</td>
<td>Experience</td>
<td>Status</td>
<td>Address 1</td>
<td>Address 2</td>
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<tr>
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</tr>
<tr>
<td>22</td>
<td>55</td>
<td>F</td>
<td>2001</td>
<td>2001</td>
<td>Seoul College</td>
<td>Vocational Trainer</td>
<td>1</td>
<td>Y</td>
<td>O</td>
<td>O</td>
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<tr>
<td>23</td>
<td>41</td>
<td>F</td>
<td>1998</td>
<td>2002</td>
<td>Seoul High School</td>
<td>Clerical</td>
<td>1</td>
<td>Y</td>
<td>O</td>
<td>O</td>
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<tr>
<td>24</td>
<td>44</td>
<td>F</td>
<td>2008</td>
<td>2008</td>
<td>Seoul High School</td>
<td>Waitress</td>
<td>2</td>
<td>Y</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>
Chapter V. Directed Content Analysis: The Regional Council’s Role in the Formation of Social Capital

Although the result of content analysis on interview transcripts reveals the salience of social network in North Korean refugees’ labor market integration, the result per se cannot speak to the role or influence of the regional councils. Rather, in that regional councils function as a coordinating body that facilitate cooperation among government institutions and civil society organizations, what needs to be determined is the extent to which these regional councils affect formation and expansion of social networks of North Korean refugees. As such, this study attempts to determine regional council’s role and influence on the quality of North Korean refugees’ social network by conducting a content analysis on government records regarding activities of regional councils.

Requests for disclosure were made for 152 government records generated between January 1, 2014 and June 2018 on the operation of regional councils across the country. A directed content analysis is conducted on 104 documents that were released for disclosure.

5. 1 Scope of Subjects and Sampling

This section of the study uses 104 government records regarding operations of regional councils nationwide that were generated and uploaded onto the online

5.2 Methodology and Procedure

In order to detect and differentiate different functions of regional councils in the formulation and nurturing of social capital in the realm of resettlement assistance for North Korean refugees, both manifest and latent contents were used for coding as in the case of conducting content analysis of the interview transcripts above. The methods employed and rationale – directed content analysis using context units on manifest and latent contents – are identical as with the directed content analysis conducted on the interview transcripts. This is because a substantial portion of the records made available is minutes that recorded council members’ remarks in the unfolding of council sessions. Again, as is the case with the interview transcripts, it was determined to err on the side of caution and coding is made only when it was possible to nail down the exact type of social capital relevant councils actions intended to cultivate.

5.3 Coding

For the purpose of examining regional councils’ role in nurturing social network, regional councils’ decision and actions are classified into three categories – information exchange, coordination and cooperation – at three different levels. First,
when a certain activity is construed as promoting exchange of accurate information, coordination or cooperation among government institutions, the relevant cell under corresponding category is marked O. When a regional council encourages communication of accurate information, coordination or cooperation between government institutions and civil society organizations that are involved in resettlement assistance, the relevant cells are accordingly marked. Lastly, regional councils’ recognition of the need for or encouragement of community engagement beyond civil society organizations to encompass community residents is also marked but without sub-categories as the first two above because regional councils’ decisions and actions vis-à-vis the local community target facilitating interactions between North Korean refugees and community residents. In addition, as the overarching objective of this study is to see the role of regional councils on North Korean refugees’ labor market participation, for each of level of social network, a separate column is used to indicate whether a given regional council’s decision or activity specifically target assisting employment of North Korean refugees.

5.4 Findings

Though the representativeness of the documents reviewed as to discussions, decisions and actions taken at the level of regional councils is constrained by the irregularity in the availability, format, breadth of contents arising from lack of consistency in application of disclosure policy by provincial, city, district, and municipal government, content analysis on the government records following the above procedure and coding method still produced a substantial amount of evidence of regional councils’ role in building social capital at all levels. It was found that at all
three levels, regional councils’ role in facilitating communication of information, coordination, cooperation and employment assistance were observed. Regional council’s role in each category is discussed below with examples.
<table>
<thead>
<tr>
<th>Year</th>
<th>Region/District/Municipality</th>
<th>Discussions/Decisions/Actions</th>
<th>Functions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Comm. of Information</td>
</tr>
<tr>
<td>2013</td>
<td>Gangwon</td>
<td>• Council members are to propose plans to strengthen cooperative relationship among government institutions</td>
<td>o</td>
</tr>
</tbody>
</table>
| 2014 | Daejeon                       | • There is lack of shared information  
• Need to establish a channel of continuous communication  
• To raise employment rate, Hana Center and Employment Support Center need to work closely.  
• For efficient implementation of programs, information needs to be shared among relevant institutions from the planning stage | o           | o           | o           | o     |
| 2014 | Seoul                         | • Hold Joint Workshop for all regional councils within the city to share best practice examples and exchange ideas on how best to support North Korean refugees’ settlement efforts | o           |             |             |      |
| 2014 | Jeongbuk                      | • In order to prevent multiple institutions from holding similar events, they need to coordinate and try to incorporate similar programs  
• Council needs to function as a control tower for the system of North Korean refugee assistance | o           | o           |             |      |
<p>| 2014 | Chungbuk                      | • Sharing of information will enable establishing stable local community resettlement assistance system | o           | o           |             |      |</p>
<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
<th>Actions and Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Gyeonggi</td>
<td>• Council needs to function as a coordinating body among employment assistance center, local police, regional adaptation centers and school district</td>
<td></td>
</tr>
<tr>
<td>2014 Gyeonggi</td>
<td>• Need to utilize each institution’s social network to aggressively publicize various programs such as customized job training, communication training and North Korean refugee-South Korean Mentor-Mentee programs</td>
<td></td>
</tr>
<tr>
<td>2014 Gyeonggi</td>
<td>• To coordinate timing of job fair, unification fair and other events that aim at participation of province-wide North Korean refugees</td>
<td></td>
</tr>
<tr>
<td>2014 Gyeonggi</td>
<td>• To hold a public forum to discuss how to establish a comprehensive system for assisting North Korean refugees in the province – The head of Hana Center and three refugees to participate</td>
<td></td>
</tr>
<tr>
<td>2014 Seoul</td>
<td>• To facilitate exchange of information to nurture an organic system of cooperation among relevant institutions and to establish an effective support system for North Korean refugees</td>
<td></td>
</tr>
<tr>
<td>2014 Seoul</td>
<td>• Discussed and affirmed the role of the council as a coordinating and cooperative body for North Korean refugees’ stable resettlement in South Korea</td>
<td></td>
</tr>
<tr>
<td>2015 Seongdong</td>
<td>• Employment Protection Officer asked council members to proactively introduce ‘employment success package’ to NK refugees</td>
<td></td>
</tr>
<tr>
<td>2015 Seongdong</td>
<td>• Employment support center’s employment assistance programs must be aligned with those of Hana Center and the MoU. Need to use council session to share information and ideas.</td>
<td></td>
</tr>
<tr>
<td>2015 Osan</td>
<td>• A representative from Employment Support Center asked a representative from Hanawon to provide North Korean refugees with more information on eligibility criteria for unemployment pension.</td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>Location</td>
<td>Issues and Solutions</td>
</tr>
<tr>
<td>------</td>
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</tbody>
</table>
| 2015 | Gwanak   | • Need to gather data on employment status: needs to find out employment status for those between 20 and 60 years old among refugee residents.  
• Need concrete data in order to provide assistance they need, but we do not have such info. Please compile those data by any means  
• Police is ready to actively support any program for North Korean refugees |
| 2015 | Gangwon  | • Need to share information on North Korean refugees in need of close monitoring and assistance  
• Hana Center to invite representatives of relevant institutions to a conference in order to facilitate communication and cooperation; Hana Center’s program is implemented in close alignment with other institutions with their emergency assistance services |
| 2015 | Gyeonggi | • Bolster organic cooperative relationship among institutions, Hana Center and the Gangwon province |
| 2015 | Bupyeong | • Police officer: it is difficult to have counseling session with North Korean refugees due to unrealistically low budget, KRW5000 per person. Further, most North Korean refugees try to keep distance and do not want to tell us about their life. What is needed is communication and trust  
• Community welfare center: It is unrealistic for local police to take care of all welfare needs of North Korean refugees. They need to align closely with community welfare centers or other institutions  
• In order to provide services to more refugees, information on what benefits are being provided whom beneficiaries needs to be shared amongst institutions  
• To collect each institution's information on services and beneficiaries and share |

<p>| | | | |</p>
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</tr>
<tr>
<td>Year</td>
<td>City</td>
<td>Action</td>
<td></td>
</tr>
<tr>
<td>------</td>
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<td>----------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>Gwangsangu</td>
<td>• Survey settlement status jointly with Hana center and welfare centers in order to deliver need services</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• North Korean refugees’ sense of resentment towards personal security officers could be alleviated with the help of other institutions</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>Gunpo</td>
<td>• To expand the scope of beneficiaries while preventing redundancy, information on resettlement assistance programs needs to be shared among relevant institutions</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>Ulsan</td>
<td>• To bolster cooperative and information-sharing network among institutions</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>Jeonnam</td>
<td>• Hana Center asked other institutions for help in finding an adequate space to take care of refugee children who do not speak Korean as MoU is against funding the program. -&gt; to work with Yeosoo city</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>Seongdong</td>
<td>• Update and share accomplishment of each institution as well as issues that need inter-institutional cooperation</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>Gangbuk</td>
<td>• Update accomplishments of each institutions and share areas of concerns for cooperation</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>Seocho</td>
<td>• Each institution must share information on their programs so that eligible refugees would not miss out</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>Dongjak</td>
<td>• Personal safety protection officers who have most frequent contacts with refugees to share information on programs offered by government institutions</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>Jeonbuk</td>
<td>• To establish a system of close cooperation among institutions for resettlement assistance programs and for responding to critical circumstances that require immediate response</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>Jeonbuk</td>
<td>• To aggressively publicize a new province level job creation program: pay wage subsidies to employers hiring North Korean refugees and employment grants to employed refugees for 5-8</td>
<td></td>
</tr>
</tbody>
</table>
- To share a list of businesses in the region to facilitate job matching
- Jeonbuk Police Agency is planning in-person interview with all refugees in the area. Will strongly recommend to find a job.
- Employment Support Center to cooperate and inform refugees of the employment success package program

<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Jincheon</td>
<td>Although Chungbuk province welcomes newly assigned refugees, more welcoming and engagement is called for at the city and county level.</td>
</tr>
<tr>
<td>2018</td>
<td>Changwon</td>
<td>Police stations and Hana Center to proactively identify eligible youth willing to participate in the “Cheonglyu” Mentoring Project</td>
</tr>
</tbody>
</table>
1) Facilitating communication of information, coordination and cooperation among relevant government institutions

True to the objective of the body's establishment, it was found that regional councils do function as an arena where representatives of government institutions affirm the need to and devise ways to communicate, coordinate and cooperate among them.

Time and over and across the regions, local governments, regional adaptation centers, employment support centers, resettlement officers and personal protection officers jointly recognized the need for sharing information as to resettlement status of North Korean refugees, programs each institutions run, beneficiaries of each program, and employers in the district that may hire North Korean refugees (Gangwon, Daejeon, Jeonbuk, Chungbuk, Seoul, Osan, Gwanak, Bupyeong, Gunpo, Ulsan, Jeonnam, Seongdon, Gangbuk, Seocho). Many instances of establishing a network of contacts among the institutions for communication purposes also fell into this category.

On the other hand, the regional council also strived for coordination and cooperation among them to carry out resettlement support programs. Institutions such as employment support centers and regional adaptation centers asking personal safety protection officers to communicate to North Korean refugees the programs and services they offer (Dongjak, Bupyeong) and coordinating among institutions when to hold a district-wide event such as a job fair for North Korean refugees (Gyeonggi) are only a few of such examples.

Cooperation is also one of the primary goals regional councils were mindful of. Hana Centers and community welfare centers cooperated to compile data on settlement status of North Korean refugees or identify eligible North Korean refugees for special programs (Gwanak, Gyeonggi, Bupyeong, Jeonbuk, Jeonnam, Changwon, Osan). Institutions utilized their own network to publicize programs of another
institution (Gyeonggi, Jeonnam), police stations volunteered to offer their help to carry out programs run by other institutions (Jeonbuk, Osan, Dongjak) making joint efforts to alleviate North Korean refugees’ sense of marginalization and cultural gaps (Gwangsan) are few examples.
## Table 4: Nurturing Communication of Information, Coordination and Cooperation Among Government Institutions and Civic Communities

<table>
<thead>
<tr>
<th>Year</th>
<th>Region/District/Municipality</th>
<th>Discussions/Decisions/Actions</th>
<th>Comm. of Information</th>
<th>Coordination</th>
<th>Cooperation</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Chungbuk, Cheongjusi</td>
<td>• Stable local community resettlement assistance through sharing of information among institutions and organizations</td>
<td>o</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 2014 | Gyeonggi, Pocheon            | • All council members are encouraged to attend Nature Healing Fair for North Korean refugees  
• Operating community service program with North Korean refugees. Asked the council to recognize and award those enthusiastic North Korean volunteers |              |              | o           | o    |
| 2015 | Ulsan                        | • Ulsan Jungbu Police Station entered into an MOU with Daeyeong Church and a driving test site to carry out joint program to alleviate with North Korean refugees’ economic difficulties  
• To bolster cooperative and information-sharing network among government institutions and civil society organizations | 0 |              | o           | o    |
| 2015 | Bupyeong                     | • Police officer shared that it is difficult to have counseling session with North Korean refugees due to unrealistically low budget, KRW5000 per person. Further, most North Korean refugees try to keep distance from us and do not want to tell us about their life. What is needed is communication and trust. A representative from a community welfare center responded saying that trying to take care of welfare needs by policy is unrealistic and that personal safety protection officers need to align closely with community welfare centers and other institutions.  
• In order to provide services to more refugees, information on what benefits are being provided whom beneficiaries needs to be shared amongst institutions | 0 |              | o           | o    |
<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
<th>Actions</th>
</tr>
</thead>
</table>
| 2015 | Seongdong | • To collect and share information on each institution's services and beneficiaries and share.  
• Hana center and community welfare centers to jointly find out settlement status of North Korean refugees in order to deliver need services  
• In order to provide services to more refugees, information on what benefits are being provided whom beneficiaries needs to be streamlined amongst institutions |
| 2015 | Gwangsangu | • Representative from Employment Support Center asked council members to proactively introduce employment success package to job-searching North Korean refugees  
• Hana center: employment assistance programs need to be coordinated with those offered by Hana Center and the Ministry of Unification.  
• Need to cooperate with newly established community welfare center and welfare foundation to expand the scope of support for North Korean refugees  
• Refugee's sense of resentment towards personal security officers may be alleviated with the help of other institutions |
| 2015 | Gunpo | • In order for North Korean refugees to feel sense of belonging and unity, stable employment is critical and in order to achieve that, unhindered communication and sharing of information is central.  
• To share information on Employment Success Package to North Korean refugees that would benefit from this program |
| 2015 | Asan | • Bolster resettlement base for North Korean refugees by expanding private-public partnership and service delivery system. (25 public institutions including social welfare departments, towns and cities, school district, public health center, police stations etc.) |
| 2016 | Jeonnam | • Hana Center in Mokpo expressed their need for a van and asked if council could provide a car -> advised to look into local financial... |

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<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>Namwon</td>
<td>• Need to cooperate with efforts of many civil society organizations that serve North Korean refugees for their successful resettlement</td>
</tr>
<tr>
<td>2016</td>
<td>Cheongju</td>
<td>• All institutions to share information on programs to boost participation</td>
</tr>
<tr>
<td>2017</td>
<td>Jeonnam</td>
<td>• To maintain a network of contacts among government institutions and civil society organizations - utilize Naver Band or other forms of online communication channel</td>
</tr>
<tr>
<td>2017</td>
<td>Jincheon</td>
<td>• City and county government must closely align with community welfare centers to bolster support systems for North Korean refugees</td>
</tr>
<tr>
<td>2018</td>
<td>Gangwon</td>
<td>• To establish province level public-private cooperative network to encourage exchange of ideas from diverse perspectives in order to develop better assistance programs</td>
</tr>
</tbody>
</table>
2) Facilitating communication of information, coordination and cooperation between relevant government institutions and civil society organizations

Records of regional councils indicate that facilitation of communication, coordination and cooperation was also stressed between government institutions and civil society organizations. Most importantly, institutions and civil society organizations alike shared a belief that the resettlement support system can function as a stable base for North Korean refugees only with constant sharing of information among government institutions and civil society organizations. Such sharing of information was intended not just to prevent redundancy in delivery of service but to expand the scope of beneficiaries to all that are eligible. Council members jointly recognized the need to establish a streamlined channel of continuous communication that will make commonly available information on services and beneficiaries of each institution, North Korean refugees in need, and programs North Korean refugees can participate (Daejeon, Jeonbuk, Chungbuk, Gyeonggi, Seoul, Gwanak, Bupyeong, etc.). Some regional councils decided to use online services such as Naver Band or a database that members of council can update and share on a real time basis (Jeonnam, Osan).

Regional councils were also active in expanding their scope of public-private partnership. Not only they saw the potential advantages of cooperating with new community welfare centers or other non-profit foundations (Gwangsan), some purposely aimed at establishing such network at the province level (Gwangwo
## Table 5: Fostering Social Network Between North Korean Refugees and Local Community

<table>
<thead>
<tr>
<th>Year</th>
<th>Region/ District/ Municipality</th>
<th>Discussions/Activity Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Gyeonggi</td>
<td>To develop and implement district-specific employment support, cultural and training programs that reflect characteristics of employers and ages of participants</td>
</tr>
<tr>
<td>2014</td>
<td>Chungbuk, Cheongjusi</td>
<td>Healing Day held as a get-together day between personal safety officers as mentors and mentees to understand each other culture and build mutual rapport</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Discussion of social integration of North Korean refugees into local community</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Encouraging refugees participation in self-help groups and take a role within a local community through community services and community gatherings (Joint ancestral sacrifices on holidays, sharing of North Korean food)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Promotion of local patriotism and community interactions: year-end gatherings, exploration of historical sites and cultural experience</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Need to create more welcoming environment for North Korean refugees and dissolve social and cultural differences (“Healing Dream,” a psychological treatment program)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To avoid one-time events in favor of sustained programs</td>
</tr>
<tr>
<td>2014</td>
<td>Jincheon</td>
<td>Field trip to historical sites and major businesses within the town</td>
</tr>
<tr>
<td>2014</td>
<td>Gangwon</td>
<td>Cooperation requested to encourage North Korean refugees to participate in the Cultural festival for displaced people to be held</td>
</tr>
<tr>
<td>2015</td>
<td>Cheongju</td>
<td>Retreat with North Korean refugees to help with local community resettlement assistance where success stories were shared, misperceptions were corrected and communication and commitment to harmony were encouraged</td>
</tr>
<tr>
<td>2015</td>
<td>Seongdong</td>
<td>The need for greater frequency and better quality of contacts with North Korean refugees was recognized. Religious organizations were encouraged to participate.</td>
</tr>
<tr>
<td>2015</td>
<td>Gyeonggi</td>
<td>Held “Good morning Gyeonggi Unification Fair.” The fair was intended to attract both the refugees and province residents with various programs. An array of cultural experience programs such as North Korean food, exhibition of refugees art work, kids zone, and performance programs were offered to dissolve the cultural gap and to create a cultural sense of commonality as “one people.” Received very well by the public.</td>
</tr>
<tr>
<td>2015</td>
<td>Namwon</td>
<td>Year-End Party with North Korean refugees</td>
</tr>
<tr>
<td>Year</td>
<td>District</td>
<td>Activities</td>
</tr>
<tr>
<td>------</td>
<td>----------</td>
<td>------------</td>
</tr>
<tr>
<td>2015</td>
<td>Gwangsangu</td>
<td>• To develop year-round cultural programs in order to foster trust and openness and encourage voluntary participation as one-time or annual programs are hard to be effective</td>
</tr>
</tbody>
</table>
| 2015 | Gwanak | • North Korean refugees distributed a total of 1220 wet wipes in 4 different district events  
• Invited 100 North Korean refugees for a movie watching event  
• Took children of North Korean refugee household to cultural events such as movies or plays |
| 2015 | Gangbuk | • Approved an autumn field trip with North Korean refugees |
| 2015 | Seongdong | • To hold weekend events where North Korean refugees get to mingle with community resident as North Korean refugees needs more opportunities to interact with community residents |
| 2015 | Gwangmyeong | • Funded field trip to Jeju that invited North Korean refugees to listen to their difficulties and suggestions and to encourage their successful settlement in order to induce communication and sense of harmony  
• One-heart hiking event (north and south)  
• Distribute small plots of garden field to provide them with means of work or hobby to facilitate sense of belonging amongst refugee residents  
• Comprehensive support program including job support programs- hired 5 refugees, hold joint holiday ancestral sacrifice  
• Re-born program to nurture unification-age village welfare achiever through which one North Korean refugee was hired as a social worker, funded a 6 night 8 days unified country training program for 12 refugees, 5 times of unification welfare forum were held; and sponsored unification vision international symposium |
| 2015 | Gunpo | • Need to avoid one-time events and devise programs that will instill sense of belonging and unity |
| 2015 | Mokpo | • Self-help groups created in order to encourage community interaction is planning horticultural therapy program for the year of 2016. It will be good to connect with garden field programs the city is running -> agreed, can coordinate to incorporate the two.  
• Employment Support center and school district to take part in the PC sharing program will send inventory info to donate old PCs for the cause of assisting North Korean refugees |
| 2015 | Osan | • 1 night 2 days field trip was a good opportunity to build rapport with refugees. Many proposed that they would like more of this opportunity should budgets allow. |
| 2016 | Nowon | • South-North Harmony Choir: bi-monthly practice and biennial recitals: increase the communication between community residents and council members  
• Small Unification on the Peninsula: North Korean Food Day  
• Seminar to improve perception of North Korean refugees |
<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
<th>Activities</th>
</tr>
</thead>
</table>
| 2016 | Seongdong | - Local Council Workshop with North Korean refugees  
- Ran Saeteomin Market Place and used profits as scholarship or cash gifts for North Korean refugee families  
- Plan to provide regular medical services starting in 2017. If there are refugees in need of medical assistance, can give free of charge medical care. |
| 2016 | Jincheon | - NK refugees to participate in the community fair to share food and culture and to interact with the community  
- Eco Healing Day Retreat to Uljin to alleviate stress, encourage interactions, and facilitate psychological stability and sense of unity |
| 2017 | Dongdaemun District | - Need to expand community interactions in order to dissolve sense of cultural alienation. Encourage North Korean refugees to join the social network. Community get-together and cultural experience events: Unification wishing community walking program, village cultural experience, baking classes and baked goods sharing, spending holidays together, making holiday food together and share. |
| 2017 | Gangbuk | - Approved Seoul city tour for refugees as a cultural experience event |
| 2017 | Seocho | - Examine running an agricultural training school for North Korean refugees  
- Establish a mentor-mentee program for newly assigned refugees where senior refugee can assist new refugees |
| 2017 | Chungju | - Community Yut Play, Community service to clean  
- Field trip to Yangyang  
- Held the 2nd harmony singing contest (NK refugees, disabled people and multicultural families to participate) |
| 2017 | Jincheon | - Healing Day Retreat to Uljin to promote psychological stability and sense of unity |
| 2017 | Chungbuk | - Programs are more effective when South Korean community members participate. Programs targeting just North Korean refugees cannot resolve cultural differences. The need for more programs that engages South Korean community members is recognized |
| 2017 | Jeonnam | - Program to train and nurture unification-era leader: provide tailored assistance for talent development  
- Province-wide Awareness Movement to correct misperception of North Korean refugees  
- "North Korean refugees Are Unification that Came First" Province-wide movement – public campaign to correct misperceptions about North Korean refugees with cooperation with all relevant institutions and organizations. Distribute leaflets, children's DMZ unification retreat, etc. |
| 2017 | Gwangju, Gwangsan-gu | - Run a North Korean culture booth in a city fair |
| 2017 | Yangsan | - Cultural experience tour for North Korean refugee families  
- Year-end Dinner Party |
<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>Changwon</td>
<td>“Cheonglyu” Project for youth North Korean refugees where they get personal mentoring from CEOs, public officials, novelists, artists and other professionals.</td>
</tr>
<tr>
<td>2018</td>
<td>Dongjak District</td>
<td>In order to create opportunities for community residents and North Korean refugee residents to freely mingle, allocate budget for get-together events</td>
</tr>
<tr>
<td>2018</td>
<td>Gangwon Province</td>
<td>Annual roundtable to share successful resettlement stories (farming special purpose crops) with North Korean refugees</td>
</tr>
</tbody>
</table>
3) Nurturing social network between North Korean refugees and the community

Content analysis of the government records made evidently clear the depth of regional councils’ involvement in the formation and expansion of social network between North Korean refugees and community residents. Indeed, regional councils function as a venue to exchange information and ideas on, develop, coordinate and facilitate cooperation in how to shore up community social network that surrounds North Korean refugees. The breadth of programs intended for the purpose were also remarkable ranging from simple field trips to historical sites or engagement of local religious organizations (Seongdong) to a Unification Fair (Gyeonggi) to North Korean refugees’ community services through self-help groups (Cheongju) and nurturing unification-era leaders (Gwangmyeong). Time and over, these councils expressly shunned one-time events or programs (Cheongju, Gwangsan, Gunpo), recognizing the need for programs that will enable long-lasting interactions. For instance, with an explicit objective of facilitating long-lasting interactions, Nowon district launched a choir consisting of North Korean refugees and community residents that have regular bimonthly practice sessions and periodical recitals. Moreover, it was demonstrated that councils try to address fundamental issues of cultural differences and negative perception towards North Korean refugees by holding programs that introduce North Korean culture to community residents (Nowon, Dongdaemun, Gyeonggi, Cheongju, Jincheon) and embarking on an official jurisdiction-wide awareness campaigns (Gwanak, Jeonnam).

As a whole, although these programs were not on the agenda of all regional councils, majority of them did officially acknowledge the need for formation of quality social network between North Korean refugees and the community and put rigorous efforts in creating opportunities for such formation of social capital.
Chapter VI. Panel Regression Analysis

6.1 Analytical Framework

The Model 1 of this study intends to estimate the effects of regional councils for assisting North Korean Refugees on their employment rate between 2011 and 2017 in seven regions of Seoul, Incheon Gyeonggi, Gangwon, Chungcheong, Jeolla, and Gyeongsang, while controlling for regional adaptation centers, employment protection officers, resettlement protection officers and GRDP growth rate.

The Model 2 intends to estimate the effects of regional councils for assisting North Korean Refugees on their unemployment rate between 2011 and 2017 in seven regions of Seoul, Incheon Gyeonggi, Gangwon, Chungcheong, Jeolla, and Gyeongsang, while controlling for regional adaptation centers, employment protection officers, resettlement protection officers and GRDP growth rate.

The Model 3 intends to estimate the effects of regional councils for assisting North Korean Refugees on their out-of-labor-force rate between 2011 and 2017 in seven regions of Seoul, Incheon Gyeonggi, Gangwon, Chungcheong, Jeolla, and Gyeongsang, while controlling for regional adaptation centers, employment protection officers, resettlement protection officers and GRDP growth rate.
[Figure 2. Analytical Framework]
6.2 Hypotheses

For the purpose testing the effects of regional councils on North Korean refugees labor market participation, this study sets three hypotheses as follows:

**H1:** Higher number of councils per region will be correlated with higher employment rate of North Korean refugee population

**H2:** Higher number of councils per region will be correlated with lower unemployment rate among North Korean refugee population

**H3:** Higher number of councils per region will be correlated with lower out-of-labor-force rate among North Korean refugee population

6.3 Scope of the Research

This paper attempts to examine the role and the effects of regional councils for assisting North Korean refugees on North Korean refugees labor market integration. Thus, the subject of this research is North Korean refugees and regional councils for assisting North Korean refugees in seven regions of Seoul, Incheon, Gyeonggi, Gangwon, Chungcheong, Jeolla and gyeongsang. Jeju Special Self-Governing Province is excluded from the study due to unavailability of the data on North Korean refugees’ labor market participation. In addition, North and South provinces were incorporated into one for the region of Chungcheong, Jeolla and Gyeongsang because information on labor market participation in settlement surveys were only available at this level.
Requests to obtain data at lower level were rejected due to the sensitivity of the data and potential harm such disclosure may cause to North Korean refugees. The scope of time period is from 2011 through 2017. Indicators of labor market participation for the year of 2013 and partly for the year of 2017 were unavailable and thus excluded from the data set.

6.4 Method of Analysis

The effects of regional councils on employment rate, unemployment rate and out-of-labor-force rate among North Koreans in each region are estimated by two different panel analysis models: fixed-effects model and random-effects model.

Panel data is generally defined as the “pooling of observations on a cross-section of households, countries, firms, etc. over several time periods.”\textsuperscript{110} According to Hsiao, some of the benefits of using panel data are as follows\textsuperscript{111}:

1) While simple time-series and cross-section analysis that do not control for heterogeneity among individuals, firms and states is likely to result in biased results, individual heterogeneity can be controlled with panel data;

2) Unlike time-series analysis prone to multicollinearity, panel data provide “more informative data, more variability, more degrees of freedom and more efficiency,” while suffering from less collinearity;

3) Repeated cross-sections of observations enable us to looks at dynamics of change as in unemployment or job turnover;


\textsuperscript{111} Hsiao, C. Analysis of Panel Data. 2003. Cambridge: Cambridge University Press.
4) Panel data allows for identifying and estimating effects that are not detectable in pure cross-section or time-series data; and
5) Hypothesizing and testing complicated behavioral models is possible with panel data.

Fixed-effects models are designed in order to study the causes of changes within an entity.\textsuperscript{112} This is because fixed-effects model assumes the correlation between an entity’s error term and explanatory variables, and unobserved individual characteristics that may bias the variables are controlled by removing the effects of those time-invariant characteristics.\textsuperscript{113} Stock and Watson explain this more intuitively: “If the unobserved variable does not change over time, any changes in the dependent variable must be due to influences other than these fixed characteristics.”\textsuperscript{114} Because fixed effects model only considers within variation while ignoring between-variation, the model in turn is not suited to data in which within-cluster variation is minimal or variables changes over time are slow.\textsuperscript{115}

Whereas the fixed effect model assumes that individual specific coefficient is fixed for each subject and thus time-invariant, in random effect model, variations across entities are assumed to be random and uncorrelated with the explanatory variables the model includes.\textsuperscript{116} In other words, individual specific coefficient is assumed to be a random variable.\textsuperscript{117}

\textsuperscript{112} Kohler, Ulrich. Frauke, Kreuter. \textit{Data Analysis Using Stata}, 2\textsuperscript{nd} ed. Stata Press. p. 245.
\textsuperscript{114} Stock and Watson, 2003, pp. 289-290.
In this study, the effects of regional councils for assisting North Korean refugees are estimated by two different regression models: fixed-effects and random-effects model. For both models, identical specifications are used. Below is the equation developed to test the three hypotheses of the study:

\[ Y_{Ni,t} = \beta_0 + \beta_1 (\text{number of councils per region}) + \beta_2 (\text{number of regional adaptation center per region}) + \beta_3 (\text{number of employment protection officers per region}) + \beta_4 (\text{number of resettlement protection officers per region}) + \beta_5 (\text{rate of change in gross regional domestic production}) + \lambda_t + \epsilon_{i,t} \]

where

\( i \): Region
\( t \): Year \( (t = 2011, \ldots, 2017) \)

\( Y_{1i,t} \): Employment rate
\( Y_{2i,t} \): Unemployment rate
\( Y_{3i,t} \): Proportion of North Korean Refugees Not in Labor Market

\( \lambda_t \): Unobserved characteristics of each region
\( \epsilon_{i,t} \): Error term with a mean of 0 and variation of \( \sigma^2 \) in all regions and at all points in time
6.5 Variables

6.5.1 Dependent Variables

For the purpose of measuring economic integration of North Korean refugees, the following variables are used as outcome variables.

1) Employment Rate

Employment Rate (%) = (The number of the respondents who are employed / the total number of respondents excluding ‘cannot be determined’) X 100

2) Unemployment Rate

Unemployment Rate (%) = (The number of the respondents who are unemployed / the number of those in labor market) X 100

3) Out of Labor Force Rate

Out-of-Labor-Force Rate (%) = (The number of people that are not in the labor market / the total number of respondents excluding ‘cannot be determined’) X 100
6.5.2 Independent Variables

A single independent variable in the model is the number of regional councils per region.

1) The Number of Regional Councils

The number of regional councils per region (Seoul, Incheon, Gyeonggi, Chungcheong, Jeolla, Gangwon, Gyeongsang)

[Table 6] The Number of Regional Councils per Region, 2011-2016

<table>
<thead>
<tr>
<th>Region/Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seoul</td>
<td>6</td>
<td>13</td>
<td>13</td>
<td>21</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Incheon</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Gyeonggi</td>
<td>3</td>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Gangwon</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Chungcheong</td>
<td>4</td>
<td>15</td>
<td>16</td>
<td>17</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>Jeolla</td>
<td>9</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Gyeongsang</td>
<td>8</td>
<td>18</td>
<td>19</td>
<td>22</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>83</td>
<td>88</td>
<td>101</td>
<td>110</td>
<td>112</td>
</tr>
</tbody>
</table>
6.5.3 Control Variables

Control variables in the model are policy variables that reflect the current system of resettlement assistance for North Korean refugees. However, due to unavailability of the information, the number of personal safety protection officers is not part of the model.

1) The Number of Regional Adaptation Centers

The number of regional adaptation centers per region (Seoul, Incheon, Gyeonggi, Chungcheong, Jeolla, Gangwon, Gyeongsang)

[Table 7] The Number of Regional Adaptation Centers per Region, 2011-2016

<table>
<thead>
<tr>
<th>Region/Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seoul</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Incheon</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Gyeonggi</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Gangwon</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Chungcheong</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Jeolla</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Gyeongsang</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>28</td>
<td>31</td>
<td>30</td>
<td>28</td>
<td>28</td>
</tr>
</tbody>
</table>
2) The Number of Employment Protection Officers

The number of Employment Support Centers per region (Seoul, Incheon, Gyeonggi, Chungcheong, Jeolla, Gangwon, Gyeongsang)

[Table 8] The Number of Employment Protection Officers per Region, 2011-2016

<table>
<thead>
<tr>
<th>Region/Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seoul</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Incheon</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Gyeonggi</td>
<td>10</td>
<td>10</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Gangwon</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Chungcheong</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Jeolla</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Gyeongsang</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>54</td>
<td>56</td>
<td>56</td>
<td>56</td>
<td>56</td>
</tr>
</tbody>
</table>

3) The Number of Resettlement Protection Officers

The number of Resettlement Protection Officers per region (Seoul, Incheon, Gyeonggi, Chungcheong, Jeolla, Gangwon, Gyeongsang)

[Table 9] The Number of Resettlement Protection Officers, 2011-2016

<table>
<thead>
<tr>
<th>Region/Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seoul</td>
<td>26</td>
<td>26</td>
<td>26</td>
<td>26</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Incheon</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Gyeonggi</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Gangwon</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Chungcheong</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Jeolla</td>
<td>43</td>
<td>43</td>
<td>43</td>
<td>43</td>
<td>43</td>
<td>44</td>
</tr>
<tr>
<td>Gyeongsang</td>
<td>59</td>
<td>59</td>
<td>59</td>
<td>59</td>
<td>59</td>
<td>61</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>226</td>
<td>226</td>
<td>226</td>
<td>226</td>
<td>229</td>
</tr>
</tbody>
</table>
4) GRDP Growth Rate
Rate of change in gross regional domestic production

[Table 10] Growth Rate of Gross Regional Domestic Product, 2011-2016

<table>
<thead>
<tr>
<th>Region/Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seoul</td>
<td>3</td>
<td>2</td>
<td>2.8</td>
<td>2.4</td>
<td>3.4</td>
<td>2</td>
</tr>
<tr>
<td>Incheon</td>
<td>1.6</td>
<td>0.7</td>
<td>2.3</td>
<td>3.6</td>
<td>2.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Gyeonggi</td>
<td>3.6</td>
<td>2.9</td>
<td>2.9</td>
<td>5.4</td>
<td>3.6</td>
<td>4.7</td>
</tr>
<tr>
<td>Gangwon</td>
<td>5.9</td>
<td>4.4</td>
<td>3.6</td>
<td>5.1</td>
<td>6.4</td>
<td>5.4</td>
</tr>
<tr>
<td>Chungcheong</td>
<td>9.5</td>
<td>3.2</td>
<td>4.8</td>
<td>5.2</td>
<td>4.9</td>
<td>4.7</td>
</tr>
<tr>
<td>Jeolla</td>
<td>6.1</td>
<td>2.7</td>
<td>0.43</td>
<td>2.6</td>
<td>4.1</td>
<td>3.6</td>
</tr>
<tr>
<td>Gyeongsang</td>
<td>5.1</td>
<td>3.6</td>
<td>2.6</td>
<td>2.4</td>
<td>3.9</td>
<td>3.3</td>
</tr>
</tbody>
</table>
Table 11 presents the descriptive statistics for all independent and dependent variables used in the regression models used in the research.

[Table 11] Descriptive Statistics of Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min.</th>
<th>Max.</th>
<th>Obs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Regional Council</td>
<td>12.76316</td>
<td>7.705506</td>
<td>1</td>
<td>26</td>
<td>38</td>
</tr>
<tr>
<td>No. of Hana Center</td>
<td>3.973684</td>
<td>1.747382</td>
<td>1</td>
<td>7</td>
<td>38</td>
</tr>
<tr>
<td>No. of Employment Protection Officers</td>
<td>7.815789</td>
<td>4.145041</td>
<td>2</td>
<td>16</td>
<td>38</td>
</tr>
<tr>
<td>No. of Resettlement Officers</td>
<td>31.63158</td>
<td>14.85683</td>
<td>11</td>
<td>61</td>
<td>38</td>
</tr>
<tr>
<td>GRDP Growth Rate</td>
<td>3.921053</td>
<td>1.586626</td>
<td>0.7</td>
<td>9.5</td>
<td>38</td>
</tr>
<tr>
<td>Employment Rate</td>
<td>51.58684</td>
<td>5.417448</td>
<td>41.2</td>
<td>61.3</td>
<td>38</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>4.302632</td>
<td>1.63616</td>
<td>2.4</td>
<td>9.5</td>
<td>38</td>
</tr>
<tr>
<td>Unable to Tell</td>
<td>3.292195</td>
<td>2.728962</td>
<td>0</td>
<td>8.7</td>
<td>38</td>
</tr>
</tbody>
</table>
6.6 Results of Analysis

Table 11 presents the descriptive statistics for all the variables used in the two panel regression models used in the research.

For two of the three dependent variables this study examines, the results of Hausman tests indicated that different models as more likely to produce more efficient estimators. However, results of both fixed-effects and random-effects models are presented as the goodness of fit indicators do not suggest none of the models are likely to produce egregiously wrong estimators for the first two dependent variables. In accounting for variations in the employment rate and unemployment in any given region, the number of regional councils appeared to have statistically significant effects and confirm the study’s hypotheses. In addition, GRDP growth rate was found to have statistically significant correlation with unemployment rate.
6. 6. 1 Employment Rate

[Table 12] Effects of Regional Councils on Employment Rate

<table>
<thead>
<tr>
<th>Employment Rate</th>
<th>Fixed-effects (within)</th>
<th>Random-effects GLS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coef.</td>
<td>Std. Err.</td>
</tr>
<tr>
<td>No. of Regional/District Councils</td>
<td>0.4928849</td>
<td>0.2240337</td>
</tr>
<tr>
<td>No. of Regional Adaptation Centers</td>
<td>-1.221282</td>
<td>1.520872</td>
</tr>
<tr>
<td>No. of Employment Protection Officers</td>
<td>0.0662303</td>
<td>3.702848</td>
</tr>
<tr>
<td>No. of Resettlement Protection Officers</td>
<td>2.225124</td>
<td>2.308573</td>
</tr>
<tr>
<td>Gross Regional Domestic Production Growth Rate</td>
<td>0.0357605</td>
<td>0.7069565</td>
</tr>
<tr>
<td>_cons</td>
<td>-20.89299</td>
<td>84.30992</td>
</tr>
</tbody>
</table>

R-Squared

<table>
<thead>
<tr>
<th></th>
<th>Within</th>
<th></th>
<th>Between</th>
<th></th>
<th>overall</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.3816</td>
<td></td>
<td>0.2267</td>
<td></td>
<td>0.0910</td>
<td></td>
</tr>
<tr>
<td>Hausman-test (chi2), sigmamore</td>
<td></td>
<td>0.7590</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-Value (Wald Chi2)</td>
<td>0.0218</td>
<td></td>
<td>0.0073</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Fixed effects regression analysis with given independent variables and North Korean refugees’ employment rate as the dependent variable resulted in one estimate with 95% statistical significance and four others of which effects are inconclusive. This was the same for the random effects model.

In the fixed-effects model, the number of councils appeared to have statistically significant effects on the employment rate. The coefficient for the number of councils was 0.4928849 with a standard error of 0.2240337 and a p-value of 0.037. That is, in any given region and holding all other variables constant, one additional regional council is correlated with a 0.49 percentage points increase in North Korean refugees’ employment rate at 95% confidence interval. In light of the F-value of 0.218 and within R² value of 0.3816, between R² value of 0.2267 and overall R² values of 0.0910, it is reasonable to say that the above coefficient was derived from a model of sufficient soundness.

The coefficient for the number of regional councils in the random effects model was slightly higher at 0.5097159 with a standard error of 0.154339 and a p-value of 0.001. To put this result in the context of the study at hand, for every additional council within a region, the employment rate increased by 0.51 percentage points at a 99% confidence level. The indicators of goodness of fit were similar to those of the above fixed model: the F-value was 0.0073 with a within R² value of 0.3606, between R² value of 0.0493 and overall R² values of 0.1890.

There was substantial homogeneity in the estimates. In all two models, the coefficients for the number of regional council were statistically significant at 95% or 99% confidence level with their value ranging from 0.49 to 0.51.
### 6.6.2 Unemployment Rate

**[Table 13] Effects of Regional Councils on Unemployment Rate**

<table>
<thead>
<tr>
<th>Unemployment Rate</th>
<th>Fixed-effects (within)</th>
<th>Random-effects GLS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coef.</td>
<td>Std. Err.</td>
</tr>
<tr>
<td>No. of Regional/District Councils</td>
<td>-0.1340241</td>
<td>0.0602872</td>
</tr>
<tr>
<td>No. of Regional Adaptation Centers</td>
<td>-0.0555822</td>
<td>0.409265</td>
</tr>
<tr>
<td>No. of Employment Protection Officers</td>
<td>-0.4457664</td>
<td>0.9964325</td>
</tr>
<tr>
<td>No. of Resettlement Protection Officers</td>
<td>0.4194515</td>
<td>0.6212346</td>
</tr>
<tr>
<td>Gross Regional Domestic Production Growth Rate</td>
<td>0.6031099</td>
<td>0.1902412</td>
</tr>
<tr>
<td>_cons</td>
<td>-5.914653</td>
<td>22.68771</td>
</tr>
</tbody>
</table>

| R-Squared                                             | Within | 0.5734 | 0.5218 |
|                                                      | Between | 0.0003 | 0.4772 |
|                                                      | overall | 0.0320 | 0.4601 |

| Hausman-test (chi2), sigmamore                        | 0.0468 |
| F-Value (Wald Chi2)                                   | 0.0003 | 0.0000 |
When unemployment rate among North Korean refugees is put as the dependent variable, two variables, the number of regional council and GRDP growth rate, were found to have statistically significant effects in the two regression models. It was found that while both are correlated with unemployment rates across regions, GRDP growth rate holds greater explanatory power in explaining variations in the unemployment rate than the number of regional councils does.

In the fixed model, the number of regional councils and GRDP growth rate were two variables with statistical significance. While GRDP growth rate had a coefficient of 0.6031099 with a standard error of 0.1902412 and its p-value of 0.004, the variable of the number of regional councils had an estimate of -0.1340241 with a standard error of 0.0602872 and a p-value of 0.035. So, for any given region, one percentage point increase in the GRDP growth rate was associated with 0.60 percentage point hike in the unemployment rate among North Korean refugees at 99% confidence interval. On the other hand, in any given region, an additional regional council was found to be correlated with a 0.13 percentage point decrease in North Korean refugees’ unemployment rate. The fixed-effects model had a within $R^2$ value of 0.5734, between $R^2$ value of 0.0003 and overall $R^2$ values of 0.030 along with an F-value of 0.003. On the whole, the fixed-effects model suggests with reasonable statistical confidence that both GRDP growth rates and the number of regional council within a region hold substantial explanatory power. Yet, although the size of the explanatory power was greater for the GRDP growth rate, it was the number of regional councils that was correlated with lower unemployment rate.

GRDP growth rates and the number of regional councils were still statistically significant in the random-effects model with an identical pattern. Specifically, GRDP growth rate within a region as an independent variable had a coefficient of 0.5647932 with a standard error of 0.147226 and a p-value of 0.000, implying that at 99.9% confidence level, a one percentage point increase in GRDP growth rate was associated
with 0.56 percentage point rise in the unemployment rate. The variable of the number of regional councils within a region had a coefficient of -0.0807552 with its standard error of 0.0403033 with a p-value of 0.045. That is, every one unit increase in the number of regional councils within a region was correlated with 0.08 percentage point drop in the North Korean refugees’ unemployment rate in the region. This model had a within R² value of 0.5218, between R² value of 0.4772 and overall R² value of 0.4601 along with its F-value of 0.0000.
### 6.6.3 Out-of-Labor-Force Rate

**[Table 14] Effects of Regional Councils on Out-of-Labor-Force Rate**

<table>
<thead>
<tr>
<th>Not-in-Labor-Force Rate</th>
<th>Fixed-effects (within)</th>
<th>Random-effects GLS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coef.</td>
<td>Std. Err.</td>
</tr>
<tr>
<td>No. of Regional/District Councils</td>
<td>-0.2210394</td>
<td>0.1838316</td>
</tr>
<tr>
<td>No. of Regional Adaptation Centers</td>
<td>1.945079</td>
<td>1.247956</td>
</tr>
<tr>
<td>No. of Employment Protection Officers</td>
<td>1.369896</td>
<td>1.894307</td>
</tr>
<tr>
<td>No. of Resettlement Protection Officers</td>
<td>2.399273</td>
<td>3.038385</td>
</tr>
<tr>
<td>Gross Regional Domestic Production Growth Rate</td>
<td>-0.7307803</td>
<td>0.5800955</td>
</tr>
<tr>
<td>_cons</td>
<td>-22.73198</td>
<td>69.18079</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>R-Squared</th>
<th>Within</th>
<th>0.1664</th>
<th>0.1288</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Between</td>
<td>0.1402</td>
<td>0.3439</td>
</tr>
<tr>
<td></td>
<td>overall</td>
<td>0.0528</td>
<td>0.2020</td>
</tr>
</tbody>
</table>

| Hausman-test (chi2), sigmamore | 0.8657 |
| F-Value (Wald Chi2)             | 0.4165 | 0.3743 |
Contrary to the first two dependent variables, when labor market non-participation rate was the dependent variable, all two models with given specification showed insignificant explanatory power.

The fixed-effects model did not yield any statistically significant coefficients. In addition, indicators of goodness of fit were also relatively poor. The within $R^2$ value was 0.1664; between $R^2$ value, 0.1402; and overall $R^2$ value, 0.0528. The F-value was 0.4165, suggesting severe inadequacy of the model in trying to explain the variations in dependent variable with the specified set of independent variables.

The results of the random-effects model were not very different. None of the estimators were statistically significant, and the values of $R^2$ estimators and F-test results were only slightly better.
Chapter VII. Discussions and Conclusion

7. 1 Discussions

7. 1. 1 Directed Content Analysis on Interview Transcripts

1) Government Institutions

Assistance from Hanawon, regional adaptation centers (Hana Center), employment protection officers, resettlement officers, personal safety protection officers in the form of sharing information, providing referrals or recommendations of securing a job fall into this category of government institutions. Among the 24 North Korean refugees, 15 of them received help in finding employment from different government institutions. Below are some excerpts from the interview transcripts that represent support from government institutions:

“... Then I saw on TV an advertisement of an administrative position especially open for North Korean refugees. So I came here to Hana Center, and asked the person in charge if he could help me in applying for the position. He registered me in the system as a North Korean refugee. Then while I was taking courses in design, I got a call from employment protection officer that there is an opportunity for a 9-month internship at the employment assistance center...”
“... And one day I received a call, asking if I am interested in getting a job. I said, 'I want to work. I need to earn money wherever the job is.' It was a place where employees were mostly North Korean refugees.... I received a lot of help from Hana Center. I went there for 8 days before getting this job. There is no other place than Hana Center I ask for help because I do not know any other source of assistance...”

“... at the end of the 3 months program at Hanawon nearing discharge, a group of people came to advise me on potential career path. I was very grateful to them. Some of them were working at Hanawon, and the others were from the outside. They showed how to write up resume, personal statement and how to answer job interview questions ... I went to OOOO. I went because he told me to go since I can use my skills. So I went, and they asked me how I came to know about the institution. So I explained I had been informed by the deputy director at Hanawon. Right at the time, there was a position open for special hiring...”

“... when you get discharged from Hanawon, they assign a resettlement supporter for each refugee. I received a call from my supporter asking if I would be interested in getting a job... “

“...when I told the officer about the position open for a North Korean refugee, he printed out for me the job description and said I might be a fit. And then in March, I received a call from Hana Center about a position open at the city hall. They informed me of all available openings and advised to apply for all those positions...”
2) North Korean Refugees Community

For many North Korean refugees, fellow North Korean refugees they meet during the joint interrogation at the National Intelligence Service and initial adaptation training in Hanawon were often the first individuals comprising their social network in the South. While some of the interviewees relied on their relatives or siblings for information on the kind, prospect, relative easiness of different jobs, some others relied on fellow North Korean refugees who had established their own social network. For 9 of the 24 respondents, the source of assistance in the process of career adjustment was their North Korean refugee network. Below are some excerpts from the interview transcripts that represent support from North Korean refugees community:

“Fortunately, I had relatives who had come earlier and settled well. So I went determined to show us. They brought us to theater, grocery stores, arranged enrollment at a vocational school for us... It has been just a year... I understood what I was going through and treated me with patience...”

“... My sister learned of the opening at this agency first and told me to check out...”

“... my husband submitted applications for me and persuaded the owner to give me an opportunity...”

“... A refugee that was assigned to the same town told me to check out this vocational training school and get trainings... They offered a position... So since then I stayed this long...”
“... When this opening at this agency first opened, I was not even aware. But a member of the North Korean refugees group I was attending was adamant that I should apply... somehow I and another person were accepted...”

“... there was this refugee who had an acquaintance in Incheon who was hiring. So she introduced me... the waitress job was through an acquaintance from church...”

“... right at that moment, I was able to get hold of a refugee living in Seoul. She asked me if I would be interested in getting a job at this employer...”

“... there is a gathering of North Korean refugees. Someone in that group learned of this opportunity at the vocational school and that information was relayed to me...”

3) South Korean Community

11 out of the 24 respondents received help in regards to finding a job from their network with South Korean contacts. These were a supervisor who put words at other government agency for a refugee who was doing her internship under him, the head of a vocational school that offered a position for a North Korean refugee trainee, acquaintances from church, professors, head of a civic organization that offered a job, etc. As these individuals already have their own established networks and thus have more reliable information and access to job opportunities, it is not surprising that personal ties with South Koreans were the second most frequent source of help in
North Korean refugees’ career adjustment. Below are some excerpts from the interview transcripts that represent support from South Korean community:

“... I was always conscious of the term of the internship. I used to get anxious. Then all of sudden, a colleague informed me of an opening for a regular employee position she thought I would be eligible for.... My supervisor helped me a lot with preparing for interviews... “

“... As soon as I obtained an associate degree, this vocational school offered me a lecturer position to teach North Korean refugees... I was able to lead a class well. They recognized my teaching skill and so I worked there for 3-4 years...

“... we did not have any seed money. But an acquaintance at church had a restaurant that had been on the market. She offered selling the restaurant to us on the condition that we make monthly installments...”

“... right when I wanted to give up and started to thinking about re-emigrating to the U.S.... I met South Korean professors... they offered me a position at an NGO for North Korean refugees....”

“... then a professor asked his classmates if he could give me an opportunity...”
“... I did not have any experience in that field. But president of the organization complimented me on how diligently I try and offered me a position...”

Overall, the results of content analysis above underscore the central role social networks play in North Korean refugees’ career adjustments. In particular, although Settlement Surveys show that independent job search using online services or periodicals are the most prevalent channel of obtaining information on available positions for hiring, the accounts of 24 North Korean respondents demonstrate that such method is more likely to involve partial disclosure as to their identity and ultimately lead to unsuccessful attempts at employment. To the contrary, information, referrals or recommendations or employment offer made through existing channels of social network, be it government institutions, North Korean refugees or South Korean contacts, were more viable and much more likely to lead to actual employment. Such result is in line with findings of previous research that social capital is the decisive factor not only in securing employment and but also in finding jobs that better matches a job-seeker’s skillset. 118 119 This, in light of theories of social capital, can be attributed to the intrinsic qualities of social network: 1) the communication of accurate information and 2) mutual trust on the basis of such exchange of accurate information.

The above findings from content analysis has implications for current policy tools such as subsidies for vocational trainings and licenses or government

disbursement of a given proportion of wage into employed North Korean refugee’s savings account. While those policy instruments may incentivize more North Korean refugees to participate in the labor market, their effectiveness is nullified unless job-seeking North Korean refugees can secure an actual employment. Thus, for the current set of policy instruments that incentivize North Korean refugees’ labor market participation to be effective, they must be accompanied by measures to build social capital around North Korean refugees.

However, some cautionary remarks need to be made in that the content analysis dealt only with occurrences of employment and does not speak to the quality of employment such as wage or duration of employment. Thus, any generalization of the findings must be limited to the corresponding scope.

7. 1. 2 Directed Content Analysis on Government Records

A directed content analysis on government records of regional councils showed regional councils’ role in cultivating social capital among all parties involved in community-level resettlement assistance. Exchange of accurate information, coordination and cooperation was proactively facilitated 1) among government institution, 2) between government institutions and civil society organizations and 3) between North Korean refugees and the community residents with various means. Not only government institutions and community civil society organizations sought to strengthen the social network in the relevant sphere to enhance the efficiency of resettlement assistance, social network among North Korean refugees and community residents were also targeted in order to address the cultural gap and biases in perception by facilitating opportunities to interact. While quantitatively measuring the changes in the strength and scope of social network among different actors by
itself is out of this study’s scope and the efforts to strengthen and expand social
network cannot uniform across regional councils, the directed content analysis
ascertained regional councils’ role in bolstering web of social capital among
government institutions, civil society organizations, community residents and North
Korean refugees.

7. 1. 3 Panel Analysis

The fixed-effects and random-effects regression models with given
specification were found to hold a substantial degree of explanatory power in
accounting for variations in the employment and unemployment rates of North Korean
refugees. On the other hand, the same models could not account for changes in the
out-of-labor-force rate.

When employment rate is the dependent variable, in both fixed-effects and
random-effects models, the coefficient of the number of regional councils as an
explanatory variable showed statistical significance at 95% confidence interval while
statistics for four other variables signaled inconclusive effects. In the two models, each
coefficient for the number of regional council was statistically significant at 95% or
99% confidence level with their values ranging from 0.49 to 0.51. Thus, it is
reasonable to infer that for any given region, the number of regional councils has a
positive correlation with higher employment rate of North Korean refugees.

On the other hand, when unemployment rate is the outcome variable, there
were two statistically significant variables in both regression models. First, GRDP
growth rate showed a positive correlation with unemployment rate. In both models,
the variable had a coefficient ranging from 0.0602872 to 0.6031099 at 95% confidence
interval, suggesting that 1 percentage point increase in the GRDP growth rate is
associated with 0.60 percentage points increase in the unemployment rate at 95% confidence level. In the meantime, in both models, the number of regional councils per region had a coefficient ranging from -0.1340241 to -0.0807552 at 95% confidence interval, suggesting a negative relationship between the number of regional councils and unemployment rate. Taken together, it may be inferred that economic growth induces latent labor force participants to seek employment more than the effects of regional councils can offset. However, given the fact that the GRDP growth rate was included in the model as a control variable and that testing whether growth in GRDP causes increased labor market participation needs to be grounded upon a relevant theory, determination of its effect is a subject of a separate inquiry.

Lastly, none of the variables included in the specification turned out to have statistically significant impact on North Korean refugees’ labor market participation. However, despite the fact that goodness of fit indicators suggest the model’s lack of explanatory power, to the extent that these same variables can actually explain changes in the labor market participation rate, such result signals that none of the policy instruments included in the model result in material changes in North Korean refugees’ labor market participation. Although the result may have been exaggerated in light of high concentration of women in their 30s and 40s with responsibility for childcare and people with psychological or physical disabilities as well as strong preference for part-time employment to maintain eligibility for basic living security, this result suggests that stimulating labor market participation may call for an entirely different approach.
7.2 Conclusion

Regardless of the commotion over the heightened prospect of a peace treaty between North Korea and the U.S., the issue of successful resettlement of North Korean refugees remains a critical challenge to South Korea. This is because with over 31,000 North Korean refugees residing in South Korea as of early 2018, maladaptation of North Korean refugees in one generation not only harms social integration at the time but is likely to go on to later generations, turning into a permanent factor of social divisiveness. Yet, the challenge of adaptation in a society with extraordinarily high level of bonding social capital at work cannot be easy for most North Korean refugees.

This study attempted to delve into the role of regional councils in the formation and expansion of social capital for North Korean refugees’ resettlement. To that end, 1) the role of social capital in North Korean refugees career adjustment; 2) the role of regional councils in the formulation and expansion of social capital among actors involved in community-level resettlement assistance; and 3) the effects of regional councils on North Korean refugees’ labor market participation were each examined in order.

Specifically, a directed content analysis on transcripts of interviews with 24 North Korean refugees on their career adjustment demonstrated that social capital is indeed of central importance. Although different policy measures such as subsidies for vocational trainings or licenses and cash grants for employment that embody the values of new public management paradigm do incentivize North Korean refugees to acquire skills and find employment, these policy instruments per se simple could not guarantee a job. Rather, it was respondents’ social network – institutional sources, civil society organizations, North Korean or South Korean acquaintances – that provided them with useful information and viable opportunities to work. On the other
hand, a directed content analysis on government records of regional councils’
decisions and actions revealed the regional councils’ role in the formation and
expansion of social network to create a dependable web of trust and cooperation
among government institutions, organizations, community residents and North
Korean refugees. Lastly, testing regional councils’ effects on North Korean refugees
labor market participation using fixed-effects and random-effects model showed that
the number of regional councils in a region is positively correlated to employment rate
of the region’s North Korean refugee population while negatively correlated with
unemployment rate.

7.3 Policy Implications

The findings of this research have the following policy implications. First, in
that social capital plays a decisive role in North Korean refugees’ career adjustment,
policy instrument intended to incentivize labor market participation of North Korean
refugees must be accompanied by corresponding measures of creating and bolstering
social capital surrounding North Korean refugees. For example, a representative from
business sector in each community could sit on the council to facilitate communication
of information directly between a pool of job-seeking North Korean refugees and
opportunities of employment.

Second, the findings of this study also validate the adequacy of the new
governance approach to the issue of resettlement assistance for North Korean
refugees. Such inference in a way is not surprising at all because resettlement in a new
environment requires an all-around adjustment on the part of North Korean refugees.
As much as resettlement translates into adaptation in all aspects of life, it cannot be
achieved by a single policy measure or approach that target only a segment of the whole. Furthermore, as the issue of resettlement became more and more complicated and harder to address\textsuperscript{120}, the limited effectiveness of existing provider-centered or market-oriented policy approach has been increasingly perceived.

Third, in that regional councils’ decisions and actions are conducive to cultivating the base of social network for successful implementation of resettlement policy, central government may consider officially recognizing the central role and achievements of regional councils in the formation and expansion of social network as a foundation for North Korean refugees’ resettlement. While the establishment of regional council currently is on a voluntary basis for local governments with a population of over 100 North Korean refugees, the threshold could be made lower to induce more local governments to organize a regional council. Such change is expected to bring about an outcome especially desirable in light of the dwindling capacity to accommodate North Korean refugees in the metropolitan area by creating an environment with as positive prospect of employment and financial security.

7.4 Limitations and Need for Future Study

As an attempt to look at the role of regional councils in the community level resettlement assistance for North Korean refugees from the perspective of social capital, there exist many factors that limit generalizability of this study’s findings. First, North Korean Refugee Foundation’s settlement surveys used to construct the

\textsuperscript{120} 한국행정학회 산하 북한사회/행정연구회. 2009. 북한이탈주민 지역사회 정착을 위한 연계협력체계 구축방안.
Panel data set used in this study has started only in 2011 and used different sampling methods, complete enumeration vs. using samples, for subsequent years. Further, labor market participation indicators were made available only at the level of aggregated regions, limiting the N number of the dataset and the ability to examine differential effects of regional councils in smaller geographic units. Although data at city/province level were not made available despite repeated requests, should the data become available for research, it may afford more accurate and reliable assessment of regional councils’ effects. Next, indicators of labor market participation may have been distorted due to North Korean refugees’ preference for part-time work with wages below eligibility threshold for basic living security payment. Thus, a future study may improve the quality of its assessment by taking into account the proportion of basic living security recipients.

While this study used the number of regional councils as an explanatory variable, other characteristics of regional councils such as number of years since establishment, budget, divert of council members, and diversity of programs could be taken into account in a future study. Further, regional councils’ effects on the scope and strength of social network deserve a separate examination.
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국문초록

본 연구는 북한이탈주민지원지역협의회가 북한이탈주민이 지역사회 정착과정에서 이용가능한 사회적 자본의 형성과 확대에 미치는 영향을 살펴보는 것을 목적으로 한다. 이를 위해 북한이탈주민의 노동시장 통합도를 북한이탈주민의 취업률과 실업률, 노동시장비참여율을 기준으로 파악하고 질적 및 양적 방법론을 사용하여 지역협의회의 역할과 효과를 확인하고자 하였다. 첫째, 직업적응과 관련하여 실시된 24명의 북한이탈주민의 인터뷰 자료를 대상으로 내용분석을 실시하여 직업과 관련한 정보와 도움을 얻는 경로를 파악하였다. 둘째, 지역협의회의 결정과 활동을 기록한 정부자료를 대상으로 내용분석을 실시하여 지역협의회가 북한이탈주민을 둘러싼 사회적자본의 형성과 확대에 영향을 미치는 작동원리를 규명하였다. 셋째, 북한이탈주민의 취업률과 실업률, 노동시장 비참여율의 패널데이터를 구축하여 지역협의회가 이들 변수에 미치는 상대적 영향력의 크기를 도출하고자 하였다.

본 연구의 결론은 다음과 같다. 첫째, 북한이탈주민의 직업적응 과정에 있어서 정부기관, 주변 북한이탈주민 및 시민사회와 지역주민 등 사회관계망에 기초한 정보와, 직업소개, 직업제안 등 사회적 자본의 역할이 매우 중요함을 확인하였다. 둘째, 지역협의회가 북한이탈주민의 정착지원에 관여하는 정부기관, 시민사회 및 지역사회 간 정보의 교환, 조정과 협동의 도모를 통해 각 차원의 사회적 자본을 적극적으로 형성하고 확대함을 확인할 수 있었다. 셋째, 고정효과모형과 확률효과모형을 사용한 패널 데이터 분석을 통해 타 지역사회차원의 정책변수가
동일한 때 각 지역 내 지역협의회와 북한이탈주민의 취업률과 실업률 간에 통계적으로 유의미한 상관관계가 있음을 도출하였다.