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## Practical Strategies for Trans-border Cooperation in Amnok River Region among South Korea, North Korea, and China

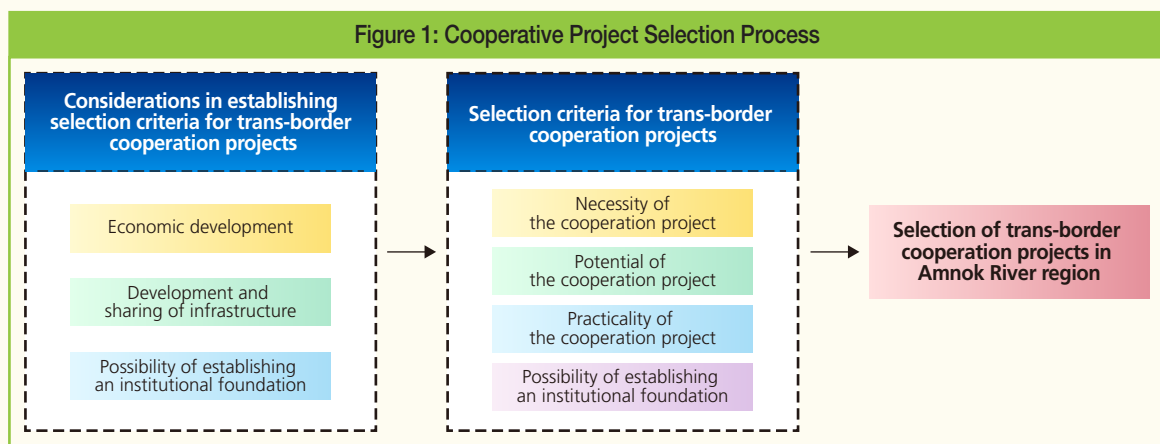
Kim Cheon-kyu, Research Fellow

### The need for and significance of developing the border area between North Korea and China

The border area between North Korea and China is a "closed" area where small-scale exchanges and cooperation are allowed, and only within certain restricted spaces. Despite a number of attempts, including the designation of Shineuiju City as a special administrative district, a trans-border area that is beneficial to both North Korea and China has failed to be established. In addition, the new Amnok River Bridge and Hwanggeumbyeong development projects, which are being led by China, are highly likely to depend upon the intentions of China. However, this border area has the potential of being transformed into a place for exchanges and cooperation if the national borders are opened up. This is because China's technologies and capital together with North Korea's cheap labor, land, and natural resources are very complementary. In the long term, if the area has the proper institutional and physical foundation, it could grow to be a trans-border economic zone which encompasses major areas in the hinterlands.

Currently, North Korea lacks the ability to induce China to develop China's northeastern region in a way that maximizes economic benefits for North Korea and is in the interests of the future economy of a unified Korea. Therefore, in order to promote the reform and opening up of North Korea and economic cooperation in Northeast Asia, and to enhance cooperation with China, it is necessary to expand development cooperation in various aspects, including economic and institutional efforts in the border area between North Korea and China.

In particular, the Amnok River region is an area where the north-south axis on the Korean Peninsula meets with China's northeastern regional development axis, meaning that both Liaoning Province and



Source: Kim Cheon-kyu et al., "A study on Practical Strategies for Trans-border Cooperation in Amnok River Region among South Korea, North Korea, and China" (Korea Research Institute for Human Settlements, 2013), 88.

the central government of China have strategic interests in this area.

### Criteria and process for selecting trans-border cooperation projects in Amnok River region

In order to select trans-border cooperation projects in the Amnok River region, conditions were analyzed both at the macro level—considering the situation in Northeast Asia and the Korean Peninsula, and at the micro level—narrowing the focus to specific regions, and types of trans-border

cooperation were reviewed. Then, considerations in setting the criteria for selecting trans-border cooperation projects were examined, and the project's necessity, potential, practicality, and possibility of establishing an institutional foundation were chosen as the four selection criteria.

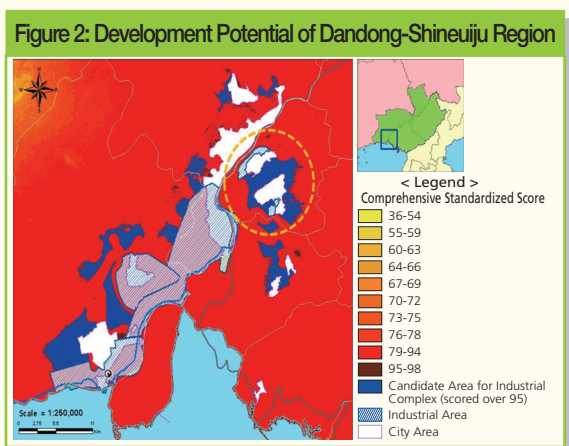
Initially, based on the selection criteria, five projects—Shineuiju (DPRK)-Dandong (China) Transport and Logistics Complex Development, International Tourism Belt along Amnok Riverside Development, Amnok River International Economic Zone Development, Joint Amnok River Water

**Table 1 : Priority Setting Based on the Four Criteria**

Trans-border Cooperation Project	Necessity	Potential	Practicality	Possibility of Establishing an Institutional Foundation	Priority
Shineuiju (DPRK)-Dandong (China) Transport and Logistics Complex Development	●	●	◎	◎	1
International Tourism Belt along Amnok Riverside Development	◎	◎	◎	◎	2
Amnok River International Economic Zone Development	◎	◎	◎	○	3
Joint Amnok River Water Resource Management Project	◎	●	○	○	4
Amnok River Basin Environmental Preservation Project	○	○	○	○	5

Note: ● Very Strong ◎ Strong ○ Moderate

Source: Kim Cheon-kyu et al., "A study on Practical Strategies for Trans-border Cooperation in Amnok River Region among South Korea, North Korea, and China" (Korea Research Institute for Human Settlements, 2013), 89.



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Resource Management Project, and Amnok River Region Environmental Preservation Project—were selected as the trans-border cooperation projects.

The Amnok River Region Environmental Preservation Project consists of the forest restoration project and the stream management and disaster prevention project. The forest restoration project can be promoted as a separate project, and the stream management and disaster prevention project can be included in the Joint Amnok River Water Resource Management Project.

Therefore, the Shineuiju (DPRK)-Dandong (China) Transport and Logistics Complex Development, International Tourism Belt along Amnok Riverside Development, Amnok River International Economic Zone Development, and Joint Amnok River Water Resource Management Project were finally selected as the four trans-border cooperation projects.

### Major tasks of each trans-border cooperation project

Major tasks of the four trans-border cooperation projects are presented as follows.

#### *Shineuiju (DPRK)-Dandong (China) Transport and Logistics Complex Development Project*

Apart from the existing Hwanggeumbyeong-Wihwado economic zone, if the Amnok River International Economic Zone Development is promoted, the transportation network surrounding

the economic zone needs to be improved by constructing more railroads and bridges that link Shineuiju and Dandong and building Shineuiju Special Administrative Region peripheral roads and a highway between Shineuiju and Anju.

In addition, it is necessary to modernize facilities in Donggang Port in Dandong and Shineuiju Port. It is also needed to improve efficiency in logistics by participating in the development of a logistics complex in the hinterlands of Dandong Port.

#### *International Tourism Belt along Amnok Riverside Development Project*

Because North Korea has no strategic plan to develop a tourism area along the Amnok River, tourism in this region is expected to be led by China. The tourism site development plan focusing on Dandong City in China proposes a specific strategy that divides the Amnok River region into seven sub-regions from upstream to downstream and makes each sub-region display a unique characteristic. In developing an international tourism area along the Amnok River, a strategy that embraces China's development plans and effectively makes use of the North's tourism resources is needed.

The area for possible international tourism joint development can be divided into four regions: Dandong-Shineuiju, Kuandian-Supung, Jiang-Ganggye and Baekdu mountain regions. The joint development plan for the Dandong-Shineuiju area has the highest practicality and needs to be promoted first.

#### *Amnok River International Economic Zone Development Project*

The key to the Amnok River International Economic Zone Development Project is the creation of a new industrial complex in the Dandong-Shineuiju area. Given the limits of the Hwanggeumbyeong area as a new industrial complex site and the possible expansion of the complex in the future, it is appropriate to select areas near Shineuiju City as the cooperation project's main site. The new industrial complex should be a small- and medium-sized complex, which combines an export processing zone with a free economic zone that focuses on trade and logistics. In order to maximize the potential of the area as a production and distribution center, and to serve as the base for continued

development, the complex needs to be developed to accommodate manufacturing, logistics, and general businesses together.

This study analyzed candidate areas for the new industrial complex, using nine categories—altitude, gradient, stream, road, railway, port, city area, industrial area, and borderline. The areas analyzed were Pyeonganbuk-do (DPRK), Jagang-do (DPRK), Dandong City in Liaoning Province (China), and Tonghua City in Jilin Province (China). The analysis result shows that the 47.7km<sup>2</sup> area between northern Shineuiju and southern Shineuiju is the most proper location for the new complex.

#### *Joint Amnok River Water Resource Management Project*

The Joint Amnok River Water Resource Management Project focuses on the utilization and control of water. The purpose of this project is to prevent water disaster along the Amnok River, refurbish existing water power facilities, turn existing dams into multi-purpose dams, and construct new power plants. Because Supung, Taepyeongman, Unbong, and Wiwon power plants along the Amnok River have deteriorated, they need to be refurbished. To prevent chronic floods and droughts in the downstream area of the Amnok River, and to provide a stable water supply for the international economic zone, it is essential that existing dams be turned into multi-purpose dams. Dredging work is also necessary to prevent damage from the flooding and to invigorate waterway tourism.

#### **A six-phase strategy for implementing trans-border cooperation projects in Amnok River region**

Trans-border cooperation projects in the Amnok River region should be conducted gradually, considering the level of tension between the North and the South, the North's determination to open up, speed of the North's opening up in border areas, and the institutionalization of a free economic zone.

The first step is to implement a transport and logistics complex joint development project based either on multilateral cooperation or on the South Korean government's participation. Second, it is expected that tourism projects using existing facilities can be implemented early if there is a North-South

agreement on personal security and residence.

Third, in the initial stages of establishing an international economic zone, development and operation of projects that are led by private companies and are based on a single facility should be encouraged. Fourth, establishing a comprehensive regional development plan and participating in the projects of building principal roads in the Amnok River region can be pursued.

Fifth, establishment of a principal transportation network in the region, expansion and reinforcement of ports, logistics complexes and traffic networks, including Gaeseong-Shineuiju railway and highway construction, can be considered. Sixth, an independent land development project or a joint land development project by South Korea, North Korea, and a third-party country in the North Korean territory of the Amnok River region can be considered in the last stage.

#### **Implementation framework for trans-border cooperation project in Amnok River region**

In the initial stage of the trans-border cooperation project in the Amnok River region, South Korea should participate in the North Korea-China cooperation process under a governance structure where South Korea is a partner of China, based on an official agreement on trans-border cooperation between South Korea and China.

In the mid- and long-term, based on an official agreement among South Korea, North Korea, and China, Amnok River Region Development Council should be established to promote and manage trans-border cooperation projects in the Amnok River region, and the council would provide technical and financial support for the development projects. The council should be mainly led by the governments of the three countries. Local governments of relevant areas, experts, private companies, and international organizations can participate in the council in the capacity of observers.

In addition, development banks of Korea and China need to lead the way in creating a development partnership fund so that it can provide technical and financial support.