Elite entrepreneurship education: translating ideas in North Korea

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Abstract: The recent geographies of education literature has drawn attention to the role of elite business education in circulating new ideas. Our paper presents an ethnography based in North Korea to examine the introduction of an international business education for young generations of North Korean elites (‘donjus’). Drawing on extant literatures on translation, our study shows how the translation of entrepreneurial ideas between market-orientated economies and North Korea’s political economy creates different legitimacy tensions within teaching space, and how those tensions are managed to help translate ideas, making them relevant for the local economy. In conclusion, we introduce new understanding of how business schools function as a hub of idea translation and foster the (re-)production of economic elites in an institutional space where commercial entrepreneurship is still illegal.
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1. Introduction

North Korea has been described as a ‘failed state’ with a stagnant economy, where entrepreneurship is still legally forbidden (Izatt, 2010; Tudor and Pearson, 2015). However, despite outward appearances, North Korea’s political economy is changing, with policy reforms introducing market instruments in 2001, 2002 and 2013 (Lankov, 2013). These changes have driven the rise of new elites, or donjus (‘money masters’), who use publicly-owned resources to create new market spaces (Everard, 2012; Haggard and Noland, 2009; Hastings 2017). One notable outcome of this shift is how elites support new business school education for their children, to enhance their entrepreneurial capabilities, but also to socially situate the ‘next generation’ of donjus within elite political and financial networks (Tudor and Pearson, 2015). In this paper, we argue that the production of economic elites and market spaces (Faulconbridge and Hall, 2014) are contingent on the translation of entrepreneurial ideas (Farny et al, 2016; Lindh and Thorgren, 2016). We seek to address two gaps in the geographies of business education literature (for example, Hall, 2009; 2008; Hall and Appleyard, 2009; Grey, 2004; Brown and Hesketh, 2004).

First, Falconbridge and Hall (2014) have argued that researchers often neglect education as an important institution for economic elites, particularly business education, which reproduces shared understandings and norms that enable markets to function (Gertler, 2010; Martin, 2010; Storper, 2011). Second, the geographies of business education research often draws upon the communities of practice and knowledge literature (Wenger, 1998; Faulconbridge and Hall, 2014), which has been used elsewhere to examine transnational knowledge production (Thrift, 2005; Faulconbridge, 2006; Wainwright, 2015). While the geographies of business education research itself has often focussed on education’s locally ‘sticky’ characteristics (Faulconbridge and Hall, 2014; Lindh and Thorgren, 2016), it has often overlooked the practice of translation, but also the role of user innovation in the modification of ideas.

To address these gaps, our paper presents an ethnography, which aims to develop insight into the Pyongyang University of Science and Technology (PUST), where elite business education is translated into ideas relevant for North Korea’s command economy. Specifically, we address how business education provides donjus with the ideas to retain financial power (Greenwood and Suddaby, 2006; Scott, 2008) and how the translation of ideas has potential to alter markets
in North Korea. In doing so, we shed also light onto the neglected field of economic elites (Savage and Williams, 2008; Daloz, 2010).

Building on our analysis, we generate at least two main contributions: First, we reveal how elite business education (Falconbridge and Hall, 2014) translates ideas for users across the transnational spaces of market and command economies. Using organisational learning (Boxembaum, 2005; Czarniawska and Sevón, 2005) and user innovation (von Hippel, 2005; Grabher et al, 2008) as conceptual approaches, we elaborate how practices of translation occur and manage legitimacy tensions where ideas are rendered locally relevant. Managing ‘small events’ requires the translation of ideas and the reconciling of values at the centre of alien business ideas (Farny et al, 2016). Second, we contribute to understanding the role of ideas and knowledge in economies, which is not reliant on understanding the ‘economic’ from an Anglo-centric position, but also how ideas are actively remade, as opposed to being transferred and implanted from the ‘west’ (Pollard et al, 2009). This highlights how business ideas are not simply and automatically absorbed (cf. Czarniawska and Sevón, 2005), leading us to argue that practices of translation in business education are likely to occur in other educational spaces. Furthermore, by examining translation as user-led innovation (cf. Grabher, 2008), we establish how power shifts from teachers to students, as the latter adopt ideas suitable to their needs and context.

The remainder of this paper is organised as follows: Section 2 examines research on the geographies of business education, and the translation of ideas. It also explores how elites can be conceptualised in business education. Section 3 describes the research design, data and the context of the study. Section 4 presents the study’s observations of North Korea’s changing economy and examines how elite students perceive the role of entrepreneurship in their local context. Section 5 investigates how entrepreneurial ideas are translated with students and the paper’s teacher-authors. Section 6 concludes by detailing the study’s theoretical contributions.

2. Market space, elite education and idea translation

2.1 (De)constructing markets and uncovering elites

Markets are socially constructed and are ordered by locally distinctive institutions, sets of (un)written codes, formal rules, habits and social norms which guide participants and enable markets to develop and shape economic space (Gertler, 2010; Hollingsworth, 2000; Polanyi, 1944). Researchers have argued that education as an institution fulfils an important role in
shaping the rules of local institutional spaces, in communicating the values, social order and culture of business, making it a mechanism that shapes space, adding to its ‘institutional thickness’ (Amin and Thrift, 1995; Faulconbridge and Hall, 2014; Calori et al, 1997).

Social norms and behaviours become institutionalized when they create regularised patterns of interactions and expectations (Bathelt and Glückler, 2013). In the context of North Korea, business education as a new institution, becomes particularly important since it communicates market ideas and values in the absence of state institutions to support them, or a historical precedent of entrepreneurial behaviours (cf. Gertler, 2010; Bathelt and Glückler, 2013). Faulconbridge and Hall (2014) have indicated how education can provide legitimacy to new values, transforming them into recognised patterns of behaviour, which in the case of North Korea, enables business education to potentially circulate the ‘rules of the game’ for new economic elites.

While entrepreneurship is shaped by the same configurations of markets, as discussed above, our focus on elites is particularly novel.1 Private enterprises are formally banned in North Korea, but party officials can use their elite political power to appropriate state resources for entrepreneurial pursuits (Lankov, 2013; Tudor and Pearson, 2015). Researchers in the social sciences broadly view elites as having the capacity to exercise disproportionate power over market agents and political organizations across networks (Savage and Williams, 2008; Daloz, 2010) influencing causal effects to enact change (Scott, 2008). More recently, researchers have moved away from studies of political elites and ‘the establishment’, to examine financial elites (Savage and Williams, 2008), although this has often oversimplified the complexity of elite networks, leaving them bounded in particular fields (Nichols and Savage, 2017). Instead, Nichols and Savage (2017) have suggested a turn to examine how elite networks can be messier, as temporal constellations, which straddle different arenas.

In this sense, donjus families may not necessarily hold the most senior party ranks, but their location within networks, and ability to influence change, crossing political and entrepreneurial arenas, provides them with an elite status. Leveraging their financial power and societal status to provide their children with access to a unique university-level business education, secures the elite position for their family in the future. Elite donjus graduates gain business knowledge

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1 A limited body of research in entrepreneurship has drawn attention to nascent (and often marginalised or disadvantaged) entrepreneurial groups seeking to start a business with an initially limited resource and power base. In contrast, elite entrepreneurship is very different, as these actors begin their ventures within powerful networks and abundant resources (Greenwood and Suddaby, 2006).
which only a few people in North Korea have access to. Their position in financial and political networks enables them to balance their economic interests and interests of the state. This allows them to mobilize the local legitimacy of enterprising activity (Kibler et al, 2014), using their power, and to foster the entrepreneurial use of public resources for private gains without political repercussions (Zald and Lounsbury, 2010). However, business students need to benefit from education, to shape new business ideas and create legitimate market spaces.

2.2 Translating ideas through business education

Academics have recently turned to examine education as a process of knowledge management, which can (re)shape institutional space, but also enables market participants to interact (Hall and Appleyard, 2011; Hall and Faulconbridge, 2014). Researchers have paid increasing interest in spaces of learning, particularly regarding business education (Holloway and Jöns, 2012; Hall, 2009; Thrift, 2005). For example, Hall (2008) has drawn attention to business schools as key actors in the dissemination of management ideas and elite cultural capital. In addition to cultivating a more productive workforce (Hall, 2009), business education therefore communicates norms and values to newcomers (Calori et al, 1997). Business education is also spatial, although teaching interactions are particularly ‘sticky’, as ideas can only circulate between spaces with compatible institutions (Faulconbridge and Hall, 2014).

Educational space is created through socio-spatial practices. Practice-orientated research within geography has examined how micro-social activities stabilise actions and create space (Jones and Murphy, 2010; Jones, 2007; Faulconbridge 2006; Hall, 2007; 2008). Examining practices enables researchers to investigate how embodied meanings and norms shape learning and knowledge management and as such, can provide insight into the act of translation (Jones and Murphy, 2010). As such, translation itself can be viewed as a practice which modifies ideas and creates newly configured learning spaces. What remains unclear in the business education literature is how business ideas are legitimately translated from one variety of capitalism, into another – or even a variety of economy that is formally and distinctly ‘anti-capitalist’.

One route to address this problem is to draw upon the organisational learning literature. This field offers more granular insight into the micro-practices of translation, which assist understanding how market knowledge is managed (for example, Gertler and Vinodrai, 2005; Boxenbaum, 2006; Grabher et al, 2008; von Hippel, 2005). Scholars of organisational learning have moved away from the concept of diffusion when investigating the internationalization of management ideas (c.f Boxenbaum, 2005; Hedmo et al, 2005). Instead, they have increasingly
mobilised the more active practice of translation to understand how management ideas are circulated and transformed (Czarniawska and Sevón, 2005). In defining translation, Czarniawska and Sevón (2005) have argued it is a practice that modifies ideas, symbolic or linguistic, that are first simplified into an abstract concept, which is then embodied by an actor or object, prior to its circulation. The now mobile, abstract idea or account is then transported and modified to fit new local settings (Czarniawska and Sevón, 2005). In this sense, some of the idea’s original features may remain stable and others will change. While ideas can be initially useful, the practice of translation can create different outcomes, to ensure they are compatible with local institutions (Boxenbaum, 2006).

Moreover, translation is often driven by an organisation’s desire to adopt external ideas, which emerge from the perception that an idea has superior qualities (Czarniawska and Sevón, 2005). Translation can be facilitated through various modes. For example, a broadcasting mode, sees a single model adopted directly by a series of organisations tailoring an idea to their settings (March, 1999). In contrast, an idea can be circulated by multiple third-party actors, who act as carriers, such as consultants and experts, where an adopter’s organisation has no direct contact with the initial creator of an idea (Hedmo et al, 2005). In the context of North Korea, translation arguably occurs through a broadcasting mode, with a carrier who embodies management ideas, in this case our teacher-authors. Due to the limited circulation of individuals to and from this closed nation-state, the movement of third party carriers is limited. However, the success of translation is contingent on the teacher-author carrier in understanding the local context and working with local actors. This is challenging because translation involves trial and error, and therefore requires the reframing of ideas that move beyond carriers as isolated actors (Boxenbaum, 2006). Idea carriers enable the translated idea to be modified, making it compatible with the local institutional environment, to provide the new idea with legitimacy (Lippi, 2000). Boxenbaum (2006) has also highlighted the role of pragmatic reframing in order to situate ideas in a foreign context and to give them local meaning and legitimacy.

Despite important contributions, critics of translation have questioned why studies have failed to develop understandings of the reasons behind failed and successful attempts of translation (Boxenbaum, 2005). One reason may be because some ideas defy translation (Biggart and Guillen, 1999), or because carriers and imitators fail to collaborate in understanding the local context of imitation, and the institutional environment where the idea was originally created. This resonates with the concept of user-led innovation, which has been highlighted by Grabher et al (2008). They argue that geographers have overlooked the role of individual service users
in the innovation process. In contrast, von Hippel’s (2005) research has repositioned the centrality of users in innovation as a collective process. Experts remain important in user-led innovation (Maskell et al., 2006), but it must be emphasised that users are better at understanding their own needs, and they also embody the essential ‘sticky’ knowledge of institutional settings which is necessary in the practice of translation (Czarniawska and Sevón, 2005; Grabher et al., 2008).

Taken together, the translation of ideas redistributes the power from the producer-expert to the user, which makes user-led innovation a useful approach to understand the central role of North Korean students and their embedded knowledge in translating ideas with the teacher-authors. Falconbridge and Hall (2014), have outlined how elite education has to be developed around existing local knowledge that is re-assembled (Hall, 2009), but studies have so far underplayed the role of students as user-led innovators and idea translators. This is particularly important in North Korea’s context, as many entrepreneurial frameworks in business education originate from the US, and are based on assumptions and norms that assume the existence of competition, regulation, private property rights, financing, information symmetries and business support services (Farny et al., 2016; Lindh and Thorgren, 2016). Subsequently, significant reworking through face-to-face student-teacher interactions (Argote, 1999), is necessary before translated ideas can be deployed to legitimately support new market creation.

3. Methodology

3.1 Research methods and data

Gaining and maintaining access while conducting research inside North Korea is extremely complex and challenging. Consequently, most existing research is often based on insights from émigré perspectives (Haggard and Noland, 2009). Whilst useful in some contexts, our research focus on business education required data from the classroom and our study examines first-hand data capturing ethnographic insights from North Korea. Following the ethnographic tradition (e.g. Geertz, 1973), data was collected at a single geographical site. In 2012, one of the authors gained permission to collect data while working as a teacher in the International

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2 In contrast to post-colonial countries, for example, where historical legacies led to the imposition of legal systems and principles based on European institutions. This would narrow the gap in reworking legal business knowledge from Europe to fit local institutional configurations. As such, North Korea provides a more extreme example of the difficulties in creating new knowledge in business education, due to the distance between international and North Korean institutional structures.
Finance and Management department of the ‘Pyongyang University of Science and Technology’ (PUST). ‘Permission’ here means that there was an understanding with senior PUST officials that the ethnographer’s interactions with the field were being noted and recorded for use in academic and media publications.\(^3\) The objectives of this long-term project include scientific diplomacy, promotion of educational engagement between the West and North Korea as well as ethnographic research, which has been pursued in the spirit of appreciative enquiry (Bushe, 2011). Hence, access and activity were being continuously negotiated (Ram, 2000), and the extent and nature of the ethnographer’s freedom was often dependent on the state of international affairs or an official reaction to specific campus-based incidents (such as when an American PUST lecturer was expelled and deported). Officials, students, minders and PUST staff were aware that notes, video and other material (i.e. essays) were being collected. However, specific individual informed consent was not possible or appropriate given the lack of understanding over research practices and levels of suspicion, monitoring and surveillance. Degrees of covertness – a word that acknowledges that regardless of intentions and objectives, the interests of researcher and researched cannot be synonymous (Geertz, 1968) – are common in ethnographic research. The extent of immersion and duration of fieldwork, and the range of people and situations that are included as data, are such that awareness of the ethnographer’s objectives (which were anyway somewhat unclear) will always be variably understood by participants.

The ethnographer’s position as faculty staff has facilitated data collection from activities in the classroom. Since 2012, he has taught, in English, business courses in PUST, on entrepreneurship. Biannual two-month teaching periods have been on-going since autumn 2012, resulting in a total of six teaching periods until 2016. In addition, two additional authors were granted permission to visit PUST in May 2016, to support the principal ethnographer’s teaching activity and to facilitate further in-depth insights into classroom activities, complementing the iterative and cumulative nature of the fieldwork. By doing so, our ethnographic approach aimed to capture the ‘social meanings and ordinary activities’ of people in naturally occurring settings (Brewer, 2000; Wilson, 2011). The core source of data collection is therefore field observations inside of PUST which were summarized on a daily basis.

Following Argote’s (1999) approach to tackling the stickiness of knowledge, we structured the ethnographic data based on the reflection of source, recipients, content and context. Doing so

\(^3\) Example URLs to be inserted after review process.
allowed the research team to systematically construct ethnographic stories, or so-called vignettes (Wilson, 2011), that help to narrate and explain the role of the interplay between the teacher-author, elite students, teaching material, and the classroom/university space. We prepared the vignettes in two interrelated ways (Navarini, 2001): first, we explain a concrete teaching situation, including thoughts and conversational accounts (from teachers and students); second, we illustrate a broader post-hoc reflection of the teacher on a particular topic.

The ethnographer’s informal conversations on the PUST campus with students, teachers, party officials and other university staff during the field trips proved to be another rich data source. Similarly, field observations and informal conversations outside of PUST (e.g., food markets, shops, restaurants, and airports) were noted in a field diary, and were used to complement the data collected inside of PUST, particularly to reflect on the emergence of a new economic elite and new market activities. Consistent with Bruni et al (2004), it was important that the main ethnographic observations have been analysed by the same person who collected them, because of the importance of their contextual knowledge. Subsequently, the one-week visit at PUST by the two other authors was used to further reflect on, discuss and deepen the ethnographic observations from the principal ethnographer. The remaining sources of data used in this paper are videos and photos taken by the principal ethnographer and 14 written course assignments by students. The ethics concerning the data material is taken very seriously in order to protect the participants. Consequently, the names or any other detail of participants will not be published, and the content of essays did not elicit criticism of the North Korean regime.

3.2 Research context

3.2.1 North Korea’s changing economy and the increasing power of donjus

There are no reliable statistics on North Korea’s economy, although reports of economic growth are occurring more frequently (Haggard and Noland, 2008; Lankov, 2013, Smith, 2015, Tudor and Pearson, 2015; Hastings 2017). Commentators agree that the introduction of the term Practical Benefits Socialism in 2001 and the economic policy July 1st Economic Improvement Measures announced in 2002 were two strong reform signals. Principally, they enabled the selective use of market instruments in ‘command’ industries, such as munitions, electricity, coal, metal, railroad transportation and agriculture (Everald, 2012; Lankov, 2013; Tudor and Pearson, 2015; Smith, 2015). In what became known as the “May 30 Measures” in 2013, the government also promised industrial managers more autonomy in recruitment, procurement and an increased share of ‘profits’ (Lankov, 2013). The 7th Congress of Worker’s
Party, the first one in 35 years, emphasized the need of “improving people’s lives”, for instance through the development of foreign economic relations and support for state-led entrepreneurial activities (Frank, 2016).

Accordingly, North Korean’s political economy seems to be undergoing changes that strengthen the reliance of governmental institutions on private, or semi-private investors, when funding state projects (Lankov, 2013). Looser controls on private capital have increasingly formed a new class of wealthy North Koreans, the donjus. As a result of these emergent financial elites, the government has had to react and adapt. For example, the proxy real estate market (in that it is the right to use rather than own the exchanged property) is growing; $200,000 for premium housing is not unheard of in Pyongyang (Tudor and Pearson, 2015). In trying to stop what is in effect corruption, a Housing Management Office was established in 2013 with the purpose of attracting money from citizens in exchange for building new houses (Everald, 2012). This supported the donjus, creating markets for them to invest their wealth (Smith, 2015).

The new donjus class is also engaged in venture formation activity. As with the new housing market, setting up a business such as a restaurant is complex. There are plenty of new restaurants and supermarkets in Pyongyang and other mid-size cities. They are run by and serve the donjus class (Everard, 2012) since “individuals are [only] able to buy the right to manage state owned restaurants from the food distribution management departments of each region. The people who have such rights run the restaurants legally and pay part of the profits they make to the government.” (DailyNK, 20.4.2015) Officially, new ventures are fully government owned and its beneficial ‘owner’, a donju, is legally considered only to be the manager; technically a state-controlled form of corporate entrepreneurship (Lankov, 2013; Smith, 2015). This arguably points to an increased flexibility in addressing the demands of a wealthy elite, as indicated by one quote from the DailyNK: “The Neungra 88 Trade Company Restaurant by Daedong river in Suncheon started selling pizza since late last year …and it was very popular among those with money… there are two pizza shops in Pyongyang and all ingredients are directly imported from Italy.” (21.4.2015)

This represents the rise of powerful financial elites that can alter changes in the political economy in North Korea. This presentation is in line with our primary observations, as illustrated by the principal ethnographer’s field notes from outside of the PUST campus, in Pyongyang:
“...There is more money and more opportunities to spend disposable income on leisure. They only introduced taxis in 2013 and already there are quite a few different taxi companies. ... with my colleagues from PUST, we took a taxi to a newly opened restaurant boat: five different restaurants. It is a very flashy boat. PUST locals said that the restaurant was mainly built “for the people” and not only for the very rich. ...After dinner it is time for a walk. When you look at people they all have phones. People use android versions of Chinese made phones. We see people taking photos, even selfies. We see the young and stylish of Pyongyang, and unlike a few years ago, there are many that don’t wear uniforms! I finished my walk by entering a bar which has a DHL stand at the entrance, there are not many international companies operating in this country but DHL is one of them. Students in the entrepreneurship class complained of the difficulties of getting merchandise distributed around the country: some of them have been inspired by DHL to think about setting up in competition.” (17.9.2015)

3.2.2 Business education as a new institution

The emergence of new economic policies has been coupled with the introduction of business education (Smith, 2015). Following government steering, Kim Il Sung University recently founded a department of International Economics, the Pyongyang Jang Chol Gu University of Commerce established programmes in Hotel Management and Services, and the Jong Jun Taek University of Economics established departments of Tourism Economics, Insurance Studies, Pricing Studies, and Economic Law (IFAS, 2014). The most prevalent and extensive business curricula in North Korea is at the Pyongyang University of Science and Technology (PUST): 150 male students are doing Masters and Bachelors programmes in Management. This private university was officially established in 2001 with the support of South Korea and the USA, and has been fully operational since 2010, supported by the regime. A key mission of PUST is to offer an international-style business education for local students and as such, it is the first initiative of its kind in North Korea.

It is important here that we explain what is meant by ‘international-style’ in the context of business education, as many of the ideas travelling to North Korea often have a fuzzy US legacy or origin (c.f. Hedmo et al, 2005). Peck and Zhang (2013) note how economies are often attributed to awkward functionalist categories by researchers, which betray the fragmented reality of economic systems. Similarly, business curricula cannot be viewed as having a single origin, set of rules, motivations or norms, although they may receive strong influences from particular institutions. US business schools retain a powerful, historical role in knowledge production and circulation (see Hedmo et al, 2005). Even innocent movements of materials and ideas can circulate neoliberal discourses and imperialisms through perceived superiority of knowledge (cf. Jones, 2011). There are no clearly defined business education knowledges.
Instead, business ideas can be viewed as an amalgamation of ideas from various places, recombined and imagined when they are mobilised by teachers and researchers.

However, there is a perception that knowledge from the US is superior and authoritative, and US academics, supported by rankings and journal hierarchies (often created by the same powerful producers) are frequently viewed to be superior in other education spaces. For this reason, business and management schools in Europe and emerging economies have often sought to adopt US knowledge (see Hedmo et al., 2005 for a detailed history), driven by the belief it will help them to meet their own local objectives. Subsequently, the position of US business schools, and desire to adopt their ideas, influences business education elsewhere. While there are multiple rationalities and logics that shape business schools in different settings, the structural norms and expectations (cf. Murphy, 2003) developed by US business schools, as a field, strongly shape knowledge with a neoliberal, marketized approach, even when translated for use in other settings. In the paper, we acknowledge that hybrid business education is created in different international settings, but that it is often heavily steered by US influences.

PUST seeks to address the increasing demand for new international business knowledge from the younger generation of elite donju families. While North Korea has often been viewed as a closed nation, it has been historically open to external ideas and education, which are viewed as being beneficial to the regime, with many of the ruling family being educated overseas. As the president of PUST points out: “In Pyongyang we are training the top elite. PUST is very different than any university in the world... [while] nationalistic self-respect does not conflict with receiving advanced technology from other countries... [and to] look around the world, learning what we can learn and taking in what we can take in” (Stone, 2009). Subsequently, PUST has gradually implemented a US university structure, hiring US and European teachers on a voluntary basis (Shelton and Lewison, 2013).

4. Managing translation

4.1. Translation and tension resolution in classroom space

Our teacher, as a carrier, selected business ideas that appeared to be relevant for the curriculum at PUST, based on the perceived qualities of the ideas (Czarniawska and Sevón, 2005) and PUST’s requirements, but also their initial understanding of North Korea’s institutional environment (Boxenbaum, 2006). In order to translate business ideas, conflicts between the
assumed normative values that underpin the original idea and those of the North Korean institutional environment need to be managed. We seek to explore how translation occurs as ‘small events’ are uncovered and resolved, as new ideas require legitimacy to make them valid for local settings (Boxenbaum, 2006; Gertler, 2003; Hall and Appleby, 2009). To do this, we examine two types of legitimacy: cognitive and normative judgments (Bitektine, 2011). In the teaching context, cognitive legitimacy judgments are passively made by students and refer to how they process the tacit, taken-for-granted assessment and understanding of ideas, to see if they are ‘valid’. During translation, normative legitimacy judgements are made by students to evaluate if the business ideas are socially appropriate, based on local normative understandings (Kibler et al, 2014).

The extract below highlights how these tensions are resolved:

“I am very excited to see your final presentations. Again, please remember to prepare your presentation as you would pitch your idea in front of business angels that could potentially invest in your business, and help you developing the business further.” …

“Professor!” one student almost screamed ... “You should know that it is forbidden to talk about religion. I am definitely not presenting in front of angels.” ... only a few seconds after, many students stood up and obviously supported the view by the student...

“Oh, I sincerely apologize for my mistake. Please let me explain. You have known me for two years and you know that I am teaching only business and that I am not religious. So, I am sorry that I misleadingly used the notion ‘angel’ – it is a very common word for business investors or supporters in the international business context, and it only relates to business and has no connection to religion. But, you are absolutely right – I will not use the word anymore.”

...most of the students seemed to understand and even appreciate my explanations... but not all... and one student added: “Professor! You should also know that we do not need business investors and I see no point in imagining random business investors when we present our idea. You know why!? Because, the only investor or supporter in our country is the government, and that is what counts.” ... “Sure. Excellent point, let’s still briefly discuss the importance of selling a convincing business idea to the high ups in your government...” ...

after a 5 minutes discussion students seemed all very eager again to pitch their business idea.... “Thanks Professor. I am sure our team is the best and will get support from the government”... (field diary, 15.10.2014)

This ‘small event’ demonstrates how pitching a start-up plan was judged to be problematic by students during the teacher’s attempted translation, as some of the elements of pitching conflicted with local norms, undermining its potential to be readily translated for the local institutional environment (cf. Hall, 2008; 2009; Argote, 1999). Students did not understand why multiple investors are needed to assist their start-up, where only the state, due to its pervasive role in everyday life, was seen to have the right to support their business, contradicting taken-for-granted elements of this initial idea. In addition, the phrase ‘business
angel’ retains a strong normative connotation with religion and, since religion is formally forbidden in North Korea, students disapproved strongly of the concept, which was judged to have low normative legitimacy. Subsequently, the teacher had to translate the idea so that students would pitch to government officials, to realign the concept with local institutional arrangements (Hall, 2009; Gertler, 2004). As such, some of the elements of the initial business pitch were viewed to be useful in the translation, whereas other elements such as angel investors were abandoned and replaced. The translation outcome, became rather different to the original idea (Boxenbaum, 2006), as it was fitted to local institutions, to gain legitimacy.

Additional legitimacy tensions emerged when students tried to design competitive advantage within their business plan. In developing a business model (Osterwalder and Pigneur, 2010), the students sought to combine and modify state ideas, such as surveillance, as a mode of control to manage product quality, as illustrated by one team’s business pitch presentation:

“Our restaurant will serve the best food in the city by using different ingredients from all over the world. ...And, to make 100% sure that every customer is happy, we guarantee we will install surveillance cameras in the restaurant’s kitchen and place screens on the tables so that customers can monitor what the chef and the cleaners are doing...these features are unique and will secure that we serve the best and safest food in the city...” ...

“Thank you for your presentation, well done. Any questions?” I asked ...”Ok, if there are no immediate questions, let me raise the first one: do you, or why do you think customers really value the features?”...

(one team member:) “Why not!? In our economy, we are used to monitoring staff and measuring their performance... but we also see that we need to improve hygiene levels, to avoid diseases. The features of our restaurant are a perfect add-on service.”...

“and, asked differently, would you personally wish to monitor the kitchen personnel while dining with your friends or family? ...and would you like to be constantly observed when cooking the food for the customers?”...

“hmm, I guess not” the student replied... “I would definitely not like the service, that’s obvious” another student jumped in... (field diary, 5.10.2014)

This small event demonstrates how the students attempted to apply local taken-for-granted ideas and normative values, which were judged as having a high cognitive legitimacy (Bitektine, 2011), to the pitch concept when adopting it (Hedmo et al, 2005). As the government has a strong role in shaping North Korea’s institutional norms, its ideas were viewed as being useful in developing a business. It was only when students were encouraged to critically reflect on this potential translation outcome that they identified its shortcomings, modifying it differently once again as part of the translation (cf. Czarniawska and Sevón, 2005). This required the students, rather than the teacher, to reframe their understandings and the appropriateness of their beliefs, in translating the pitch and business model idea resolving the tensions. This small event exposed the legitimacy tensions between the different sets of
normative values, which needed to be overcome to create ideas that can be used in the local context (Argote, 1999).

4.2 Teacher-led translation

Entrepreneurship education draws heavily upon ideas that are created in market-based, capitalist economies (Farny et al, 2016). Reconciling values in translation is important, as discussed above, but the students needed to participate fully in the translation for it to succeed (Boxenbaum, 2005), which required them to gain some pre-requisite knowledge. It became necessary to first introduce the students to core theoretical ideas behind liberal and coordinated market economies (e.g. Hall and Soskice, 2001), and some specific literatures on ‘Chinese capitalism’ (e.g. Peck and Zhang, 2013) to enable them to then begin translating ideas that are relevant to them. As future users of ideas, and with an understanding of their own needs, they were in a more knowledgeable and powerful position to drive the direction of idea translation with the teacher-author (Grabher et al, 2008). This enabled the teacher-author to gradually introduce the idea of market competition, as the following field note represents:

*I discussed the idea from the Western world that market competition can increase the quality of products, while decreasing the price for customers. It was very obvious: students completely disagreed and argued that in their country there is no competition because everything in their command economy is planned in advance by a few state owned companies. The discussion went on to the issue that state owned companies are competing with each other too. I used the example of notebooks, as there are various local companies producing them and many more are importing from China than other local companies.

“Does the quality and prices differ among those products?” I asked... Students were nodding and collectively saying

“Yes, there are quality and price differences with the notebooks”.

A few students also mentioned the quality of local notebooks got recently better. This led to a further discussion on the role of competing CEOs...I realized that throughout the discussion around competition students began to understand that competition can also take place in their country and that it can be perceived to increase the quality of notebooks. (field diary, 8.10.2014)

This vignette demonstrates how the students, after studying different market systems, and critically reflecting on the role of competition in their own local institutional context, could view how the idea of competition can be modified and applied to state owned companies, rather than private businesses. In the classroom, the interactions of teacher-author and students enabled idea translation, where competition between state-led organisations could occur even though they are not privately owned (cf. Grabher et al, 2008).

However, attempts at translation to develop legitimacy that bridges transnational ideas and norms can often fail (Biggart and Guillen, 1999; Boxenbaum, 2005). While researchers in
organisational learning and business education have drawn attention to the re-framing and modification of ideas across space (Hall, 2009; Hedmo et al., 2005; Gertler and Vinodrai, 2005), some ideas and their legitimacy, were effectively immutable:

...today, I taught business import and export logistics, and how it could look like from the perspective of North Korea. I knew that the term North Korea should not be used, instead the term Democratic People’s Republic of Korea is required. However, I made one big mistake today: I showed a map which pictured plans of new railways within the DPRK, with one railway crossing to South Korea. And, then it happened: one student got completely red, stood up and said

“Professor, you better get rid of that picture”.

I checked the map again and I immediately realized my mistake. The map had a border marked to it and officially in North Korea there is only one Korea. Even if basically everyone in North Korea seems to know that there is a border, it is simply not allowed to display the border in official maps, and this needs to be appreciated by teachers like me. (field diary, 16.10.2013)

In this small event, the normative beliefs of students are extremely strong, based on the strength of the North Korean regime, which became problematic in discussing ideas on export logistics. International cross-border trade is relatively free outside of North Korea and mistakenly introducing the idea of trade with South Korea was politically sensitive. While students are clearly aware of the boundary between North and South, and its implications for cross-border export activities, it strongly contradicts normative political values. Subsequently, while some ideas can be modified (Hall, 2009) to fit local institutional contexts, others that strongly contrast with the regime cannot be translated as they would be viewed by students as invalid for the economy.

4.3 Student-led translation

The teacher-author, as expert, had introduced the general idea of competition and helped the students to discover command economy competition (cf. Maskell et al., 2006), but as users of potential knowledge (Grabher et al., 2008) the students began to take a stronger role in refining the idea of North Korean competition further. In the following extract, a student argued that liberal market economies are hostile environments for running a business, due to the strong competition, but that entrepreneurial activity can prosper within supportive socialist settings:

“Competitive market is based on individualism. I personally do not prefer individualism. In the liberal market economy, companies compete fiercely in order to survive. Especially for the entrepreneurs, it is almost impossible to survive unless they come up with brilliant ideas. However, in coordinated market economy, they have to worry less about going out of business.” (Student essay A).
This highlights that although competition exists in North Korea, socialist values in the institutional environment are perceived to make market actors more supportive and collaborative, with less competitive rivalry (Wang and Morell, 2015). This idea connected to another largely alien concept for the students which required student-led reframing: financial risks. This idea was introduced in the entrepreneurship classes, but students perceive risk to be an individual problem or failure, rather than a business consideration and were initially reluctant to discuss it:

I knew that it will be challenging as the lecture indirectly involves the – at PUST rather taboo – topic of financial risks. I realized, during personal lunch meetings, that students seem to be well aware of personal, financial risks when starting a business, but in a formal setting, in the classroom, they are not openly talking about it. According to one of my teacher colleagues, the main reason is that, in North Korea, personal financial stress is often assumed to lead to breakdowns and even suicide. I tried to avoid making any explicit reference to financial risks; and instead sought to offer a softer introduction into the role of financial support more generally when developing a business. When referring to risks a bit more explicitly, I emphasised the importance of mutual trust between entrepreneurs and stakeholders, and that building it takes time.

Most notably, students then begun to rework the idea of financial risks by emphasising “lack of mutual trust in raising financial capital outside the country’s borders”, or that “selling your company to Chinese investors is a great threat”. ...

To me, it seemed students gradually expressed new ways to reflect on financial risks and helped me, as teacher, to get a better feeling of how sensible themes can be taught but also how the making of meaning of particular themes needs to be more strongly led by students (given the classroom and institutional setting) (field diary, 16.10.2015)

The initial student view of financial risk is at odds with the idea of entrepreneurial risk, where it is often viewed as the potential for developing higher returns, by creating an innovative venture (Farny et al, 2016). In order to bridge this gap, new knowledge about financial risk was developed with the students, initially in private, before the idea was introduced indirectly, not as financial risk, but as obtaining finance and avoiding risk through the development of trust.

In this vignette, the teacher-author and students translated an idea of financial (non)risk in the local context. Consistent with Grabher et al, (2008), the teacher acted as the expert, but the power balance shifted towards the students as knowledge users. This translation is significant, as it helped students gain awareness of risks and how to manage them in the local context (Lindh and Thorgren, 2016). Students refined this idea, but also developed a new confidence in approaching ‘risk’, positively, rather than as a negative individual failure: “Starting my own business, which I control, appeals to my willingness to take risks and determine my own destiny. I strongly believe that my future is fully in my own hands... I am really sure my business will succeed.” (Student essay B)
The importance of collective translation also emerged in the business model pitch presentations (von Hippel, 2005; Boxenbaum, 2006), after students received instructions on how to create new venture ideas using the Business Model Canvas template (Osterwalder and Pigneur, 2010). The following extract below notes how some ideas, such as a value proposition, are easily transferred to North Korea, without difficulties in creating legitimacy. What was surprising, and unintended, in the development of these business plans, was their social focus:

Seeing the final business ideas, I felt that teaching Business Model Canvas at PUST was fairly straightforward. We put most emphasis on the Value Proposition, one of the main building blocks in the Business Model Canvas. I mentioned that the value proposition often provides the main reasoning why customers are willing to choose your product over another, even if your product is more expensive... I also explained value propositions through concrete examples of Western companies, for instance by referring to the value proposition of DHL. Students were very familiar with FedEx, but I wanted to use a German example as Germany is more appreciated and even operates in the country. To my surprise, students adopted the idea of value proposition very well, and they even felt confident in applying the ideas and modify them to make them applicable to the socialist setting – basically all of the presented businesses ideas comprised a value proposition related to people’s social welfare. (field diary, 28.10.2015)

Entrepreneurship teaching often focuses on the development of economic value for the entrepreneur and the venture team, who risk their capital and resources in venture development (Lindh and Thorgren, 2016). Only recently, have the ideas of corporate social responsibility and social value, become more important as entrepreneurs have sought to support environment and community (Wang and Morell, 2015). What is particularly interesting is how these ideas were not covered in class, and without prompting, the students had translated and supplemented economic with social value creation and community support: “In my opinion, the most important thing in society and economy is to level off social inequalities. Everyone should be equal and everyone should become rich equally. So as an entrepreneur, I will focus on equality of people and I will consider about the benefits of the majority of people first.” (Student essay D). As such, we argue that some business students at PUST perceive themselves as having the ability and responsibility to support both the national economy and the welfare of society as a whole: “Every big corporation begins from the entrepreneur. If there is no entrepreneur, then the big giant corporations cannot exist. So, it is a foundation of big economy. And economy is the foundation of society. So entrepreneurship is good for the society. That is, without entrepreneurship we cannot improve the welfare of society.” (Student essay F). In translating entrepreneurial ideas with local institutional norms (cf. Duguid, 2005; Faulconbridge and Hall, 2014), the students had included citizen welfare as a core part of North Korean entrepreneurship, due to socialist principles.
5. Conclusion

Recent research from the geographies of business education has situated spaces of education at the centre of analyses that examine the development and functioning of local markets (Hall, 2009; Hall and Appleyard, 2009; Faulconbridge and Hall, 2014). These studies view education as a specific local institution that assists in defining the ‘rules of the game’ in markets, by reshaping and sharing common norms (cf. Amin and Thrift, 1995; Calori et al, 1997; Faulconbridge and Hall, 2014). Despite this progress, studies have overlooked the micro practices of translation, but also the role of user innovation in the modification of ideas (Grabher et al, 2008), which can be particularly challenging, when circulating ideas between very different spaces (Hedmo et al, 2005). Building on this research, we contributed further insight to address two important gaps in the recent literature. First, we offer further insight into the spaces of education, and the role it pays in creating new markets and elites. Second, research on the geographies of business education has often focussed on education’s spatially ‘sticky’ characteristics (Faulconbridge and Hall, 2014), with educators teaching and sharing knowledge predominantly in international finance centres (Hall, 2008). Subsequently, the micro practices of translation by users has been overlooked in the modification of ideas. We contributed to the literature by examining more closely how business ideas are translated with users.

In our paper, we draw upon the case of North Korea and the rise of business education to address these research gaps. We began the paper by discussing how North Korea has undergone a series of policy developments, that have sought to hand more autonomy of state controlled businesses and assets to new entrepreneurial managers (Smith, 2015). These changes have been coupled to the rise of a new donjus elite who have money and political power to invest in new enterprises, while navigating political regulations as market spaces develop (Tudor and Pearson, 2015). Elites view business knowledge and education as a way of increasing the next generation’s cultural capital, while improving their entrepreneurial capabilities. This has led to the growing importance of business education within North Korea, with institutions such as PUST providing access to knowledge new to that context. However, translating ideas that are both legitimate and compatible with North Korea’s institutional environment was complex (cf. Duguid, 2005; Gertler, 2003).

In seeking to provide new insight into education as an important institution of economic space, we turned to examine how classroom space is used in translation. The interplay between teacher and students in translation was highly important (cf. Argote, 1999; Farny et al, 2016), where
the classroom space was much more than a site of passive knowledge transfer (Olds and Thrift, 2004). We examined how business ideas have to be reframed to provide them with legitimacy, where they fit with the norms and values of the local environment, and so that they can be understood by students. Given the differences between the market-orientated environments where business education ideas are created and the command economy institutions of North Korea, it was also important to translate ideas. Drawing upon the organisational learning and user innovation literatures (Boxenbaum, 2006; Grabher et al, 2008), we examined how new ideas were translated in the classroom, which were not only legitimate, but applicable to North Korea’s political economy. This is a particularly interesting contribution to debates on business education, as it highlights how business ideas are not simply absorbed, leading us to argue that practices of translation in business education are likely to occur in other educational spaces, an area of research deserving of further scholarly study (cf. Pollard et al, 2009). Furthermore, by examining translation, as user-led innovation, we have established how power shifts from teachers to students, as the latter adopt ideas suitable to their needs and context.

We argue that further research is required in the geographies of business education, which moves beyond more stable concepts such as finance, whose objective formulae can be more ‘immutable’ (see Hall and Appleyard, 2009), to more subjective topics such as entrepreneurship, strategy and leadership, to understand the legitimacy tensions within the practice of translation which sit upon more subjective norms and values. However, we also question the notion that objective ideas and formulas smoothly circulate as codified knowledge, as the assumptions that underpin them may be incompatible with local settings (c.f. Boxenbaum, 2005; Hedmo et al, 2005; Czarniawska and Sevón, 2005). Subsequently, research is needed to examine how translation occurs for even codified knowledge, to investigate how it is modified to work within different economic spaces. Furthermore, we argue that the international growth of business education, through non-profit and for-profit providers, has not yet been adequately studied by researchers, particularly in emerging economies whose political economies that have been historically shaped through socialism, and which have a different set of institutional configurations, whose norms are different to those where business ideas and concepts are developed. Understanding how new knowledge is actively translated between teachers and students in these spaces remains important, if we are to learn how emerging economies are undergoing transition. Finally, we suggest that further research is required to understand changes in North Korea, particularly around knowledge use and translation, marketization and
entrepreneurship, and the role of donjus elites in reshaping the economy and its institutional values.

References


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