Project Direction

2021 Objectives

☐ Promote timely response to social and economic structural changes in the post-Covid era
☐ Ensure stable management of the macro economy to counter changing global environments
☐ Provide policy response for the structural reform and industrial and labor market shifts arising from digitalization
☐ Reinforce role of government finance in the protection of vulnerable groups and improvement of quality of life
☐ Strengthen North Korea policies and plan for an economic community on the Korean Peninsula
☐ Enhance fiscal efficiency via research projects related to private and public SOC investments
☐ Raise the public’s and policymakers’ understanding and awareness of the economy and relevant policies through education, systematic integration of major economic policies, and establishment of a policy-building platform
☐ Promote sharing of Korea’s economic development experiences and knowledge through exchanges with partner countries

Project Management

☐ Ensure active response to changing economic conditions at home and abroad, and explore new policy research agendas that maximize the function and status of KDI as a comprehensive research institute
☐ Provide comprehensive analyses of and measures for economic issues, and promote joint research to optimize the synergy between researchers
☐ Continue to pursue joint research and exchange and cooperation with overseas institutes to reinforce the status of the Korean economy and KDI’s research capacity
☐ Strengthen the complementarity between the function of research and that of research–related activities to maximize the efficiency of project implementation
☐ Combine the research function of KDI and the education capacity of KDI School, and promote communication and exchange to maximize the synergy effect
(A) Key research projects

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| 1   | Analysis and Forecast of Macroeconomic Trends                                             | ○ Based on macroeconomic indicators, this study identifies and analyzes the factors behind changing economic conditions and presents projections through data analysis and relevant models.  
○ This study offers desirable approaches for monetary, fiscal and financial policies to be used as basic data for internal and external policy decisions. |
| 2   | Fiscal Policy in Open Economies: Global Fiscal Expansion and Current Account Dynamics       | ○ This study intends to identify the effects of fiscal policy brought about by the expansion in fiscal deficit on the capital and current account, and analyze the impact on the overall macro economy. |
| 3   | A Study on Fiscal–Financial Nexus in Korea                                                 | ○ Due to the recent weakening of fiscal soundness, this study aims to analyze the impact of fiscal soundness on financial soundness and to derive measures to improve financial regulations and resolution systems.  
○ Taking into account a potential vicious cycle between fiscal and financial instability, this study discusses whether it is possible to introduce the countercyclical capital buffer regulations or resolution fund. It also attempts to draw specific policy implications including what to consider and how feasible they will be when introduced. |
| 4   | Macroeconomic Effect of Liquidity Support for Corporations                                 | ○ By developing a general equilibrium model that takes into account the default risk of a company caused by the exogenous shock to the macro economy, this study estimates the dynamic trajectory of the macro economy and checks the system risks in the financial market. |
| 5   | An Economic Analysis of Mobility Service: Supply and Demand of Taxis                       | ○ Based on the demand and supply of the taxi industry, the current status is analyzed, and effective policy measures are presented accordingly. |
| 6   | A Study on Effective Innovation Policy: Focusing on Vaccine R&D                             | ○ By thoroughly analyzing the ripple effect of R&D support designed to incentivize innovation in sectors that are deemed to have insufficient commercial prospects, this study aims to formulate more reasonable alternatives for R&D support.  
○ Based on the results, this study intends to draw policy implications for new vaccines and orphan drug developments of which the profitability is still in doubt. |
<p>| 7   | Causes of Self-employment Management Difficulties and Policy Direction                     | ○ Self-employed independent businesses in Korea are experiencing difficulties. This study identifies the causes and analyzes the trajectory of the fluctuations of their sales and operating costs and profit from the perspective of detailed factors in both demand and supply. |</p>
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<th>Page</th>
<th>Title</th>
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<tbody>
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<td>8</td>
<td>The Impacts of Greenhouse Gas Reduction Policies on Sectoral Competitiveness</td>
<td>◦ By analyzing the implementation of the two major greenhouse gas reduction policies, this study aims to understand what environmental and economic ripple effects have been brought about at the industrial level, and also to offer basic information for future policy measures to achieve better sustainability in terms of business type and size.</td>
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<td>The Effects of the Exception to Limited Liability on Firm’s Decision</td>
<td>◦ The secondary tax liability of contributors is excluded from the principle of limited liability for shareholders. By analyzing the impact of this exception on corporate activities, this study presents policy recommendations to bolster firms’ investment and growth.</td>
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<td>Optimal Design of Resolution and Recovery Plans of Insolvent Insurance Companies</td>
<td>◦ This study intends to present policy directions from various angles to improve the recovery and resolution systems for insolvent insurance companies to properly and preemptively meet the potential demand for policy alternatives.</td>
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<td>The Impact of Interest Rate Ceilings and Policy Implication</td>
<td>◦ The method of calculating the personal credit rating was revised. This study analyzes whether the well-being of financial consumers has improved accordingly, or whether information asymmetry has deepened and loan ceilings have become disadvantageous. Policy directions are also presented.</td>
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<td>Analysis of Regional Migration at College Entrance</td>
<td>◦ This study establishes a microscopic structural model for the younger generations’ choices in terms of college entrance by taking into account the local labor market, and introduces estimations using panel data. ◦ Based on the estimated empirical model, various policy simulations are conducted to present the policy implications.</td>
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<td>Elementary Education Reform to Improve Social Capital</td>
<td>◦ This study intends to present improvement measures for the operation of regular elementary curriculums and after-school programs that can effectively improve students’ future skills and enhance Korea’s social capital.</td>
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<td>A Study on the Characteristics and Formation of Social Capital in Korea</td>
<td>◦ The core theme is about social capital which is significant in the economic, social and political context for the development of Korean society. The measurement for empirical analysis is comprehensively reviewed. ◦ This study evaluates the current level of Korea’s social capital, diagnoses specific characteristics and problems, and derives policy agendas for the formation of social capital in the mid- to long-term.</td>
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<td>International Sanction and Economic Future of North Korea</td>
<td>◦ Sanctions against North Korea are currently one of the most important policies in both South Korea and the international community. Accordingly, this study seeks to establish the basis for a scientific understanding of this issue, and present a more desirable direction.</td>
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A Study on the Determinants of Food Prices in North Korea

- The purpose of this study is to improve the understanding of North Korea’s food pricing structure by identifying its food production, allocation, and distribution via jangmadangs.
- The determinants of food pricing will be verified through available data and used as the basis for food aid policies toward North Korea.

(B) Research-support projects

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| 1   | ◎ Economic Education and Information Provision                         | - Contributes to enhancing Korea’s competitiveness and public welfare by cultivating knowledge that economic agents need to make rational decisions and conduct economic activities.  
- Provides direct/indirect support to the legislation of economic policies, and research and corporate activities as well as to the enhancement of the public’s understanding of the economy by developing knowledge–based resources via systematic accumulation, classification and analysis of economic data. |
| 2   | ◎ Joint Research and Collaborative Project with International Organizations | - Encourages international and joint research on Korea’s mid– to long–term policy agenda in preparation for a knowledge–based economy.  
- Enhances policy studies and development capabilities that match the global knowledge–based economy, delivers systemic and preemptive responses to key national mid– to long–term policy agendas, strengthens research networks with domestic and foreign experts and international organizations, formulates reasonable arguments on important pending issues, and promotes the formation of social consensus. |
| 3   | ◎ Academic and Information Exchange                                    | - Establishes an active knowledge cooperation system by encouraging economic forums comprised of experts from academia, research and business organizations and government officials to effectively conduct policy research on a variety of issues in the fast–changing economic environment  
- Creates digital contents to enhance the public’s understanding of and consensus on government policy and to disseminate the latest information trends through the promotion of useful information to consumers including the policy authorities, media, and general public, and through PR activities that provide a forum for discussions and dialogue on major policy issues. |
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| 4   | Inter-Korean Economic Cooperation Trend Analysis and Research Council Operation  
- Serves as a permanent channel for information and opinion exchanges between government officials, academia, and field experts from relevant institutions with respect to North Korea’s economic conditions, inter-Korean economic cooperation and integration measures, and East Asian economic cooperation, to build a knowledge system for collaborative studies on the North Korean economy. |
| 5   | Knowledge Sharing Program  
- Enhances the mutual understanding of development cooperation and economic cooperation by stimulating HR exchanges with partner countries and communication between domestic and foreign experts. Also, improves the effectiveness of Korea’s international economic policies, and expands the basis for economic cooperation. |
| 6   | Economic Information Provision via IT Networks  
- Collects sorts/digitizes KDI research papers, economic policy data, and daily economic releases from government agencies and leading institutions at home and abroad, and offers a timely information service to users via websites, email news letters, etc. |
| 7   | Information System Development, Operation and Management  
- Gathers builds numerous DBs and statistics for efficient research operation, develops operates/manages information system for research support and administrative affairs at the institute. |
| 8   | Archive and Library Service  
- Collects sorts/manages economy-related library material from within and outside of the institute. |
| 9   | Research Project Planning  
- Holds seminars, related committees are established and put into operation to increase the efficiency of the planning, selection and management of research projects, and pursues maintains close collaboration with relevant government departments and organizations. |
| 10  | Operation of POD (Print On Demand) Center  
- Innovates the method of research report publications and internalizes DM operations.  
- Enhances administrative efficiency by digitizing research outcomes that are in book format. |
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| 1   | ◎ Support for PPP Projects | - Implements/manages comprehensive support in relation to PPP project operations and promotion of PPP projects.  
     - Promotes PPP projects, improves objectivity, effectiveness, and specialty and contributes to the efficient execution of government budgeting by operating PPP education and policy information services such as Q&As, conducting in-depth studies on PPP projects, and formulating detailed directions and guidelines. |
| 2   | ◎ Cooperation for International Development | - Contributes to spreading positive messages about development cooperation and knowledge sharing by seeking new directions in the changing internal and external landscape through development cooperation policy research and enhancing project effectiveness guided by a select-and-focus strategy. |
| 3   | ◎ Capacity Building Project for Real Estate Policy Research | - Provides basic data for real estate market–related analyses and research.  
     - Contributes to the establishment of desirable policies by presenting diagnoses and analyses on the conditions of the overall real estate market. |
| 4   | ◎ Public Investment Evaluation | - Implements/supports/Manages preliminary feasibility studies and feasibility re-examinations of public institution-funded projects and conducts in-depth studies on relevant systems and analysis methodologies.  
     - Conducts studies more objectively, systematically, and efficiently, and enables studies to become more specialized and consistent so that they can contribute to enhancing the efficiency of public institution-funded projects and to improving financial soundness of public institutions. |
| 5   | ◎ G20 Study | - Contributes to the establishment of international networks and collaboration for research and knowledge sharing on pending issues faced by G20 countries such as the Covid-19 crisis, national governance reform, polarization, and resolution of social conflicts.  
     - Exploring new agendas for the G20 summit. |
| 6   | ◎ Service Economy Study | - Conducts thorough study and analysis, and draws feasible policy measures that are focused on service industry innovation which is essential for the national agenda.  
     - Develops strategies and policy tasks to reinforce the global competitiveness of convergence industries derived from the combination of conventional manufacturing and service industries. |
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<th>Page</th>
<th>Section</th>
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| 7    | Regulation Analysis and System Improvement Study  
   - Empirical analysis that integrates behavioral sciences is needed to produce preliminary data for evidence-based regulatory impact analyses. To that end, KDI conducts basic research on the changes in regulatory governance, behavioral science methodologies, and foreign cases studies. |
| 8    | Archives  
   - Complies with evaluation indicators for national archives developed by the National Archives of Korea.  
   - Preceding tasks to fulfill the goal of realizing an open and innovative government and services in public administration.  
   - Conducts yearly tasks for archive management and establishes detailed policies for each task. |
| 9    | Government Finance and Policy Goals  
   - Studies fiscal issues and provides policy consultation for policy authorities’ decision-making process from a comprehensive perspective.  
   - Explores the direction for the mid- to long-term fiscal tax policy based on the prospects of changing economic and social landscapes in the post-Covid era. |
| 10   | Economic Policies in a Time-series Format  
   - Has established a time-series policy database that offers historical perspectives and easy access to the understanding of policy connections  
   - Aims to help not only policy operators but also the general public to have a deeper understanding of government policies and make better use of them. |
| 11   | Establishment of Global Research Network and Database for the Study on the North Korean Economy  
   - Implements the sharing of information on South Korea’s policy direction and economic cooperation in terms of North Korea with the international community, and drives global support on South Korea’s policy stance.  
   - Support government offices by constructing a comprehensive statistical database and literature data related to the North Korean economy. |
| 12   | National High School Student Scholastic Competition for Economic Education ("Kyungje Hanmadang")  
   - Provides opportunities to receive economic education by offering education materials and activity information to students, teachers, and the general public.  
   - Encourages information sharing and cooperation among member organizations of Korea Council on Economic Education, and promotes economic education through the efficient use of education resources. |
| 13   | Policy Establishment via Open Innovation Platform  
   - Searches for the ideal platform that fits Korea’s situation to lead innovation in the economy and society as a whole, and designs/manages/executes action plans and programs via the platform. |
| 14   | Post-Covid-19 Era: Economic and Social Changes and Response  
   - Analyzes economic and social changes in the post-Covid-19 era and derives the direction and policy measures for the Korean society to pursue. |
| 15 | ◎ KDI Information System  
  - Ensures/maintains the continuity, stability, and efficiency of KDI Information System  
  - Operates/maintains/manages the web service system, customer database, and email services. |
| 16 | ◎ Upgrade of KDI’s portal system  
  - Replaces outdated portal systems—e-approval workflow and groupware solutions. |