

### **North Korean overseas labourers: sustaining the regime and country's isolation or transforming the society?**

In 2014 the United Nations Commission of Inquiry on Human Rights in the Democratic People's Republic of Korea released a report "UN COI Report on Human Rights in DPRK" which investigated human rights abuses in North Korea. The UN COI Report placed special emphasis on the plight of concentration camp inmates, religious believers, forcefully repatriated defectors, and international abductees. The UN COI Report, did not, however, address the issue of the North Korean overseas workers. To fulfil this gap, in 2014 the ASAN Institute for Policy Studies published a follow-up report aimed to present the details of the experiences of North Koreans sent overseas. After the release of the report the issue of North Korean overseas workers received unprecedented attention from the media, academic circles and political decision makers.

However, the export of labour from North Korea is not a new phenomenon. A bilateral trade agreement with the Soviet Union in 1967 marked the beginning of the outsourcing of North Korean labourers (Shin and Go, 2014). As with any statistics concerning North Korea, obtaining an accurate number of the North Korean migrant workers placed around the world is very difficult. The North Korean government has not provided any official quotas, however the recent media reports estimate the number to be around 50,000 to 60,000 workers (Yoon and Lee, 2015). Currently, 16 countries are known to receive North Korean labourers with Russia leading the group with 20,000 workers; China 19,000; Kuwait 4,000 to 5,000; UAE 2,000; Mongolia 2,000; Poland 400 to 500; Malaysia 400; Oman 300; Libya 3000; Nigeria 200; Algeria 200; Equatorial Guinea 200 and Ethiopia 100 (Ibid).

While the topic of North Korean overseas workers has received some coverage by the journalists, it was only after the recent studies that it became a part of international discourse.

These studies include:

1. *"Human Rights and North Korea's Overseas Laborers: Dilemmas and Policy Changes"* published by Database Center for North Korean Human Rights (NKDB) based in Seoul (2015).
2. *"The Will of the State: North Korean Forced Labour"* published by NGO European

Alliance for Human Rights in North Korea, based in London (2015).

3. *“Transnational Abuse & Exploitation: North Korean Labourers Abroad”* published by NGO People for Successful Corean Reunification, based in Seoul (2016).
4. *“North Korean Forced Labour in the EU, the Polish Case: How the Supply of a Captive DPRK Workforce first our Demand for Cheap Labour”* by Laiden University LaidenAsiaCentre(2016).

Drawing on the findings of the abovementioned reports based on testimonies and interviews with North Koreans, as well as published experts' opinion expressed in academic publications and media, this paper explores the role of North Korean overseas workers in the flow of money and information into North Korea and considers the economic and social impact of this process.

Despite the fact that all of the host countries have ratified international agreements that guarantee fundamental human rights such as the right to freedom, right to equal pay for equal work, the right to a standard of living adequate for the health and well-being, North Korean overseas labourers are subject to many human rights violation.

Recent surveys conducted by NGOs revealed that North Korean workers experience violations to the following rights:

- 1) The right to liberty of movement and freedom to choose one's residence.

In many cases workers are stripped of their passports to prevent their defection and their freedom of movement is heavily restricted. Workers cannot freely choose their residence, but are forced to live in the place selected by the managers. There is a wide difference in the supervision and surveillance system in each of the host countries. For loggers who live in remote sites, the case of surveillance and daily control by an appointed guard is very rare, however, workers who had worked in Europe or Africa testify of strict surveillance and internal control, which includes curfews and presence of internal informer.

- 2) The right to freedom of thought, conscience and religion, expression and the right to hold opinions without interference.

The internal spies who accompany workers and live with them in the host countries make sure that there is no exchange of unfavourable comments about their country

and their leader, among the workers themselves as well as with outsiders. Ideological education programs as well as review meetings were also commonplace.

3) The right to adequate standard of living, food, clothing and housing.

Housing facilities and their quality for North Korean overseas labourers vary depending on the hosting country. In most cases, it involves communal living and typically poor housing conditions.

4) The right to equal pay to equal work.

On average the working hours range between 12 and 16 hour a day, sometimes as much as 20 hours, and labourers are provided with very little time to rest.

North Korean workers receive little income, disproportionate to amount of their work. Additionally the great portion of their salary is taken away by the manager and transferred back to North Korean in the form of bulk cash. While it is difficult to state the precise percentage of confiscated salaries, every worker who participated in the research was a victim of this sort of exploitation.

The reports exposed that the North Korea's practice of sending workers abroad involves many violations that may breach not only human rights and international labour laws, but also the UN Security Council resolution no. 2094, which puts a ban on the provision of financial services or other assets, including bulk cash, that could contribute to prohibited programs or activities. The reports' findings show that wages of North Korean workers might be channelled into Pyongyang in the form of bulk cash. In such case, these funds undermine international sanctions against the North Korean state and facilitate the prohibited activities that they are meant to prevent, such as nuclear weapon development.

These violations of human rights call for a response and action. However, what the action should be is not that obvious. European countries that hosted North Korean workers have decided that the right response to prevent these violations is by refusing to extend workers' visas, forcing them to return to North Korea. The first country to do so was the Czech Republic, back in 2006. Poland stopped issuing new working permits to North Koreans after the January 4<sup>th</sup> nuclear test that took place this year, and in July, Malta, announced that it will also suspend issuing visas for North Korean workers<sup>1</sup>.

---

<sup>1</sup><http://www.nytimes.com/2006/11/08/world/asia/08iht->

However, the question remains whether “solving” the problem in this way will actually stop exploitation of North Korean workers abroad and will limit the flow of cash that sustains the regime and contributes to the development of the nuclear weapons?

Due to the current UN and EU sanctions against North Korea, the regime in Pyongyang struggles with access to foreign currency to, among other things, pay for its expensive nuclear missile programs. According to the International Network for the Human Rights of North Korean Overseas Labor (INHIL), North Korea’s outsourcing of labour is estimated to bring 1.2 to 2.3 billion USD to the North Korean economy per year, and after the closure of the Kaesong Industrial Complex, it remains one of the few ways the North Korean regime is able to obtain foreign currency (INHIL, 2012:12, 17).

Understanding the importance of sending workers abroad for the regime, it is easy to see why North Korea will not give up on this practice. It is thus highly possible that those who were sent back from Europe as their visas expired will be sent again to other countries.

The demand for overseas labour opportunities is also shared by the North Korean people, many of whom view overseas work as a way to make more money and escape from domestic economic hardship. Interviews with North Korean defectors confirm that those who go abroad to work, do so voluntarily, often paying bribes to pass the rigid selection process (Yoon and Lee 2015:65). Their motives to go abroad to work stem mostly from the desire to earn money outside of the poor economic conditions of their own country. With no public recruitment postings for overseas work, the entire selection process takes place behind closed doors. According to the testimonies, only those working in relevant sectors or with personal connection to the decision-makers in the government have access to information on overseas job opportunities (Ibid). The application process is very competitive, but the main criteria, other than relevant skills, which determine the eligibility are: age, family and loyalty (*songun*). The interviews with North Korean defectors confirm that bribes are commonly used to increase the chances of selection and to accelerate the process (Ibid).

The North Korean Database Center estimates that something between 70% to 90% of what

North Korean workers earn abroad goes to the authorities in Pyongyang, while 20% pays for their lodging, food, and bribes, leaving only 10% in the workers' pockets (A Prison with No Fence, 2016:13). As with any other statistics relating to North Korea, obtaining data on how much North Korean overseas workers are able to save or bring back to North Korea is very difficult. We do know, however, that the salary varies depending on their occupation, position and the host country. Andrei Lankov's encounters with the overseas workers indicate that in China, Chinese employers pay North Korean workers around 75 percent of what they would pay Chinese citizen. In the city of Dandong, for example, this translates into an average salary of around 2,000 -2,200 yuan, or \$300-\$320 per month (Lankov, 2016). Taking account of the fact that workers get a small part of this salary, Lankov estimates that they actually receive 25-30 percent, which is \$70-\$100 per month.

In the Middle East, on the other hand, after three years of a contract an average worker would bring home \$1,500 in official salary, which means that average earnings are about \$40 per month. (Lankov, 2016a). This official salary is further extended to what the workers are able to make on the side from extra work. So, in general, Lankov estimates that a North Korean worker in the Middle East is likely to bring home some \$3,000-4,000 (Ibid).

In case of Poland, the official payslips of one of the shipyard company show that North Koreans receive 2,397 PLN a month (\$610) (interview with Kowalska conducted by Vice). In such scenario 20 percent of the yearly salary comes down to about \$1,400. Since the average deployment lasts 3 years, it is probable to estimate that North Korean workers in Poland might be able to save up to \$4,200.

While such figures might appear very low, by North Korean standards this is a large income, well above the average. Even though a great portion of the earnings is taken away from the workers, overseas employment remains a viable source of profit to North Koreans. The fact that the selection process is very competitive and that bribes are often necessary an element of it, only proves this point. The money made through overseas employment might allow North Koreans to invest into their future financial prosperity, and these days the opportunities to invest into private business venture seem to be greater than ever.

Today 70-80 percent of the average North Korean family's income is generated through

private economic activities, and this is why an opportunity to earn money that will allow for further investment in a business venture is on high demand in North Korea. Private market sector became very important for North Korean people starting from the late 1990s, when small scale businesses such as restaurants and shops began operating. By 2008, the majority of the population in North Korea became engaged in activities outside of the planned sector, and relied on income from private business (Haggard and Noland, 2009).

The small businesses which operate in North Korea are able to continue their work by bribing the local police officers and local government authorities. Complete independence is not possible and every North Korean businessman has to pay officials just to make sure that they will not ask too many questions and turn a blind eye to activities that are still technically illegal. Large-scale businesses on the other hand, require the disguise of the private operations under the cover of some state agency. Medium size companies are required to, at least on paper, be owned by state agencies, and employees registered as workers of state enterprises. In reality however, all that the businessmen needs to do is to pay officials for their agreement to “adopt” his business. Such practice is so common in the North that there is even an established rate of how much fake registration of a particular type of vehicle costs at which government agency (Lankov, 2011).

Goods and services which, until few years ago, were practically unheard of in North Korea, such as cafes, nail salons, billiard rooms and karaoke are emerging into the scene meeting the demand of the people who now have the money to spend. The demand for products such as cosmetics, smartphones, imported foods and foreign clothes is rising and the products themselves are available at the markets (Tudor and Pearson, 2015). And while the regime has attempted to destabilize the private sector by carrying out a number of reforms, particularly between 2005-2009, these efforts did not manage to undermine the private economy and the marketplaces have become an integral part of the North Korean economy. The “benign neglect” attitude of the North Korean regime has allowed the informal economy to grow (Lankov, 2016b:10).

While it is true that the majority of North Korean people are not able to afford such luxuries, it also becomes apparent that it is no longer just the small circle of the Party elite that has the financial means to consume more than just the daily necessities. Thanks to the growth of the

unofficial economy, the country is witnessing a rise of class of wealthy North Koreans, known as “*Donju*”, meaning “masters of money”. It is *Donju*, the private entrepreneurs, who seized the opportunity presented after the 1990s economic collapse of the state economy, who are building the informal economy of North Korea. They are traders of consumable goods in private markets, who compiled enough capital to invest in more substantial business ventures, or well-connected individuals with an access to foreign currency. Although they are not officially recognized or defined by the state, in a way, *Donju* can be considered the emerging middle class of North Korea. The unspoken alliance between *Donju* and the regime, similar to the policy of “benign neglect” of markets, allows them to develop their activities into sectors formerly controlled by the state, such as mining (Ah, 2015).

Over time, the continued growth of *Donju*, and the private economy in general, is very likely to produce a lasting impact on the North Korean political and social scene. The steady stream of money and foreign goods coming into North Korea will with time expose the general public to the foreign consumer culture and to the information about the outside world.

North Korean overseas workers, who come back to the country with small but relatively significant savings in foreign currency, are also very likely to invest into small business venture that will secure their financial future. According to Lankov (2016) “most of workers at factories hope that, having returned to their towns and villages, they will buy a *maedae* (a 70-80 centimeter-long stand) at a market and start their own retail or street food business, which will guarantee them an above average income in their native land”. By doing so, it is possible that they will in the future join the ranks of the newly established middle class of North Korea.

Moreover, overseas workers who come back to North Korea bring with them not only some amount of money. While being exposed to the outside world they have the privilege of unique opportunity to experience and learn new information about places other than their home country. While it remains true that North Korean workers live under many restrictions, are not free to move around or interact with the locals, and they still are required to attend the ideological meetings, the tight grip of the North Korean regime is significantly weaker in the host countries. As concluded by the authors of the “North Korean Forced Labour in the EU, the Polish Case” report, “it is clear that the ideological straightjacket that workers are forced

in is tied less tightly outside of the DPRK. Workers escape strict control mechanisms by turning a blind eye to violations by others, by treating ideological requirements as merely bureaucratic necessities, and by breaking the rules by possessing private laptops or other devices capable of accessing unauthorized information”(2016:88).

As mentioned earlier, the scale and strictness of the surveillance depends on the location, and it would be wrong to assume that all North Korean workers enjoy the same degree of freedom and opportunities to interact with the host country. Nevertheless, one should not underestimate the impact that living abroad has on North Korean overseas workers. North Korean workers in Europe need not talk to the locals to get an idea of what life is like in the country, and no amount of surveillance will prevent them from noticing what types of houses local people live in, what types of clothes they wear, what type of goods can be purchased at the local store, and so on.

The control of outside information is crucial for the survival of the North Korean regime, as it does after all, base its legitimacy on the ability to secure well-being of its citizens. Once it becomes apparent that this is not the case, changes are inevitable.

With no doubt, North Korean overseas workers experience numerous human rights violations and their labour conditions in the vast majority of cases are unacceptable according to international conventions and moral norms. Furthermore, overseas employment does fill the pockets of the North Korean leadership and contributes to the maintenance of the regime. It is also highly possible that this financial contribution is invested into the development of military equipment, including weapons of mass destruction causing instability in the Northeast Asia and even globally.

At the same time, this practice might lead to unintended consequences and can actually be perceived as a Trojan Horse for the North Korean authoritarian regime. Arriving North Korean workers are enriched with savings, experience and information which they then use to invest to change their socio-economic circumstances. Such a development can lead to further unstoppable changes that eventually might tremble the whole political system of the Democratic People's Republic of Korea.

Bibliography:

Ah, S. (2015)'Donju' Profit on Abandoned Mines. Daily NK [on-line] Accessed on 30.08.2016. Available at:

<http://www.dailynk.com/english/read.php?cataId=nk01500&num=13096>

Boonen at al. (2016) North Korean Forced Labour in the EU, the Polish Case: How the Supply of a Captive DPRK Workforce Fits our Demand for Cheap Labour. Laiden University LaidenAsiaCentre.

Haggard, S. and Noland, M. (2009) *Reform from Below: Behavioral and Institutional Change in North Korea*. Working Paper Series 09-8, Peterson Institute for International Economics.

Jaewon Lee et al. (2014), “*Research on the Human Rights Status of North Korean Overseas Workers and Plans for Improvement*” Mulmangcho Research Paper.

Lankov, A., (2011) *The Secret World of North Korea's New Rich*. Asia Times. Accessed on 29.08.2016. Available at: <http://www.atimes.com/atimes/Korea/MH10Dg02.html>

Lankov, A., (2016) *Dandong's other North Korean workers: Exploited industrial workers still have better lives than they would in the North*. NKNews [on-line] Accessed on 28.08.2016. Available at: <https://www.nknews.org/2016/02/dandong-s-other-north-korean-workers/>

Lankov, A., (2016a) *North Koreans making Middle Eastern money: Returnees cite not only greater profit, but intoxicating experience of life abroad*. NK News [on-line] Accessed on 28.08.2016. Available at: <https://www.nknews.org/2016/05/north-koreans-making-middle-eastern-money/>

Lankov, A., (2016b) *The Resurgence of a Market Economy in North Korea*. Carnegie Moscow Center.

Yoon, Y., and Lee. S. (2015) *Human Rights and North Korea's Overseas Laborers: Dilemmas and Policy Challenges*. Seoul: Database Center for North Korean Human Rights.

Shin, Ch., and Go, M. (2014) *Beyond the UN COI Report on Human Rights in the DPRK* ASEAN Report.

Vice., (2016) *Cash for Kim: North Korean Forced Labourers Are Working to Their Death in Poland*. Available at: <http://www.vice.com/video/cash-for-kim-north-korean-forced-labourers-are-working-to-their-death-in-poland>

Nam. [ed.](2016)*Transnational Abuse & Exploitation; North Korean Labourers Abroad*. People for Successful COrean Reunification. PSCORE.

Tudor, D., and Pearson, J. (2015) *North Korea Confidential: Private Markets, Fashion Trends, Prison Camps, Dissenters and Defectors*. Tuttle Publishing.

International Network for the Human Rights of North Korean Overseas Labor (INHL), The Conditions of the North Korean Overseas Labor (Seoul: INHL, 2012 pp.12, 17)

<http://theconversation.com/the-rise-and-rise-of-north-koreas-money-masters-47708>

<http://www.dailynk.com/english/read.php?catald=nk01500&num=13096>

<http://www.nkeconwatch.com/2015/03/16/donju-step-in-on-state-construction/>