

This is an open source publication by LeidenAsiaCentre, 2019.

LEIDENASIACENTRE

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

Edited by Remco E. Breuker & Imke B.L.H. van Gardingen

LeidenAsiaCentre is an independent research centre affiliated with Leiden University and made possible by a grant from the Vaes Elias Fund. The centre focuses on academic research with direct application to society. All research projects are conducted in close cooperation with a wide variety of partners from Dutch society.

More information can be found on our website :
www.leidenasiacentre.nl

For contact or orders:
info@leidenasiacentre.nl
M. de Vrieshof 3, 2311 BZ Leiden, The Netherlands



NOTE: This preliminary report was distributed on the occasion of the presentation of the research findings on April 2, 2019. As it has not been finalized for publication, the report is not for distribution and not to be quoted. A significantly expanded and definitive report will appear soon. If you want a copy of this report, please write to LeidenAsiaCentre to reserve a copy.

Editors:

Remco E. Breuker
&
Imke B.L.H. van Gardingen

Authors:

Rosa Brandse
Remco E. Breuker
Antoine Duval
Imke B.L.H. van Gardingen
Michael Lee
Shirley Lee
Marieke Meurs
Alexandru Tofan

Contributors:

Chris de Bock
Jonne Bosselaar
Shannon Stewart

Table of contents

Preface

vii

Part I. From Boardroom to Building Site: The Belt and Road Initiative and the M4 Motorway in Pakistan's Punjab Province

Executive Summary	3
Introduction	5
Chapter 1. Context and Background	9
Chapter 2. The Belt and Road Initiative and the China-Pakistan Economic Corridor	15
2.1 The Belt and Road Initiative	15
2.2 CPEC	18
2.3 IFI Safeguards: The ADB and the AIIB	19
Chapter 3. Asking Workers Themselves: A Case Study of Workers' Rights	23
3.1 Methodology	23
3.2 Themes in the Interviews	24
3.3 Marginalized Labour Groups: Women, Children, and Migrant Workers	33
3.4 CPEC	35
3.5 Conclusion	38
Chapter 4. The Asian Development Bank, Core Labour Standards and the M4 Highway Project	40
4.1 Introduction	40
4.2 Multilateral Development Banks and Human Rights	40
4.3 The Asian Development Bank and Labour Rights	42
4.4 The ADB's CLS Commitments in Action: The M-4 Motorway Project	45
4.5 Conclusion	48

Part II. From CSR Seminar to Sweatshop: Detecting North Korean Forced Labour in Textile Supply Chains

Executive Summary	53
Introduction	55
Chapter 1. Dandong, the DPRK, China, and Labour	57
1.1 Historical Context	57
1.2 Dandong's Economy	59
1.3 An International Trade	60
1.4 Conclusion	62

Chapter 2. Export Processing via North Korea	65
2.1 The Context	65
2.2 Empirical Data on the Chinese Company Networks	70
3.3 Summary	108
 Chapter 3. North Korean Labourers in China	
3.1 Introduction	111
3.2 Numbers and Locations of North Korean Workers	111
3.3 Recruitment Process, Visas, and Confiscation of Documents	114
3.4 Wages	117
3.5 Working Conditions (Working Hours, Labour Rights, Safety, Insurance, Etc.)	119
3.6 Living Conditions, Surveillance, Restriction of Personal Freedom	122
3.7 Conclusion	124
 Chapter 4. The Role of Overseas Companies: How Policies Do Not Match Local Needs	125
4.1 Awareness and Current Policies	125
4.2 Risk Analysis	126
 <i>Appendices Part I.</i>	129
I: Map of Highways in Pakistan	130
II: ILO Conventions Ratified by Pakistan	130
III: Beyond the Law, CSR within the Chinese Context	134
IV: Integral and Anonymized Interview Texts	140
 <i>Appendices Part II.</i>	171
I: North Korean Workers in China, A Case Study	172
II: Overview of the Sanction Provisions Targeting the NK Textile Ind. and Overseas Labour	182
Bibliography	192

Preface

The two studies united in this volume not only look like they are miles apart, they in fact are. The first study delves into the construction of the M4 motorway in Pakistan, while the second study deals with the presence of North Korean forced labour in the supply chains of Chinese factories and international textile brands. The first study deals with the construction industry, the second one with the garment industry. Business practices in both industries are as far apart as the specific regions under scrutiny. And while the two countries in which the regions this report has looked at do share a border, again, they are not very much alike. Why then these two studies?

One common strand that keeps these two different studies together is that of the notion of Corporate Social Responsibility (CSR). While we as researchers have grown ever more sceptical about the practical uses of CSR in the course of this research project, the intention to compare CSR policies as thought out and articulated in the corporate boardroom and CSR policies as practised on the ground seemed a topic that merited further investigation, and particularly so in a regional context. As a research team, we were curious to see how and whether companies and financial institutions take responsibility for their transnational activities. To determine to what extent do companies and financial institutes take responsibility in order to ensure compliance with internationally agreed standards in the value chain.

This question, in itself a rather straightforward inquiry into the correspondence between theory and practice, has been taking on increasing significance in academic fields other than that of business studies. In today's world, industries, companies, states, and workers easily cross borders back and forth, and operate and work transnationally, cutting previously unified work and production processes into many different constitutive elements, not necessarily taking place on the same continent anymore, let alone in the same country. As such, more than ever before, socially the need is widely felt to have a set of rules that may function as standards for the entire industry, rules that shape and constrain supply chains, no matter the continent.¹ From an academic point of view, the assumption that such rules can function in similar ways across different cultural environments is not a given. Indeed, it is not even a given that such universal rules can even exist in a way that does not fundamentally compromise their practical value on the ground. The emergence of CSR policies, however, addressing companies and industries (in fact the corporate counterpart of the ILO Core Labour Standards and conventions addressing member states) across continents, cultures, and countries necessitates renewed interest in the applicability of local standards in a transnational environment. And the other way around, of transnational standards in a local environment.

Another common strand that ties the two pillars of this report together is the presence of the Netherlands. In the construction study, the Dutch state is present as a major stakeholder in the financial institutions that fund the M4 motorway construction,

1) According to the ILO the term 'Global supply chains', 'refers to the cross-border organization of the activities required to produce goods or services and bring them to consumers through inputs and various phases of development, production and delivery. This definition includes foreign direct investment (FDI) by multinational enterprises (MNEs) in wholly owned subsidiaries or in joint ventures in which the MNE has direct responsibility for the employment relationship. It also includes the increasingly predominant model of international sourcing where the engagement of lead firms is defined by the terms and conditions of contractual or sometimes tacit arrangements with their suppliers and subcontracted firms for specific goods, inputs and services" (p.1, [Decent work in global supply chains: Report IV](#), 2016 pdf, ILO Geneva 2016).

while in the textile industry study, the supply chains of Dutch companies run very high risks of containing North Korean forced labour. The Dutch state and Dutch companies are front-runners when it comes to stimulating CSR policies. Early on in our research, it had already become abundantly clear that on paper at least the Dutch state and Dutch companies do not shirk their social responsibilities, attempting to create both consumer and corporate awareness through its CSR (or in Dutch MVO, ‘maatschappelijk verantwoord ondernemen’) programs, as well as through its foundations and NGOs. Such a proactive attitude ensures the Netherlands a high ranking in international reports on business and human and labour rights issues.

Elegantly defined policies and strict regulations are as effective as compliance to and enforcement of them. The conclusions of both case studies show that, from a Dutch perspective, there is much left to desire with regard to compliance and enforcement. And so we return to the beginning of this preface: the comparison between theory and practice, between boardroom and building site, between CSR seminar and sweatshop. The actual situation on the ground needs to be mapped in order for CSR policies to hold any kind of significance. And in order to do this, contextualizing and understanding the situation on the ground is of crucial importance. Now we come to the third common strand of the two projects.

This third common strand is regional expertise. Both projects in this volume take the region as point of departure instead of the framework offered by CSR, generally considered to be universally valid. Both projects rely on local(-ized) expertise first and general disciplinary expertise second. This brings the fundamental advantage of introducing new empirical facts into the discourse. For the construction project, these facts consist of interviews done with labourers who worked on the construction of the M4 motorway (and the discrepancies they show with the paper reality of official reports). In the textile industry project, new ways of mapping and understanding supply chains emerged, while the particular details that became clear while investigating these supply chains generated new empirical facts on North Korean trade, exposing the rather sizable risks international brands take when dealing with companies who outsource to North Korea. Both case studies show the immediate risks of noncompliance. The research our team has done gives insights in what the regional risk factors are, how big they are, and how and if they might be prevented.

The last common strand that unites both case studies is the role of China. While the title of this volume (*Tightening Belts*) alludes to the dire straits in which the labourers in China, North Korea, and Pakistan we have looked at for this volume, find themselves despite having jobs that demand long hours and hard work, it at the same time also refers to the Chinese Belt and Road Initiative. The M4 motorway is a recognized part of the BRI, after all, and the Chinese presence, both physical and financial, has an impact on labour conditions. Outsourcing to North Korea by garment factories is after all only possible through China and while North Korea is not part of the BRI, it may well become part of it in the near future.² It is therefore not only the labourer who has been tightening his or her belt, but the regions and even countries dealing with the increasingly burdensome

2) If the plans Beijing launched in the autumn of last year may be believed. See Aris Teon, “China Wants To Extend “One Belt, One Road Initiative” To The Korean Peninsula,” *China Journal*, September 2018 (<https://china-journal.org/2018/09/27/china-wants-to-extend-one-belt-one-road-initiative-to-the-korean-peninsula/>); Adam Cathcart, “In the Shadow of Jang Song-Taek: Pyongyang’s Evolving SEZ Strategy with the Hwanggumpyeong and Wihwa Islands,” *Korea Economic Institute of America Academic Paper Series*, June 19, 2014.

and progressively proximate presence of China, have felt a growing tightening of the belt also.

Focusing on the essential results of both case studies, it becomes clear that CSR can never be merely a matter of ticking the boxes. It needs awareness and knowledge of the region involved. Both case studies will demonstrate, we hope, that regional expertise, cultural knowledge, linguistic fluency and so on and so forth are crucial in the process of doing business abroad responsibly. Looking past the risks involved is dangerous. The severe infringements we found in our case studies show as much. The fact that we established these infringements to have taken place furthermore shows that due diligence needs to be sharpened. In this day and age, given sufficient resources, not knowing is choosing not to know. As such, this report is a -painful but- necessary step in the process of knowing what we need to know. Just noting the facts is not enough. The obligation to know brings with it the obligation to find out and to do so in situ. For this, regional expertise is a *sine qua non*, as we hope this report shows, even if the scope of the research topics is modest.

PART I

From Boardroom to Building Site:
*The Belt and Road Initiative and the M4
Motorway in Pakistan's Punjab Province*

Executive Summary

The Belt and Road Initiative (BRI), previously known as the One Belt One Road (OBOR), is a key strategic initiative unveiled by Xi Jinping in 2013 that aims to establish several economic corridors between China and Eurasia over land and South East Asia over sea. The initiative has been analysed from various strategic perspectives, with its impact on labour conditions for both Chinese and foreign workers perhaps less so; though there have been instances, such as in Piraeus in Greece, where the issue was brought to the fore.

The M4 motorway project in the Islamic Republic of Pakistan is co-financed by the Asian Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB) and the Department for International Development (DFID). The Netherlands is a major stakeholder in both the ADB and the AIIB. The ADB is the 'lead co-financer' and it is their safeguard policies that are applicable on the project. The ADB, alongside other Multilateral Development Banks such as the World Bank, has in the past been subject to public scrutiny with regard to its compliance with international human rights standards, as well as the Core Labour Standards (CLS) of the International Labour Organisation (ILO). In response to external pressures, in 2001 the bank became one of the first MDBs to commit to push for full compliance with the CLS and national labour laws. Nevertheless, it has not proceeded to integrate them into its internal policies; this has, as we have seen in the context of the M4 project, diminished the practical relevance of its original commitment to the CLS.

The Loan Agreements between Pakistan and the Asian Development Bank are unequivocal on the issue, stipulating that the borrower "shall ensure, that the core labour standards and the Borrower's applicable labour laws and regulations are complied with during Project implementation". It also stipulates that "contractors, other providers of goods and services, and their subcontractors, engaged under contracts for Works, have Works contracts [...]".

But the empirical data, consisting of interviews conducted with workers involved in the M4 project, has evidenced the widespread informality of labour relations around the M4 project: many workers were not officially employed by subcontractors, some of which may themselves not be registered companies. This context and structure also make it much easier to evade compliance with regard to right to unionise and collectively bargain, as well as increasing the risk of other CLS violations, such as the recourse to child labour or forced labour.

While the ADB is imposing extensive reporting obligations on the Borrower for certain other issues (environmental impacts, resettlement policies), it does not extend them to labour rights. We believe that our findings warrant a much more extensive monitoring of labour conditions in ADB projects.

Introduction

Corporate Social Responsibility. CSR. The notion has been around for quite a while now, an attempt to harmonise the imperatives of business with the needs for their environments to not be damaged by the activities those imperatives give rise to.¹ An uneasy compromise at best, it seems, easy to be cynical about, but that would be a denial of the progress made under the banner of CSR. Perhaps progress is not the proper term here, because it presupposes a linear march onwards to a goal that is better, higher, faster. The excursion of our research team, incidental though it maybe, into CSR has shown us more than anything that rather than progress, some projects that explicitly include CSR notions succeed, while in other cases CSR functions as a fig leaf, or as a toilet spray trying to mask unpleasant smells.

Our foray into the construction of the M4 motorway in Pakistan was prompted by similar notions that underlie the other study in this volume, the role of North Korean forced labour in garment industry supply chains: the role of foreign capital and of foreign companies. The M4 motorway construction project was partly funded by international financial institutions in whom the Netherlands as a state is a major stakeholders; as such the CSR guidelines of these funding agencies can be expected to be part and parcel of the project. Even if the labourers on the construction of the M4 were local labourers, the presence of financial institutions such as the Asian Development Bank (ADB) and the Asian Infrastructure Investment Bank (AIIB) should carry the consequence that not just local laws apply to the working conditions of the labourers, but also the CSR policies of the institution involved, as well as international treaties to which such institutions are bound.

The M4 motorway construction project also shares another characteristic with the other project in this volume: the presence of China, and to be precise, the inclusion of the M4 motorway into the Belt and Road Initiative (BRI), the PRC's ambitious project to remap much of the world today in a way that benefits the economic, political, strategical, and perhaps even military priorities of the PRC by building roads, ports, motorways.² By building, period. As for Pakistan, its participation in the BRI has taken the particular shape of the China Pakistan Economic Corridor or CPEC, an enterprise of such colossal importance, that it is treated as an extremely sensitive topic in Pakistan, with the media perhaps wanting but not always able to comment openly on the particulars of the project.³ In particular when such comments are deemed critical. As such, the M4 motorway project is not merely interesting on account of the details of the project, the local working conditions, project finances, et cetera. It is an instance of the meeting of Chinese capital and Chinese strategic interests, some European capital, local labour, and the local political and economic situation, and the domestic discourses such projects

1) See for example A.B. Carroll, "A History of Corporate Social Responsibility: Concepts and Practices," *The Oxford Handbook of Corporate Social Responsibility* (2008): 19-46. For an overview of the different CSR practices around the world, see Wayne Visser and Nick Tolhurst, *The World Guide to CSR: A Country-by-Country Analysis of Corporate Sustainability and Responsibility*, Routledge, 2017.

2) See W.A. Callahan, "China's 'Asia Dream' The Belt Road Initiative and the New Regional Order," *Asian Journal of Comparative Politics* 1.3 (2016): 226-243; also see Yiping Huang, "Understanding China's Belt & Road Initiative: Motivation, Framework and Assessment," *China Economic Review* 40 (2016): 314-321.

3) See Sadaf Mustafa and Ammad Zafar, "China Pakistan Economic Corridor: Importance and Challenges for Pakistan and China," *International Journal of Social Science and Economic Research* 2.11 (2017). A more critical position is taken in this study: Muhammad Saqib Irshad, "One Belt and One Road: Does China-Pakistan Economic Corridor Benefit for Pakistan's Economy?" *Journal of Economics and Sustainable Development* 6.24 (2015).

engender (undoubtedly, there are many more ways to conceptualise the M4 motorway construction project, but this should suffice for our purposes here). It provides us insight in how these meetings may unfold, where the fit is comfortable and where not, what ramifications such transnational projects have, both locally and internationally. All the more so, since the BRI is hardly contested, because, as we shall discuss in this part of the report, its projects (of which there have been already many thousands) have consistently been associated with labour issues, labour rights infringements, economic blackmail, and even accusations of economic imperialism or colonialism.⁴

Our report was written based upon a fairly simple plan of action. After building the context for the research to be embedded in (labour conditions in Pakistan, the BRI, the CPEC, the role of the IFIs, et cetera), a number of persons who had actually worked as labourers on the construction of the M4 motorway were interviewed in a structured manner. Following the desk research of comparing the stated CSR policies of the IFIs and the construction companies involved (if indeed such policy documents were available) with what could be determined through the media, NGO reports, and interviews with a diverse array of local experts, comparing the day-to-day experiences of the labourers themselves seemed like the next logical step to take.

It was. Supported by the clause in the Loan Agreements between Pakistan and the Asian Development Bank that require the borrower (the Pakistani state) to “ensure, that the core labour standards and the Borrower’s applicable labour laws and regulations are complied with during Project implementation,” the interviews were conducted.⁵

Our findings put paid to the notion that the “core labour standards and the Borrower’s applicable labour laws and regulations” were complied with during the implementation of the project. Although further research with a bigger sample of labourers who are willing to be interviewed would seem a first and logical step forward, the data we collected is unequivocal in its observation that the widespread informality of labour relations around the M4 project led to a situation in which labour rights were not only infringed upon, but turned out to have been wholly or partially unknown to the labourers themselves. “Enlighten the people generally, and tyranny and oppressions of body and mind will vanish like evil spirits at the dawn of day,” according to Thomas Jefferson, and we find it hard to disagree with him here. Vanquishing infringements on labour rights will cost blood, sweat, and tears, not to mention time, but awareness on the part of the labourers is probably the first step in order to arrive at a practice of Corporate Social Responsibility that is not merely a mantra-like recitation of desiderata, but a practical concept. Guidelines that have value on the ground and not merely in the board room.

Returning to the notion of Corporate Social Responsibility, it stands out that the way the concept has been worded, it avoids mentioning the people involved: the workers themselves, their dependants, local inhabitants and such. Their rhetorical absence ties in with one of the observations we made in the course of our research: the absence of the workers in the monitoring procedures of the IFIs. While the IFIs and parties such as the ILO have been concerned with structurally improving labour condition for Pakistan’s workers (by for example increasing the number of inspectors in the labour inspection),⁶

4) For a recent overview of literature, see Huam Hon Tat et al., “Globalization, Colonialism and the Belt and Road Initiative (BRI): A Review of Literature,” *The Journal of Social Sciences Research* (2018): 98-103.

5) You can find said agreement here: <https://www.adb.org/sites/default/files/project-document/176053/48402-001-lbj.pdf>, p.23. Accessed on 30-03 2019.

6) See http://www.ilo.org/islamabad/whatwedo/projects/WCMS_395777/lang--en/index.htm. Accessed on 30-03 2019.

none of the workers who were interviewed for this report was ever approached by a labour inspector or by an inspector for an IFI.

The inspectors were seen on site by the workers, and it seems with a reassuring frequency, but as far as we have been able to determine, they did not seek to talk to the labourers themselves. We realise, that concern for the labourers' safety may have been a consideration here: perhaps it was thought that being seen talking to an official inspector could lose a worker his/her job when the resulting report turned out negative. Still, other ways of collecting empirical facts (for that is what the labourers gave us in the form of the interviews) are possible. Just noting the visible facts is not enough, just checking the boxes is not sufficient: the people whose livelihood often depends on how CSR policies are -or are not- implemented on the ground are those who should be heard first. In this day and age, there is an obligation to know for companies, IFIs, governments, and consumers alike. This implies the strictest kind of due diligence, which is detailed, concrete, conscientious, thorough, strict, and on-site and on-hand. Instead of Corporate Social Responsibility, with the one-direction flow of action the name implies, we should perhaps rather try to visibly bring back the 'humans' into the equation. The obligation to know translates into the obligation to be there alongside the persons CSR policies are supposed to protect in the first place. It is after all hard to explain that inspectors who took the trouble to visit the construction sites - also from abroad, one imagines - did not take the trouble to talk with the labourers in a way that would have enhanced their empirical understanding of the conditions prevalent on the construction site. Again, if this needs to take the form of off-site interviews that are kept strictly anonymous to protect those workers who are willing to share their experiences, then this is the way to go. It should not be necessary to note, though, that in itself, having to take recourse to such measures in order to get a concrete, fact-based understanding of what is going on, is in itself of course an embarrassing condemnation of each and any CSR policy already in place.

CHAPTER 1

Context and Background

This report will look into labour rights surrounding the construction of the M4 motorway, which is a project that falls within the vision of the China-Pakistan Economic Corridor (CPEC) for strategic infrastructure development. Progress on the M4 motorway began in 2007 with the “National Trade Corridor Highway Investment Program”. This was to be funded by the Asian Development Bank (ADB), and had the stated aim of benefiting Pakistan’s economy through improving both domestic and international connectivity.⁷ Up to USD 900 million in loans was set aside for this program. An additional USD 10 million in loans, for the purpose of strengthening the institutions of the National Highway Authority of Pakistan (NHA), was set aside from the ADB’s Special Funds although this did not reach the stage of implementation.⁸

The program was divided into three tranches. Initially, tranche 1 (Project Number 40075-023) was to focus on two expressways, the Peshawar – Torkham (E-1) and the Faisalabad – Khanewal (E-4). However, due to security concerns on the part of the Pakistani government, the E-1 was removed from scope at its request. Meanwhile, the Gojra – Shorkot – Khanewal sections faced delays due to issues with land acquisition. As a result, the tranche focused only on the motorway section between Faisalabad and Gojra, which was renamed to the M4. The contractor for the project was China International Water & Electric Corporation, a Chinese state-owned enterprise (SOE). The project became effective in December 2008 and was closed in August 2015, with a final disbursed amount of USD 124.44 million out of the USD 170 million originally set aside.⁹

Progress on the motorway was continued through the “National Motorway M4 Gojra–Shorkot Section Project” (Project 48402-001). This was funded by the ADB (USD 178 million) and the UK’s Department for International Development (DFID) (USD 92 million). The Pakistani government also contributed USD 47 million to the project, bringing the total funds to USD 317 million.¹⁰ The contractors for this project were Xinjian Beixin Road and Bridge, for the section from Gojra to Jamani and China Railway First Group for the section from Jamani to Shorkot. While this stage of the project limited its scope to Gojra – Shorkot, the planning took into account anticipated additional funds to become available in 2016 for the Shorkot – Khanewal section.

The Shorkot – Khanewal section was subsequently begun with the “National Motorway M4 Gojra–Shorkot–Khanewal Section Project” (48402-002), which received the following funding: USD100 million from the ADB, USD 34 million from the DFID, and USD 100 million from the Asian Infrastructure Investment Bank (AIIB). The Pakistani government contributed an additional USD 39 million, bring the total funding to USD 273 million. Notably, this was the first co-funded project between the ADB and

7) “Pakistan: National Trade Corridor Highway Investment Program - Tranche 1,” 1.<https://www.adb.org/projects/40075-023/main#project-pds>

8) “Pakistan: National Trade Corridor Highway Investment Program (Tranche 1),” 1–2.

9) “Pakistan: National Trade Corridor Highway Investment Program (Tranche 1),” 1–4.

“Proposed Loan for Additional Financing and Administration of Loan and Grant for Additional Financing Islamic Republic of Pakistan: National Motorway M4 Gojra–Shorkot–Khanewal Section Project,” Report and Recommendation of the President to the Board of Directors (Asian Development Bank, May 2016), <https://www.adb.org/sites/default/files/project-document/184896/48402-002-rrp.pdf>.

10) <https://www.adb.org/sites/default/files/project-document/175099/48402-001-rrp.pdf>.

the AIIB, which the president of the ADB described as a “historic milestone”.¹¹ In both cases, however, the ADB has remained the lead financier, meaning it holds the right to administer the funds and that co-financers follow the ADB’s safeguard policies. The full implications of this will be discussed in a later section.

This project is divided into two parts. The contractor for the Dinpur – Shorkot section is Chinese Gezhouba Group, in a joint venture with Ghulam Rasool and Company. The contractor for the Dinpur – Khanewal section is Xinjian Beixin Road and Bridge.¹² All of the labourers interviewed for this report worked on this section of the M4.

A summary of the different phases of construction on the M4 motorway is provided in the following chart:

Project no.	Code	Section	Length (km)	Investment (million USD)	Contractor	Start	End
40075-023	1	Faisalabad – Gojra	58	ADB (\$170)	China International Water & Electric Corporation	Dec 2008	Aug 2015
48402-001	2A	Gojra – Jamani	32	ADB (\$178) DFID (\$92)	Xinjian Beixin Road and Bridge	Dec 2015	Feb 2019*
	2B	Jamani – Shorkot	30	Govt. of Pakistan (\$47) Total: \$317	China Railway First Group		
48402-002	3A	Shorkot – Dinpur	31	ADB (\$100) DFID (\$32) AIIB (\$100) Govt. of Pakistan (\$39)	China Gezhouba Group Corporation and Ghulam Rasool and Company	Jan 2017	Around Feb/Mar 2019**
	3B	Dinpur - Khanewal	34	Total: \$273	Xinjiang Beixin Road and Bridge		

*See footnote for reference.¹³

**See footnote for reference.¹⁴

For both parts, ADB is the lead financier, with the DFID and the AIIB designated as co-financiers. Despite the co-funding, this means that the policies of the ADB as lead financier are followed. The aforementioned NHA is responsible for implementing the projects.¹⁵

In funding infrastructure projects, institutions such as the ADB, DFID, and the AIIB not only provide financing, but also bring to bear on the project their own ethical norms and sometimes legal codes. This can impact labour conditions, or, in theory at least, should. Keeping that in mind, labour issues within development projects under

11) “ADB Approves First Cofinancing with AIIB for a Pakistan Road Project.”

12) Renardet S.A and NHA, “Bi-Annual Environmental Monitoring Report for Project 48402-002, January - June 2017.”

13) <https://tribune.com.pk/story/1902676/1-gojra-shorkot-section-motorway-inaugurated/>.

14) Contact with NHA via Facebook on 1 September 2018. Authorities working on the M4 confirmed the completion of the project “within six months”.

15) Aside from the sections mentioned here, the M4 motorway also includes the Khanewal – Multan section, which was funded by the Islamic Development Bank (USD 160 million). This section, however, was completed in 2010 and falls outside of the scope of our project. <https://www.dawn.com/news/945242> <https://tribune.com.pk/story/995782/pakistan-has-been-left-behind-in-era-of-development-pm-nawaz/>.

the remit of the BRI and CPEC have several times been reported on by local media. For instance, with regard to the CPEC, evidence was found of at least one hundred on-site deaths related to the construction of the Lahore Orange Train Line.¹⁶ The NHA, which is the Implementing Agency for the M4 Motorway, has reportedly been facing up to 3,000 litigations on account of irregularities and use of controversial tender procedures.¹⁷ The large influx of Chinese capital and labour has not only raised questions regarding Pakistan's economic sovereignty, but also regarding potential impacts on the enforcement of labour rights in Pakistan.¹⁸ Chinese companies have also brought in labour from home on account of higher efficiency vis-à-vis their Pakistani counterparts and their willingness to work longer and harder under harsh circumstances, which is something the international media has picked up on. On the basis of such observations, it is worth analysing whether the CSR policies of the financing institutions are indeed serving as the guiding principles they are intended to be.

The media in Pakistan do not frequently cover labour issues, unless a case is particularly newsworthy on account of its severity. There can be repercussions for reporting on labour issues related to foreign investment projects, such as the costly and prestigious China-Pakistan Economic Corridor: by law, freedom of speech and press is limited on topics that are considered to potentially harm national interests.¹⁹ According to Human Rights Watch, journalists who report on sensitive issues have received harassment from the army.²⁰ This has led to self-censorship in the media.²¹ Many of the people interviewed for this report confirmed this, and almost all of them requested that their identities remain anonymous.

Pakistan has 4.5 million construction workers (7.3% of the labour pool). In 2015, Pakistan had a total of 7,204 unions, with some 1.4 million members,²² meaning that a modest 3% of the Pakistani workforce was represented by a union.²³ The underrepresentation of Pakistani workers by unions is not helped by the fact that informal subcontracting practices are widespread in the construction sector, which relies mainly on poor, unskilled and illiterate labourers from poorer provinces such as southern Punjab, Sindh and Khyber Pakhtunkhwa.²⁴ At the same time, the construction sector in Pakistan is the country's second most dangerous (after the agricultural sector), with an accident rate of 14.1% in 2013-2014 and 16.3% in 2014-2015.²⁵ There were 334 labour inspectors for covering the entire country in 2016, meaning that there was one inspector charged with enforcing labour legislations for every 75,000 workers.²⁶ Finally, experts have es-

16) Zeenat Hisam, "CPEC and Labour," Dawn 31 December 2017, accessed on 25-06-2018: <https://www.dawn.com/news/1379822>.

17) Syed Irfan Raza, "NHA facing over 3,000 court cases involving billions of rupees," Dawn 18 December 2017, accessed on 25-06-2018: <https://www.dawn.com/news/1377325>.

18) Adnan Aamir, "Just who will the China-Pakistan Economic Corridor really benefit," South China Morning Post 13 September 2017, accessed on: 26-06-2018: <http://www.scmp.com/comment/insight-opinion/article/2110802/just-who-will-china-pakistan-economic-corridor-really>.

19) See Siraj, Syed Abdul. "Critical analysis of press freedom in Pakistan." *Journal of Media and Communication Studies* 1.3 (2009): 043-047.

20) See <https://www.hrw.org/world-report/2019/country-chapters/pakistan>.

21) Aslam, Imran, and Kamran Asdar Ali. "Media Matters in Pakistan." *Middle East Report* 251 (2009): 32-36.

22) Zakaullah Khan Khalil, "A Profile of Trade Unionism and Industrial Relations in Pakistan," ILO (2018), 8.

23) Hasan Mansoor and Mansoor Raza, "On death's door: trade unions in Pakistan," DAWN 01 May 2016, accessed on 25-06-2018: <https://www.dawn.com/news/1255333>.

24) Ibid.

25) Pakistan Bureau of Statistics, Labour Force Survey 2014-15, accessed on 20-06-2018: <http://www.pbs.gov.pk/content/labour-force-survey-2014-15-annual-report>.

26) The ILO and the Dutch Ministry of Foreign Affairs just concluded a program to strengthen the Pakistani

estimated that only 20% to 30% of companies are formally registered.²⁷ Yet in order to be held accountable for violations of labour laws, a company must be officially registered.

With regards to labour legislation, it consists of a variety of laws, regulations and policies at both the federal and provincial levels. At the federal level, the Constitution of the Islamic Republic of Pakistan, the Supreme Law of Pakistan, contains five articles related to labour rights in Part II: Fundamental Rights and Principles of Policy. These are:

- *Article 11: Prohibits slavery, forced labour, human trafficking, child labour, etc.;*
- *Article 17: Guarantees the right to association and the forming of unions;*
- *Article 18: Provides for the right of citizens to enter upon any lawful profession or occupation and to conduct lawful trade or business;*
- *Article 25: Guarantees that all citizens are equal before the law and prohibits discrimination on the basis of sex;*
- *Article 37 (e): Provision for ensuring just and humane work conditions based and ensuring proper vocations based on age and sex.*²⁸

Apart from the articles contained in the Constitution of Pakistan, other relevant laws and regulations promulgated and adapted by the Pakistani parliament are: *The Industrial and Commercial Employment (Standing Orders) Ordinance* of 1968; the *Industrial Relations Ordinance* 2002 (Section 46); the *Factories Act* of 1934; the *West Pakistan Shops and Establishments Ordinance* of 1969 (Section 8); the *Mines Act* of 1923 (Section 22-B); the *Maternity Benefit Ordinance* of 1958; the *Payment of Wages Act* of 1936. Together with the Constitution of the Islamic Republic of Pakistan, these six laws make up the legal framework as relates to labour rights at the federal level in Pakistan.²⁹

In addition, Pakistan joined the ILO in 1947 and has ratified 36 ILO conventions as of June 2018, of which 31 were in force. The ratified conventions include: eight Fundamental Conventions (C029, C087, C098, C100, C105, C111, C138, C182); four Governance Conventions (C081, C144); and seventeen Technical Conventions (C001, C006, C011, C014, C016, C018, C019, C022, C027, C032, C045, C080, C089, C090, C096, C106, C107, C116, C118, C159, C185).³⁰ Pakistan's ratification of these conventions means that within the framework of the ADB's safeguards policies, the government of Pakistan and the provincial government of the Punjab are responsible for adhering to the labour standards espoused by the ILO conventions.

In summary, the rights of workers are reasonably well defined and protected on paper. In the reality of daily practice, however, this turns out not to be the case. Enforcement is often not possible or is easily circumvented. The situation is made more complicated

Labour Inspectorate. See http://www.ilo.org/islamabad/whatwedo/projects/WCMS_395777/lang--en/index.htm.

27) Although that number seems to be growing rapidly: <https://www.techjuice.pk/total-number-of-registered-companies-in-pakistan-reaches-95000/>.

28) The Constitution of the Islamic Republic of Pakistan, accessed on 01-07-2018: http://na.gov.pk/uploads/documents/1333523681_951.pdf

29) ILO, National Labour Law Profile: Islamic Republic of Pakistan (2004), accessed on 15-06-2018: http://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158916/lang--en/index.htm

30) ILO, Ratifications for Pakistan (2018), accessed on 15-06-2018: https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103166.

by the variety of funding mechanisms involved in projects such as the M4, as they bring into play several kinds of CSR policies, national codes of conduct, and legal codes.

CHAPTER 2

The Belt and Road Initiative and the China-Pakistan Economic Corridor

The M4 motorway project falls within the strategic initiative of the China-Pakistan Economic Corridor (CPEC), which itself comes under the Belt Road Initiative (BRI) that has previously been referred to as the One Belt One Road (OBOR). This chapter seeks to clarify the implications of these connections, and in particular, what impacts the BRI and the more locally relevant CPEC has had, and continues to have, on labour issues surrounding the construction projects.

The M4 motorway project is being undertaken by three Chinese construction companies: China Railway First Group (CRFG), China Gezhouba Group Corporation (CGGC), and Xinjiang Beixin (XJBX).³¹ All three companies are state-owned enterprises (SOE), and each of them is working on a different section of the motorway. Appendix III contains background information on the three companies.

2.1 The Belt and Road Initiative

The Belt and Road Initiative (BRI),³² first unveiled by Xi Jinping in 2013, is a strategic megaproject that aims to economically connect China with other Eurasian states. “The Initiative,” begins a Vision document from 2015, “will enable China to further expand and deepen its opening-up, and to strengthen its mutually beneficial cooperation with countries in Asia, Europe, Africa, and the rest of the world. China is committed to shouldering more responsibilities and obligations within its capabilities, and making greater contributions to the peace and development of mankind.” Such is the project’s importance that it was enshrined into the Chinese Communist Party Constitution in 2017. To date, China has invested USD 420 billion in the project, according to the China Global Investment Tracker.³³

In concrete terms, the project involves a series of infrastructural investments spanning sixty countries in Central Asia, South Asia, Africa, South America, and Europe. There are two broad aspects to the project: the overland “Belt” (“Overland Silk Road Economic Belt”) and the maritime “Road” (“21st-Century Maritime Silk Road”), each of which have various regional projects categorized under it. Although it has been framed by Chinese media as a purely economic initiative, aimed at benefitting both China and the host country in what is termed “win-win cooperation,” outside commentators have critically referred to it as a form of “economic imperialism.”³⁴

31) See <http://www.xjbxlq.com/company/sort04/93.html>. Accessed on 28-01-2019.

32) The term Belt and Road Initiative comprises of two approaches (?): the “Silk Road Economic Belt”, which comprises the overland section of the initiative, and the “21st-Century Maritime Silk Road”, which refers to the maritime section. This project has also been referred to as the One Belt One Road (OBOR) project in older texts, and is sometimes abbreviated “B&R”. This report uniformly refers to the initiative as BRI.

33) <http://www.aei.org/china-global-investment-tracker/> 12/12/2018. This sum is based on actual investments so far. Conventionally, estimates put the investment at \$1 trillion; some go as high as \$8 trillion, but these figures are often loosely defined. See <https://www.csis.org/analysis/how-big-chinas-belt-and-road>; <https://www.aei.org/wp-content/uploads/2018/03/BRI.pdf>.

34) William R. Hawkins, “China’s Belt and Road Initiative: Globalization as Imperialism | SFPPR,” August 2, 2017, <http://sfppr.org/2017/08/chinas-belt-and-road-initiative-globalization-as-imperialism/>.

In a similar vein, the Centre for Advanced Defense Studies in Washington DC pointed out the potential geostrategic implications of China controlling key ports around the world. In a report published in April 2018, it cites China's investment in Gwadar port in Pakistan as an example of a way to overcome the "Malacca dilemma" – referring to the vulnerability to naval blockade of a narrow passage through which critical Chinese supplies pass. The strategic logic would be to establish a new supply line overland through Pakistan and passing through Xinjiang. The same report adds that if necessary, the port infrastructure could be used for hosting military bases.³⁵ Another US institution challenging the rhetoric of "win-win mutual cooperation" has been the Centre for Strategic and International Studies, which pointed out that 89% of the funded projects it surveyed had been contracted out to Chinese companies, thus keeping the "win" squarely on the Chinese side of the equation.³⁶ According to a Chinese news article from November 2018, Chinese state owned enterprises (SOEs) had undertaken 3,116 BRI projects, half the number of the infrastructure projects already underway or in the pipeline.³⁷

Although there have been analyses of the BRI regarding its strategic aspects, there has been less emphasis on labour issues connected to the projects. On the subject of CSR, an article released by the Chinese government through the Sino-Swedish Corporate Social Responsibility Website, entitled "'The Belt and Road' and Corporate Social Responsibility", reaffirmed BRI's commitment to sustainable development.³⁸ While the article mentions commitments to environmental protection and the empowerment of local communities, it did not contain any references to workers, labour rights or workplace safety. Meanwhile, there have been a series of concerns regarding labour right infringements in BRI projects around the world, affecting both Chinese and local workers.

In 2017, Voice of America China reported on Chinese workers suffering from poor working conditions while being employed by a Chinese SOE operating in Angola. According to the report, a Chinese worker who was interviewed was only allowed to rest once every two weeks and had been paid just once during the year he had spent working abroad. Fellow workers were said not to have contracts or insurance.³⁹ In the same year, a Hong Kong newspaper reported on a similar situation in Saipan, where Chinese labourers went on strike. According to the report, labourers were asked to work illegally on a tourist visa, worked thirteen-hour days without rest, and were paid less than a quarter of what they had been promised. The situation had been uncovered following the death of a worker in March of the same year, leading to the discovery that hundreds of other Chinese workers had been employed on tourist visas and that they were owed wages going back several months. As a Chinese NGO noted, the situation was also in violation of US labour laws, the Northern Marianas to which Saipan belongs being part of the United States commonwealth.⁴⁰

35) Devin Thorne and Ben Spevack, "Harbored Ambition: How China's Port Investments Are Strategically Reshaping the Indo-Pacific" (Center for Advanced Defense Studies, April 17, 2018), <https://static1.squarespace.com/static/566ef8b4d8af107232d5358a/t/5ad5e20ef950b777a94b55c3/1523966489456/Harbored+Ambitions.pdf>.

36) Jonathan E. Hillman, "China's Belt and Road Initiative: Five Years Later," Center for Strategic & International Studies, January 25, 2018, <https://www.csis.org/analysis/chinas-belt-and-road-initiative-five-years-later-0>.

37) Xinyu Tan, "Central SOEs Managing over 3,000 Projects under BRI," *China Daily*, November 12, 2018, <http://www.chinadaily.com.cn/a/201811/12/WS5be9103ea310eff30328812f.html>.

38) See <http://csr2.mofcom.gov.cn/article/Nocategory/201710/20171002657050.shtml>.

39) 蕭雨, "一帶一路'中国劳工访谈(1):我们像猪仔一样被卖到非洲," *VOA Chinese*, August 24, 2017, <https://www.voachinese.com/a/china-labor-in-africa-part1-20170823/3997942.html>.

40) 張城, "中國勞工被困塞班「黑工」困局成一帶一路另類註腳," 香港01, December 24, 2017, <https://www.hk01.com/>

In the case of the port of Piraeus in Greece, locally employed workers were affected alongside Chinese workers. The port had been acquired by the Chinese SOE China Ocean Shipping Group Company (COSCO) in 2008, but it was later incorporated into the larger scope of the BRI. Until 2016, with COSCO owning Piers II and III of the port while Pier I remained under Greek control, there were signs of disparate labour conditions. In 2011, it was reported that Greek workers on the Chinese side were being made to work long hours without breaks, received no training for specialized jobs, and at times paid a salary around half that of workers on the Greek side.⁴¹ The takeover sparked a large debate within the EU on the desirability of foreign takeovers.⁴²

Labour conditions had not improved by 2015, when it was reported that only a quarter of the 1,000 employees of the port had formal contracts, with the rest being informally hired through subcontractors or through private contracts. According to the report, workers received low wages in the form of a monthly sum fixed in advance, regardless of work during night shifts or weekends, and sometimes worked up to sixteen hours a day. The same report noted that workers had not been mentioned in the concession agreement when Cosco took control of the port.⁴³ The labourers went on strike in 2016 in opposition to the Chinese acquisition of the entirety of the port, but failed to stop the event.⁴⁴ As of 2018, there trade unions have continued to engage in strikes, suggesting that poor labour conditions persist.⁴⁵ The president of the dock workers union has been quoted as saying:

*What we do believe is that Cosco is importing the Chinese labour model to Greece. The result is that companies not run by the Chinese are being influenced by what the Chinese are doing in lowering the labour costs and reducing workers' rights.*⁴⁶

China's poor labour practices, then, affect not only Chinese workers but also local workers - even those in EU countries with a stronger rule of law and active trade unions. Due to concerns in the Pakistani labour environment as mentioned earlier, labourers in Pakistan are even more vulnerable than their colleagues in the EU.

A number of news articles on workers on the BRI and CPEC released by the Chinese government are somewhat illustrative of the general attitude surrounding labour rights. An article by Xinhua (state run media), for example, emphasizes the selfless sacrifice of the Chinese labourers in Pakistan who give up going home for the holidays in order to duly carry out their work. In the same article, there is a positive framing of labourers who do not go home despite bereavement in the family or despite being married.⁴⁷

www.hk01.com/中國/143244/中國勞工被困塞班-黑工-困局成一帶一路另類註腳.

41) Louisa Lim, "In Greece, Storm Brews Over Chinese-Run Labor," *National Public Radio*, June 8, 2011, <https://www.npr.org/2011/06/08/137035251/in-greek-port-storm-brews-over-chinese-run-labor>.

42) See for example here: <http://bruegel.org/2017/09/should-the-eu-have-the-power-to-vet-foreign-takeovers/>.

43) Tlaxcala, trans., "The Privatization of the Piraeus Port Authority in Greece: What's Really Happening," November 9, 2016, <http://www.tlaxcala-int.org/article.asp?reference=17002>.

44) Angeliki Koutantou, "Workers Protest as Greece Sells Piraeus Port to China COSCO," *Reuters*, April 8, 2016, <https://uk.reuters.com/article/uk-eurozone-greece-privatisation-china-c-idUKKCN0X50XD>.

45) Ilias Bellos, "Piraeus Port Blockade Draws China Complaint," *Kathimerini*, February 6, 2018, <http://www.ekathimerini.com/229209/article/ekathimerini/news/piraeus-port-blockade-draws-china-complaint>.

46) Lim, "In Greece, Storm Brews Over Chinese-Run Labor."

47) Yi Chen, "團圓的日子，這群中國人卻留守在'死亡地帶'" *Xinhua*, January 31, 2017, http://www.81.cn/big5/jwgz/2017-01/31/content_7472052.htm.

2.2 CPEC

From its inception, newspapers in Pakistan have reported on the lack of transparency surrounding the CPEC,⁴⁸ despite its vision involving several long-term plans of domestic relevance such as the installing of twenty-hour surveillance technology in major cities, development of the tourism industry, and the permitting of visa-free tourism to Chinese visitors without permitting the same for Pakistani nationals visiting China. A significant part of the plans was said not to have first been discussed in public.⁴⁹ Even after their publication, however, the CPEC continued to attract controversy in Pakistan. In late 2017, it was reported that the National Highway Association (NHA), responsible for implementing the motorway projects, faced over 3,000 court cases because of “alleged mass-scale irregularities” over the awarding of contracts. Among the implicated were several CPEC projects, including the M4 motorway. A number of projects were said to have been awarded to Zahir Khan & Brothers (ZKB), a large infrastructure company, even though the firm was shown as performing most poorly in the bidding process.⁵⁰ As noted in the previous chapter, this firm was involved with the deadly Lahore Metro project where over fifty died. Consequently, a corruption investigation was launched against the NHA,⁵¹ and it remains ongoing as of December 2018.⁵²

There have also been concerns raised about Pakistan’s national debt to China as a result of CPEC sponsored projects. Critics and commentators have claimed that Pakistan is falling into a debt trap, with amounts to be repaid over a period of twenty years estimated to be reaching as high as USD 40 billion.⁵³ One commentator writes, “China has always defined BRI as a win-win situation, implying that both China and the host country would enjoy the resultant economic prosperity. The truth, however, is completely different. Basically, “win-win” probably meant that China would “win twice.””⁵⁴ In the case of non-payment, ports can be seized by Chinese firms as in the cases of Port Hamabouta in Sri Lanka, Port Mombosa in Kenya,⁵⁵ or Port Djibouti in Zambia,⁵⁶ in a manner that has been referred to as ‘economical colonialism.’⁵⁷ A suggestion was recently

48) “\$46-Billion CPEC: Govt Attempts to Clear Transparency Concerns,” *The Express Tribune*, December 31, 2015, <https://tribune.com.pk/story/1019115/46-billion-cpec-govt-attempts-to-clear-transparency-concerns/>.

49) According to a note in the same article, a Pakistan Minister has pointed out that these plans is not a project document, but merely “delineates the aspirations of both sides”, open to review if needed.

50) Syed Irfan Raza, “NHA Facing over 3,000 Court Cases Involving Billions of Rupees,” *DAWN.COM*, December 18, 2017, <https://www.dawn.com/news/1377325>.

51) Syed Irfan Raza, “NAB to Probe ‘Corruption’ in Award of Rs148bn Motorway Project Contract,” *DAWN.COM*, February 19, 2018, <https://www.dawn.com/news/1390304>.

52) Syed Irfan Raza, “Irregularities in Motorway Contract Award Found: NAB,” *DAWN.COM*, December 17, 2018, <https://www.dawn.com/news/1451939>.

53) See <https://tribune.com.pk/story/1874661/2-pakistan-pay-china-40-billion-20-years/>.

54) Ali Salman Andani, “Why China Is Not Pakistan’s Friend at All,” *DailyO*, October 22, 2018, <https://www.dailyo.in/politics/china-pakistan-obor-cpec-bri-economy-xi-jinping-imran-khan-imf-debt/story/1/27333.html>. Andani is Indian and DailyO is an Indian platform, and so his views are likely biased against Pakistan and CPEC. However, given Pakistan’s media control topics relating to CPEC, it is difficult to find such clear dissent from Pakistani sources, and so his articles have been included here for discussion.

55) Ali Salman Andani, “China’s Chilling Debt Trap for Pakistan: How Everything China Invests Goes Back to It, along with a Lot More,” *DailyO*, January 8, 2019, <https://www.dailyo.in/politics/china-debt-trap-pakistan-cpec-imf-imran-khan/story/1/28759.html>; MarEx, “Report: Kenya Risks Losing Port of Mombasa to China,” *The Maritime Executive*, December 20, 2018, <https://www.maritime-executive.com/article/kenya-risks-losing-port-of-mombasa-to-china>.

56) George Tubei, “The Sad Similarity between Sri Lanka, Zambia and Now Djibouti That Best Exemplifies China’s ‘debt Trap’ Diplomacy,” *Pulse Live*, September 11, 2018, <https://www.pulselive.co.ke/bi/politics/politics-the-sad-similarity-between-sri-lanka-zambia-and-now-djibouti-that-best/8kx3drc>.

57) China is described in this article as making a “semi-colony” out of Sri Lanka: Panos Mourdoukoutas, “What

made that Gwadar port in Pakistan might in fact already be on the way to becoming a colony, following the little publicized news that China had purchased 3.6 million square footage of land in the port and was investing USD 150 million in the construction of a gated community for half a million Chinese nationals, to be completed by 2022.⁵⁸

Pakistan's Prime Minister, Imran Khan, has spoken positively of the CPEC initiative,⁵⁹ and the government has categorically either denied allegations or has otherwise ignored the criticisms levelled at the CPEC. For example, the Ministry of Planning rejected international reports on CPEC as being based on inaccurate information, and specifically denied similarities with the Sri Lanka case: "The project could not be compared with Chinese overseas investment in Sri Lanka or Malaysia as frameworks and financial modes of CPEC are altogether different in nature."⁶⁰ An article reflecting the stances of the Ministry of Planning and of the Embassy of China in Pakistan described references to a USD 40 billion debt as "misleading", and reiterated the existence of "all-weather cooperation" between the two countries.⁶¹

The lack of media freedom in Pakistan further complicates the issue. A number of interviews we conducted with Pakistani academics and reporters confirmed CPEC to be a sensitive issue in Pakistan, with reporters discouraged from writing about it.⁶² This point is highlighted in a recent Economist article, on the interest of the military in the CPEC projects: "To question CPEC is to conspire against the national interest—which the army holds the monopoly of defining. The sanction for media outfits that cross the army is closure."⁶³ The interviews we conducted with workers on the M4 motorway, where the presence of armed security around worksites could be seen discouraging outsiders from looking too closely, provide some corroboration regarding the culture of secrecy surrounding the CPEC projects.

In summary, a number of issues exist in relation to CPEC projects, including allegations of corruption, debt and, most pertinent to this report, labour rights issues. With the Pakistani government's full support of CPEC, workers' concerns might most easily be brushed aside. This report goes directly to the workers to see what is occurring on the ground.

2.3 IFI Safeguards: The ADB and the AIIB

International financial institutions (IFIs) have a unique role in the realm of international development, as they are at once a governmental and a market-oriented organization

Is China Doing To Pakistan? The Same Thing It Did To Sri Lanka," *Forbes*, April 15, 2018, <https://www.forbes.com/sites/panosmourdoukoutas/2018/04/15/what-is-china-doing-to-pakistan-the-same-thing-it-did-to-sri-lanka/>.

58) Logan Pauley and Hamza Shad, "Gwadar: Emerging Port City or Chinese Colony?," *The Diplomat*, October 5, 2018, <https://thediplomat.com/2018/10/gwadar-emerging-port-city-or-chinese-colony/>; Dipanjan Roy Chaudhury, "As Part of CPEC, 'Chinese Only' Colony Coming up in Pakistan," *The Economic Times*, August 21, 2018, <https://economictimes.indiatimes.com/news/defence/as-part-of-cpec-chinese-only-colony-coming-up-in-pakistan/articleshow/65481132.cms>.

59) Mohammad Zafar, "CPEC to Bring Prosperity, Says PM Imran," *The Express Tribune*, January 26, 2019, <https://tribune.com.pk/story/1897087/1-cpec-bring-prosperity-says-pm-imran/>.

60) "Pakistan Rejects Western Media Reports on CPEC," accessed February 5, 2019, <https://www.thenews.com.pk/latest/380025-pakistan-rejects-western-media-reports-on-cpec>.

61) "China Clarifies 'misleading' Facts on \$40 Billion CPEC Debt," *International The News*, December 30, 2018, <https://www.thenews.com.pk/latest/412108-22-cpec-projects-completed-with-189-billion-investment-china>.

62) Due to the extremely sensitive nature of this topic, we shall keep these interviews anonymous.

63) "Why Imran Khan Is Unlikely to Make Life Much Better for Pakistanis - Tales of Self-Harm," *The Economist*, January 10, 2019, <https://www.economist.com/briefing/2019/01/12/why-imran-khan-is-unlikely-to-make-life-much-better-for-pakistanis>.

attempting to contribute to global poverty reduction. Developing countries in need of financial assistance for local projects can join an IFI as a borrower state, and ask for loans or other types of monetary assistance. The financing is provided by donor states, who in exchange for funding can get a vote in the shareholders' meeting. Although the original intent of IFIs was simply to contribute to development in the aftermath of the world wars, projects that have social contributions have been encouraged since then with most IFIs having social safeguard policies. In practical terms, this would entail financial assistance being provided only to those who agree to certain conditions set by the IFI. Such a principle is referred to as conditionality, applied to both safety standards in a single project or in larger scale policy reform efforts.⁶⁴

IFI members are almost exclusively nation states, and so consequently there have been geopolitical dimensions involved - which has sometimes raised issues regarding independence of the institutions. This is especially so as there is no well-established international financial law that deals with both the financial and public aspects of IFI transactions.⁶⁵ In an attempt to deal with such concerns, the social safeguard policies of IFIs tend to center on broadly accepted international conventions such as the the Core Labour Standards of the ILO, which are often not legally binding. The repercussions of not complying with safety standards set by the IFI thus may influence current or future funding prospects for the borrowing country, but do not generally involve refunds.⁶⁶

*decided to use the ADB's Safeguard Policy Statement (2009) (ADB SPS), since (I) it is consistent with AIIB's Articles of Agreement and materially consistent with the provisions of AIIB's Environmental and Social Policy and relevant Environmental and Social Standards; and (II) the monitoring procedures that ADB has in place to ascertain compliance the ADB SPS are appropriate for the Project.*⁶⁷

Similarly, the DFID relies on the ADB with regard to this matter, although their annual reports on projects in Pakistan do mention that they have personally held site visits to monitor progress, risks and social safeguards. Detailed reports of these visits have not been made available, but a summary states that good quality controls are in place, that safety measures are good, and that no child labour was detected.⁶⁸

The ADB's operational manual states that it is within the power of the bank to "help significantly reduce poverty, inequality and vulnerability by transforming institutions so they promote inclusiveness, equity, empowerment, and social security."⁶⁹ Before a loan is provided the bank, together with the borrowing country, makes an *Initial Poverty and Social Analysis* (IPSA), on the basis of which a *Summary Poverty Reduction and Social*

64) Celine Tan, Celine Tan, *Governance through Development: Poverty Reduction Strategies, International Law and the Disciplining of Third World States* (New York: Routledge, 2011), 96.

65) Daniel Bradlow, 'International Law and the Operations of the International Financial Institutions', in *International Financial Institutions and International Law*, ed. Daniel Bradlow and David Hunter (The Netherlands: Kluwer Law International, 2010), 1.

66) Celine Tan, 'The New Disciplinary Framework: Conditionality, New Aid Architecture and Global Economic Governance', in *International Economic Law, Globalization and Developing Countries*, ed. Celine Tan and Julio Faundez (Cheltenham, UK: Edward Elgar, 2010), 115.

67) AIIB, 'Approved Project Summary Pakistan: National Motorway M4 (Shorkot-Khanewal Section) Project (Cofinanced with the Asian Development Bank)' (Asian Infrastructure Investment Bank, n.d.), 1, https://www.aiib.org/en/projects/approved/2016/_download/pakistan-national-motorway/summary/approved_project_summary_pakistan_national_motorway.pdf.

68) "2017 Annual Review Summary Sheet for the Pakistan Economic Corridors Programme" (DFID, December 2016), 16.

69) ADB, 'Operations Manual Bank Policies', BP (Asian Development Bank, 2010).

Strategy (SPRSS) is drawn up to improve on social dimensions.⁷⁰ A key point stressed by the ABD is the inclusion of women and protection of indigenous people.⁷¹ This can be seen very clearly in the IPSA of the M4 motorway, made by the National Highway Authority Pakistan (NHA) on behalf of the borrowing country together with the ADB. When discussing possible social risks, the report says: “The project executing agency [NHA] has engaged a firm as [Land Acquisition and Resettlement (LAR)] Consultants which comprises a resettlement specialist, a sociologist and gender specialist, land and database experts and field enumerators.”⁷² Although the sociologist should in theory be able to advise on general labour rights issues, the bi-annual monitoring reports given by the LAR consultants fails to mention them. They focus on the gender balance, land resettlement issues and basic safety and hygienic measures for the engineers.⁷³ In itself, this is an admirable effort. The motorway claims land in a poor rural area and Pakistan’s female employment rate is currently at its all-time high at a mere 25%.⁷⁴ The problem with the IPSA and the monitoring reports however lies in that when focusing on these specific problems, the position of workers and their rights tends to be disregarded. As will be further highlighted in the section below, labour rights in the informal sector, which the construction industry falls under, is particularly a cause for concern. Low wages, no contracts, long working hours and no trade unions, to name just a few. The ABD has shown awareness of this issue in one of their proposed projects on improving CSR on the ground,⁷⁵ yet in the M4 project, this is not reflected.

The ADB published, in cooperation with the ILO, a handbook on Core Labour Standards (CLS) which itself further developed the ADBs’ views on CLS’ that it first espoused within the 2001 Social Protection Strategy. As such, the Handbook on Core Labour Standards ‘does not introduce new policies or requirements, but instead gives practical knowledge on how CLS can be taken into account by ADB staff and their Government counterparts.’⁷⁶ The preceding ADB statement entails that the responsibility for adherence to local labour laws and ILO conventions is placed squarely with the borrowing government’s implementing agency—in this case the National Highway Authority of Pakistan. The legal framework within the project that supports configuration is one of the ‘Key Legal Agreements’ for the project, namely the ‘Loan Agreement.’ Within the Loan Agreement it is specified under Schedule 5 article 14 that:

The Borrower shall ensure, and cause NHA to ensure, that the core labor standards and the Borrower’s applicable labor laws and regulations are complied with during Project implementation.
The Borrower shall ensure, or cause NHA to ensure, that contractors, other providers of goods and

70) ADB, ‘Sustainability Report 2018: Investing for an Asia and the Pacific Free of Poverty’ (Asian Development Bank, May 2018), 16.

71) World Bank, ‘Labor Force Participation Rate, Female (% of Female Population Ages 15+)’ (World Bank), accessed 7 February 2019, <https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS?locations=PK>.

72) “Project Administration Manual for Project 48402” (Asian Development Bank, May 10, 2016), 11.

73) Renardet S.A and NHA, “Bi-Annual Environmental Monitoring Report for Project 48402-002, January - June 2017”; Renardet S.A and NHA, “Bi-Annual Environmental Monitoring Report for Project 48402-002, July - August 2017” (ADB, August 2017); External Monitoring Consultant, “External Monitoring Report for Implementation of Land Acquisition and Resettlement Plan” (ADB, October 2018).

74) World Bank, “Labor Force Participation Rate, Female (% of Female Population Ages 15+)” (World Bank), accessed February 7, 2019, <https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS?locations=PK>.

75) ADB, “Pakistan: Strengthening Corporate Social Responsibility for Development,” Project Proposal (Pakistan: ADB, 2015).

76) ADB, ILO, Handbook: Core labor Standards, 2006, accessed on 25-06-2018: <https://www.adb.org/sites/default/files/institutional-document/33480/files/cls-handbook.pdf>, III.

services, and their subcontractors, engaged under contracts for Works, have Works contracts which include specific clauses to: (a) comply with the Borrower's applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) comply with all legally mandated provisions on health, sanitation, and appropriate working conditions, including accommodation where appropriate for construction workers at construction campsites; (c) use their best efforts to employ women and local people, including disadvantaged people, living in the vicinity of the Works; (d) provide equal pay to men and women for work of equal type; (e) provide and adequately equip first-aid, health and sanitation, and personal hygiene facilities for male and female workers at the Works sites; (f) maximize female training and employment; (g) conduct an information and education campaign on sexually transmitted diseases and HIV/AIDS for construction workers as part of the health and safety program at campsites and adjacent communities during Works implementation; (h) allow freedom of association and effectively recognize the right to collective bargaining; and (i) abstain from forced or child labor.⁷⁷

As is further stipulated within the Administration Manual of the M4 motorway project, the NHA as the Implementing Agency is responsible for the project's adherence to the ADB environmental and Social Safeguards and through the configuration of the Loan Agreement also for the correct implementation of local labour laws.

Yet when discussing implementation, the project manual only states that adherence to core labour standards will be included in the construction contracts which will be monitored by the NHA and supervision consultants.⁷⁸ This is a problematic statement, as one of the main issues in the Pakistani construction industry is that the workers have no contracts (this is corroborated by the findings of our case study, where none of the workers interviewed had a contract). Also, there is no sign that this kind of monitoring is actually being done. Both the external and the internal bi-annual social safeguards monitoring reports are silent on labour rights issues other than women participation and basic safety trainings.⁷⁹ Interestingly, they do mention that an external social safeguard monitoring consultant did not receive payment for two months and that this was fixed,⁸⁰ but construction workers are not represented in the document. The DFID noted this as well, and advised the NHA to evaluate the usefulness of their monitoring mechanism as well as adding a section on non-compliance of social standards.⁸¹ Until the time of writing in March 2019, no changes had been seen in this regard. As such, the conclusion must be that the implementation of IFI safeguard mechanisms on the ground in Pakistan still leaves much to be desired.

77) ADB, Loan Agreement (Ordinary Operations) (National Motorway M4 Gorja-Shorkot Section Project), accessed 25-06-2018: <https://www.adb.org/sites/default/files/project-document/176053/48402-001-lbj.pdf>, 23.

78) "Project Administration Manual for Project 48402," 11.

79) Renardet S.A and NHA, "Bi-Annual Environmental Monitoring Report for Project 48402-002, July - August 2017"; External Monitoring Consultant, "External Monitoring Report for Implementation of Land Acquisition and Resettlement Plan."

80) External Monitoring Consultant, "External Monitoring Report for Implementation of Land Acquisition and Resettlement Plan."

81) "2017 Annual Review Summary Sheet for the Pakistan Economic Corridors Programme," 17.

CHAPTER 3

Asking Workers Themselves: A Case Study of Workers' Rights

This report is built around a survey done among workers on the M4 motorway project. The only way to find out whether the safeguard policies of the IFIs, local and international laws, and international treaties play any kind of significant role on the ground during the execution of this project is by directly interviewing those who worked on the M4. As such, to evaluate the workers' rights situation of the M4 motorway project, interviews with construction workers on the site have been conducted. The questions were structured around the safeguard policies of the ADB,⁸² Pakistani laws, and the implementation of those measures. To introduce the interview data in the context in which they were collected, this chapter will shortly discuss the ADB's social standards, the Pakistani construction industry, and the methodology of conducting the interviews. This will be followed by the interview data, which is corroborated with background information along the way.

3.1 Methodology

For the purpose of this research, the research group contacted the BWI and a Pakistani labour union, who introduced us to a Pakistani journalist⁸³ to conduct research with workers who have worked on the M4 motorway project. The journalist hired a local to identify villages near the worksite area with workers who might give potential interviews, and then made contact through another individual. The workers were informed that the purpose of the interview was to understand the working conditions of workers on the M4, and that their anonymity was guaranteed. Each interview lasted around 30 minutes. The languages used were Punjabi and Urdu. Workers were asked for permission to be recorded, but all refused. Consequently, the journalist took notes during the interview and rewrote them in long-form, which was subsequently translated into English. This process resulted in 15 interviews, which the research team then coded according to theme. With the journalist's permission, the interviews have been included in the appendix, with any identifying features anonymized; the workers are coded as A1 – A15.

82) On the M4 motor way project in Pakistan, three major IFIs are involved; the Asian Development Bank (ADB), the Asia infrastructure Investment bank (AIIB) and the Department for International Funding (DFIF). All three parties cofound the project, but not all are directly involved in administering the loans and monitoring the project and the conditions. The ABD is the 'lead co-financer' and all contracts are made with them. It is therefore the ABD's safeguard policies and conditions that are applicable on the motorway, which are accepted by the other two banks as sufficient for the project. In the AIIB's own words, the AIIB "decided to use the ADB's Safeguard Policy Statement (2009) (ADB SPS), since (I) it is consistent with AIIB's Articles of Agreement and materially consistent with the provisions of AIIB's Environmental and Social Policy and relevant Environmental and Social Standards; and (II) the monitoring procedures that ADB has in place to ascertain compliance the ADB SPS are appropriate for the Project." (AIIB, "Approved Project Summary Pakistan: National Motorway M4 (Shorkot-Khanawal Section) Project (Cofinanced with the Asian Development Bank)," p.1). The DFID also relies on the ADB for this, although their annual reports on projects in Pakistan do mention they personally hold site visits to monitor progress, risk and social safeguards. Detailed reports of these visits are not available but in a short summary it is mentioned that good quality controls are in place, safety measures are good, and no child labour was detected ("2017 Annual Review Summary Sheet for the Pakistan Economic Corridors Programme," p.16). Our investigation found otherwise.

83) We have anonymized the journalist's identity at his/her request.

There were eleven questions in the interview (included in the Appendix), designed around the ADB guidelines mentioned before. With this in mind, the interviews were structured around the themes found in the ADB's agreement; contracts, safety norms, working conditions, and female employment. In addition to this, the interviews discussed the implementation of the ADB social safeguard requirements by asking questions about auditing, subcontracting, and foreign involvement. As the questions were made with the understanding that the interview would be in a different language, the research team focused on themes rather than on exact wording. In order to ensure that the intentions behind the survey would be conveyed also in Punjabi or Urdu, the research team met face-to-face with the journalist.

In addition, an informant we contacted in the area also spoke informally to some workers on the M4 motorway. While we also discussed with this informant about the goal of the project, the informal nature of the conversations means we have not quoted the findings directly, but treat the information as additional information.

3.2 Themes in the Interviews

Recruitment

Most workers were recruited informally. The recruitment of workers through informal networks would not necessarily have to be a red flag in and of itself, but in addition to the above context, there are at least two more reasons for concern. Firstly, there is a distinct possibility that non-standardized or informal contracting practices occur at other stages of the hiring chain: previous research has shown that this may be the case between the company and contractor as well as between the contractor and subcontractor.⁸⁴ This suggests that in general the informal practices in recruitment of labourers by subcontractors cannot be regarded in isolation. Secondly, it is only one among several areas in which informal practices are seen, notwithstanding the fact that an informal recruitment process touches on many aspects that continue into employment, such as contractual and pay issues.

Among the workers interviewed, the avenues of finding out about the job and being recruited were informal or accomplished through known contacts, such as friends, family and fellow villagers:

A3: One of my friends was working there. He asked me if I wanted to work and I said since it was a work which was ensuring me a daily pay. I would go to work on motorbike with the same friend.

A2: I got there with the people of my village. They were already working there. The recruitment was done verbally.

A7: I landed the job by the reference of my friends/relatives who were working there.

A1: There were many people from my village working there. They included my relatives.

Finding out about the job opportunity through informal networks held true also for the more specialist types of work:

A4: There was a word in our village that they were hiring people, including steel fixers which I am, to work on the construction of M4. So my friends and I went there and spoke to the contractor.

84) Rafiq M. Choudhry et al., "Subcontracting Practices in the Construction Industry of Pakistan," *Journal of Construction Engineering and Management* December (2012).

A6: I heard through a friend who was already working on M4 that his site needed someone with a tractor trolley who could water the surface around the motorway. I was involved in it so I went there and started the work.

A local informant was able to talk to a dozen or so labourers who worked on another section of the motorway, and who had all been hired through different contractors from that of these interviewees. The information we gained through this person is that workers were hired through similarly informal kinds of recruitment processes. Our informant also told us that workers noted a preference for recruiting from further afield, believing this was done so as to engage them in longer working hours each day due to having to live on site.

Contracts (or lack thereof)

The first social sustainability requirement the ABD set for the M4 project was that all workers should have a contract containing multiple safeguards. They did however not specify how this should be checked. In the Pakistani construction industry, contracts are often not provided. Because of the prevalent subcontracting practises, construction workers do not sign up with the main contractors directly, but with a subcontractor, who rarely give their workers contracts.⁸⁵

Most low-skilled workers are illiterate and have never received education on labour laws. As shared by a Pakistani labour rights lawyer, most workers come to seek legal help in a late stage of their problems, because they were not aware of ways to solve their issues.⁸⁶ The lawyer further explained that many workers also often are not aware that while their employer is obligated to give them a contract, the workers themselves have to make sure they sign one because without a contract they cannot receive legal assistance in a labour rights court case.⁸⁷

Among the workers interviewed in the course of this research, we did not come across any cases where employment contracts had been seen or signed:

A1: The recruitment was all verbal. No paper work was done.

A3: There was no contract. The word of contractor was the only thing we depended on.

There appeared to be no expectation of employment durations being agreed to in advance, whether the worker was paid daily or monthly:

A1: It was all verbal. I worked on daily wages.

A2 (paid monthly): As I said, it was done verbally. There was no certain period of employment. As long as there was work, there was employment.

The lack of an expectation of a written contract was sometimes attributed to not being directly employed by the company by one worker:

A9: It was all verbal. Maybe because we were not directly employed by the company, at least this is what we were told. So no paper work was involved.

85) Interview with a Pakistani labour rights lawyer, Skype, October 16, 2018.

86) Interview with a Pakistani labour rights lawyer.

87) Interview with a Pakistani labour rights lawyer.

A similar explanation was given by another worker, where the education level was regarded as part of the reason why a written contract was not expected:

A4: For us, it was all verbal. The paper work involved only in the jobs that were directly under the company ZKB. And that required education which most of the villagers didn't have.

Most of the workers who the local informant spoke to said they were illiterate. But even in the cases of workers who could read in the local language, there were no instances of employment contracts. The local informant did come across one worker who had worked on the M4 in Makhdom Pur and on Kabirwala Road, where there was supposed to be an employment contract with the subcontractor; but the worker said that he never saw the contract in the end.

The instances we found where there was some form of written documentation involved were specifically for driver roles, so that the worker could be held liable for any damage to the vehicle:

A11 (driver of dumper truck): I signed a paper which read that I was responsible for taking care of the vehicle I was driving and any damage should be paid by me.

A12 (driver of tractor-trolley for carrying water): They took my documents and made me sign a document which read that I was responsible for the vehicle I was driving. Any damage should be covered from my pocket.

Wages and Pay

Interviewed workers described what amounts to a wage scale, with different payment grades depending on skills and experience brought by the workers to the job. However, institutions do not have the capacity to compile records of the skills and education attainments of construction workers, whether acquired formally and informally.⁸⁸ This makes the definition of 'skilled labour', which the minimum wage is based on, problematic. Although the formal training and development of the construction workforce falls within the realm of general vocation training in Pakistan, informal training is conducted by the enterprises themselves. ILO report indicates that a large percentage of construction labour force is unskilled labourers.⁸⁹

A2: I earned Rs600 (€3.7). That I guess was the minimum wage for the work I was involved with. The amount depended on the years of experience and skill workers brought with them. The wage would go up to Rs1000 (€6.3).

A3: I earned Rs700 (€4.5). The wage was different for different people so was the payment mode. Some would get it weekly, fortnightly or monthly.

In terms of sufficiency of wages, workers expressed that it was not sufficient for their basic livelihood requirements. Among the interviewees, there were mentions of members of the family depending on the income that they brought in.

88) Zainab Riaz, Usman Aftab, and Zia Ud Din, "Training of Construction Workers in Pakistan," *European Journal of Business and Management* 7, no. 1 (2015): 285.

89) J. M. Stellman, "Encyclopedia of Occupational Health and Safety" (International Labour Organization, 2011), <http://www.ilo.org/oshenc/part-xvi/construction/health-prevention-and-management/item/518-health-and-safety-hazards-in-the-construction-industry>.

A15: I earned Rs12,000 (€76) monthly. My family depended on it. It was hard to survive with this money but then I have others in my family who earn. So we adjusted.

A7: I earned Rs500 (€3) in the beginning and later Rs600 (€3.7). My family, including my parents, depended on my income. It was insufficient but other members of my family also worked so we managed somehow as we are used to.

A13: I earned Rs800 per day. There are 12 people in my household. My parents, my wife, my two children, my brothers and sisters. It would be hard for us to keep the kitchen running on this income so the adults in the family would all work and pool in the income to make both ends meet.

A5: My daily wage was Rs1000 (€6.3). My parents, wife and kids depended on this income. I think that it was insufficient when compared to our work.

The reasons for staying in the job despite low wages was given as the lack of alternative employment options:

A2 (paid Rs600 (€3.7)): I see it as a work where the payment was not enough. But still I worked there because I had no other job. I am jobless these days, because the work is almost over. They are now doing the electrical work on the motorway.

A9: I started as a helper, at that time I would get Rs500 (€3.2)/Rs600 (€3.8) per day. Later, I learned the skills and then I was paid Rs900 (€5.7). No, it was insufficient because I have a household to feed. Still we managed because there was no other opportunity.

Workers described the late payment of wages as being the rule rather than the exception:

A3: He [the contractor] would keep some of our money and say that it will be paid later. I hated this thing but could not do much about it.

A11: The payment would be withheld. They kept at least two months' salary with them. They would make excuses but that meant to ensure that workers should not run off. You can call it an informal security deposit.

Payment was done in cash and by the subcontractor:

A14: There was no payslip. The [subcontractor] would just see your name in the register he had and then will give you the money you had earned.

In some cases, workers were not paid the agreed amount:

A5: The payment was supposed to be made regularly like weekly or fortnightly but there was a problem at the end of the contractor that he would keep some of the money with him and would promise to clear the dues at the earliest. But in my case, it never happened. The contractor still owes me Rs35,000 (€221.5).

A9: I would say that in other projects, including private work, we would get fully paid but here some contractors would not pay us in full. It happened with me and my colleagues that we had to trace back a contractor to his native town in Bahawalpur to get our money.

Workers who had left their job on the M4 gave the reason as being due to issues with the payment of wages:

A7: *The payment was supposed to me made regularly, fortnightly, but then the contractor (thekedar) would withhold some of the amount which annoyed me much. So I decided to leave it and switch to other [private] job.*

A14: *We were supposed to get the payment weekly but that would get late. Sometimes we were paid after the month.*

A10: *I left the work because the payment schedule was not good. They would withhold our money. I felt disgusted at this.*

The contractor

Contracting (and subcontracting) is a practice where the main company responsible for the construction process outsources certain parts to a different party. In the construction industry in general, this is a common practice; as it also is in Pakistan.⁹⁰ In a survey done among 69 construction enterprise CEOs, 57% said that they mostly or always use contracting for labour. None of the respondents had never used the practice.⁹¹ The practice itself does not necessarily have to be bad as it can make projects more efficient, but in terms of accountability for labour law infringements, it muddles the waters, because generally it is not necessarily straightforward to establish what actor in the chain of liability can be held accountable. In Pakistan, moreover, contractors and their employees do not fall under the Industrial Labour Act, meaning they cannot unionize or take recourse to other ways to address grievances.⁹² They are also not inspected for any labour laws they do fall under, as for instance child labour. Communication is complicated, especially when multi-tier subcontracting happens. This means the responsible actor in the project often cannot be shown to be aware of what is happening on the ground, creating an opportunity for plausible deniability higher up the chain.⁹³

A special characteristic of (sub)contracting in the construction industry in Pakistan is that most contractors started as workers themselves who were able to establish their company.⁹⁴ This also means the contractor and workers come from the same class. When hiring workers, contractors often prefer workers who share a family background or the same ethno-linguistic background. With the high unemployment rate in Pakistan, workers are generally grateful to the contractors and in combination with the shared background, often feel very loyal to their employer.⁹⁵ Because of this, the workers feel less inclined to complain about their rights, and would only do so in extreme cases.⁹⁶

For all the workers interviewed, the contractor or subcontractor was their sole point of contact, during both initial recruitment and the course of work itself:

A9: *I was recruited by contractor named A. R.*

A2: *The main company was ZKB and it had hired contractors who hired us. We had no direct contact with the company.*

A4: *In case we need a leave for some work or for some sickness, we would speak to the contractor.*

90) Choudhry et al., "Subcontracting Practices in the Construction Industry of Pakistan," 1355.

91) Choudhry et al., 1355.

92) HRW, "Pakistan 2017 Human Rights Report," 53.

93) Choudhry et al., "Subcontracting Practices in the Construction Industry of Pakistan," 1358.

94) Aasim Sajjad Akhtar, "Patronage and Class in Urban Pakistan," *Critical Asian Studies* 43, no. 2 (2011): 173.

95) Akhtar, 176.

96) Akhtar, 179.

Inspections

The government is responsible for the inspection of work sites, to ensure labour laws are being upheld. In 2016, however, Pakistan had one inspector per 75,000 employees (up from one inspector per 250,000 employees some years earlier).⁹⁷ The fact that many companies are not officially registered with the government makes inspection and enforcement of laws even more difficult, since, as mentioned above, only registered companies can be held accountable for their violations. Corruption adds to the problem, which with only 20% to 30% of companies formally registered is serious enough to begin with.⁹⁸

On the M4, auditors, officers or inspectors appeared to be regular visitors, with contractors seemingly accountable to their authority. But these visitors did not interact with the workers directly, and many of the workers do not seem aware that the inspectors would look at anything other than the progress of the construction:

A5: Yes, there were visits by auditors/officers who would check our work. They would come almost daily. Never did they interview us. Yes, the contractor would ask us to be extra careful during such visits. And when there were some high-ups coming, we were provided with helmets, jackets and boots.
A4: The Chinese and Pakistani officers would come to visit the site and the work almost daily. No, we were not interviewed by any of them. Yes, the contractor would ask us to just focus on our work during the visits.

A9: Yes, the officers/engineers would inspect our work. We don't know exactly who these persons were whether they were ZKB high ups, Chinese or others. We already were so engrossed in work so no one ever had to tell us to behave.

As mentioned before, the ADB's loan agreement list a couple social standards that should be upheld on the project. Yet when discussion implementation, the project manual only states that adherence to core labour standards will be included in the construction contracts which will be monitored by the NHA and supervision consultants.⁹⁹ This is a rather ironic statement, considering all the interviewees mention they did not receive a contract and that this is a very common practice in the Pakistani construction industry.¹⁰⁰ Also, there is no sign that this kind of monitoring is actually being done. Neither the external nor the internal bi-annual social safeguards monitoring reports mention labour rights issues, with the exception of women participation and basic safety trainings.¹⁰¹ As a result, the DFID advised the NHA to evaluate its monitoring mechanisms.¹⁰²

Hours and overtime

Workers described receiving one day a week off, and getting national holidays off. Not everyone had to work overtime, and those that did said they were paid for it:

A1: Sunday was our off. We would get days off on festivals and gazetted holidays.

A6: Sunday was our day off. In my case, there was no overtime.

97) Danish Trade Union Council for International Development Cooperation, "Pakistan Labour Profile," 8.

98) Arsalan Ghani, First Interview with Arsalan Ghani, Skype, n.d.

99) "Project Administration Manual for Project 48402," 11.

100) Interview with a Pakistani labour rights lawyer.

101) Renardet S.A and NHA, "Bi-Annual Environmental Monitoring Report for Project 48402-002, July - August 2017"; External Monitoring Consultant, "External Monitoring Report for Implementation of Land Acquisition and Resettlement Plan."

102) "2017 Annual Review Summary Sheet for the Pakistan Economic Corridors Programme," 17.

A3: We were paid overtime. We could leave if we didn't want to work after 5pm. But I never did so because I saw the money at the end.

Nevertheless, there were also indications of a pressure to work longer than the regular hours or to work on the one day off in the week, in order to meet deadlines:

A7: It was from 8am to 6pm. But we also had overtime to complete the project in the stipulated time. Longest day for me was maybe 16 hours.

A13: It was an 8-hour job starting at 8 in the morning until 5/6 in the evening. Sunday usually was our holiday but often we worked overtime. The longest may be was of 15/16 hours.

A2: It was from 8pm to 5pm. We were given overtime, if we had to work for longer than that. The longest working day I remember was of around 16 hours.

A9: It was from 8 in the morning to 6 in the evening. But we would do overtime too. Many times we did that. The longest day I can remember was maybe 18 hours working.

A5: The working hours were from 8am to 5/6pm. In case there's work left, we would not take an off on Sundays too. We would work and were entitled to overtime too. For me, it was difficult to get leave because I was virtually managing my team. So I had to be there all the time.

Though working conditions regulation in Pakistan stipulates that workers are entitled to 14 days of paid annual leave,¹⁰³ workers said that they could apply for leave but that there was no paid leave.

A4: In case we need a leave for some work or for some sickness, we would speak to the contractor. It never occurred to me that someone was denied a leave.

A15: For us [drivers], taking a day off was quite hard because we were already two people and if one of us would not come then it affected the work. So either we had to bring a substitute or go to work by any mean.

A7: We could get a leave but that would always be unpaid.

A9: We could get leave but then we will lose a day wage. There was no paid leave in any case whether death of someone or sickness.

Safety and sanitation

Safety on the work floor is a concern in every construction industry, and Pakistan is not an exception. The construction industry has an accident percentage of 15.2 percent, and it has been on the rise rather than decline. The majority of the accidents involve a fall from a height, due to inadequate availability and training of fall protection systems, and non-availability of suitable anchorage systems.¹⁰⁴ Injuries are generally not reported and the workers see the accidents as their own fault.¹⁰⁵ Workers are also often not aware of safety risks. In a survey done among 140 construction workers in different projects in three major Pakistani cities, only 20% reported having any formal safety training,

103) Labour Market Profile, Danish Trade Union Council 2018.

104) R. U. Farooqui and F. Arif, "Safety Performance in Construction Industry of Pakistan" (1st International Conference on Construction in Developing Countries (ICCIDC-I), Karachi, 2008), 74–87.

105) R. U. Farooqui, "An Exploratory Study Probing into the Factors Causing Safety Non-Performance in the Pakistani Construction Industry" (45th IEP convention, Karachi, 2012), 3.

even when half of the interviewees had more than 15 years of work experience.¹⁰⁶ For the survey, the workers were asked to estimate the risk level of a situation and whether they would stop working if they encountered it. While 74% said working with not fully boarded scaffolds had a high risk level and 97% would stop working if it occurred, only 30% saw problems with working on roofs without edge protection and a mere 8% would stop working in such working conditions.¹⁰⁷ Another survey done among 1080 construction workers found that only 25% wear safety helmets, 15% wear safety shoes and 25% know first aid. No worker reported wearing safety gloves, knowledge of escape routes, or knowledge on how to use a fire-extinguisher.¹⁰⁸ Staying safe in an environment like this requires concentration, but more than 50% of the surveyed workers worked more than 8 hours a day.¹⁰⁹

Some of the workers we interviewed on the M4 were provided with safety gear. But there was no indication of standard training regarding safety, and provision of the safety gear did not appear to be consistent:

A3: We were provided with boots, jacket and helmet. No training was conducted for us and I never heard about any such thing.

A2: We were given boots, a yellow colour jacket and a helmet for one day only. The work was dangerous though.

A4: Yes, they gave us helmets, jackets, boots and sometimes gloves when we were working on hot iron.

A13: There was lot of mud that would be lifted up by air. In worst scenario we would make masks from handkerchief or kefiyyeh to cover our nose and mouth.

There was some suggestion that workers were provided with gear more for the purpose of being seen with them during company officers' inspections, than due to it being an everyday requirement:

A7: Usually we didn't wear any safety tools like helmets, jackets and boots but sometimes we were given them when there was an inspection by the top officers.

Another worker mentioned a difference in provision of safety gear between those directly employed by the company and those employed through contractors, similar to the perception and comparison of situations in terms of having written contracts:

A11: No, they didn't provide us with safety tools. Though the people directly employed by the company were provided with these.

A14: No, I was not given safety gear. The senior workers would wear them if necessary.

Workers mentioned that treatment was provided in case of injuries, but they did not get insurance or sick leave:

A7: There was no medical facility but in case of an injury treatment was provided. No, we're not insured.

106) S. Mohamed, T. H. Ali, and W. Y. V. Tam, "National Culture and Safe Work Behaviour of Construction Workers in Pakistan," *Safety Science* 47 (2009): 32.

107) Mohamed, Ali, and Tam, 32.

108) Ahmed et al., "Safety Practices in Informal Industrial Segment of Pakistan," 89.

109) Ahmed et al., 87.

A3: If someone had gotten injured, he was given medical care. But there was no paid leave, even if someone was sick.

A2: I cannot remember the date exactly but I saw an accident one day. There was a boy from DI Khan who fell off an under construction and got badly injured. He was taken to hospital and provided with medical treatment. And after he got well, he was sent back to his village - that's what I heard because I never saw him again.

On the issue of insurance, a worker brought up the comparative perception that those hired directly by the company may have it but those like him who were hired through a contractor did not:

A1: In case of an injury, workers were provided medical care. There was no insurance. Maybe the company (ZKB) workers had it but not us who worked under the contractor.

Although the working environment is basic, there was a sense among the workers that better conditions are not to be expected:

A9: The health and sanitation conditions were fine for us because we already are used to such kind of situation - muddy air, lack of or no toilets at all.

A1: We are used to work and live in harsh conditions so the health and sanitation thing never bothered me.

A4: The working condition was as usual as it is in the country.

Trade unions

The 2012 Industrial Relations Act is a crucial law on the right to unionise in Pakistan, placing the responsibility of labour laws in the hands of the provinces instead of the national government. It also detailed the definitions of unfair labour practices and made it mandatory for every enterprise to have a trade union.¹¹⁰ While this is seen as a big step in improving workers' rights in Pakistan, the act still has some flaws. For instance, a trade union trying to get officially recognised needs to represent at least 30% of the company, making it difficult to register.¹¹¹ Another problem that arose is that companies who do not want their workers to unionize create their own union, often referred to as 'pocket unions' or 'yellow unions'. A pocket union is led by an employee chosen by the company and would thus be predisposed to represent the interests of the company instead of the interests of the workers.¹¹² In this way, the companies follow the law without actually letting the workers unionise. Another issue with the act is that several industries are excluded, including agriculture, one of the biggest sectors in the country.¹¹³ In addition, informal labour is also not covered: 90% of the construction industry falls under this heading.¹¹⁴

There are more aspects of Pakistan's current legal framework that are causing problems for workers. While unionising is now mandatory, anti-union discrimination is not illegal and union leaders have been fired from their jobs.¹¹⁵ Also, even though

110) Pakistan, "Industrial Relations Act, 2012," Pub. L. No. Act No. X of 2012 (n.d.), http://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=91438.

111) Danish Trade Union Council for International Development Cooperation, "Pakistan Labour Profile," 4.

112) Danish Trade Union Council for International Development Cooperation, 7.

113) Danish Trade Union Council for International Development Cooperation, 4.

114) Piler, "Status of Labour Rights in Pakistan 2016," 23; Akhtar, "Patronage and Class in Urban Pakistan," 169.

115) ITCU, "ITCU Global Rights Index."

freedom of movement and association is in the constitution, strikes have been prevented and stopped by the government and the army. For instance, in 2010 during the construction of the Neelum-Jhelum Hydropower Project, around 700-800 workers went on strike to demand the contracting companies to comply with national law, as they were paid below minimum wage and not given a contract. When the companies held a meeting with the union leaders representing the workers, three military officials joined and threatened the union leaders. After the meeting, around 180 union members were dismissed, and even after the district labour court prohibited the company from firing any more union members, another 64 were laid off. In 2017 this case was taken to the ILO by the Building and Wood Workers' International and the Pakistan Federation of Building and Wood Workers, who filed a formal complaint. This was recognized by the ILO who requested the companies involved to keep them updated on the process.¹¹⁶

Despite the 2012 Industrial Relations Act, the notion that it is in fact legal – and in some case could even be considered obligatory – to have unions and to join them, our sample of interviews shows that workers either had not heard of a union, and if they had, they never came across one:

A3: Never heard of a union there.

A1: I don't know what it is.

A4: I heard there was union but never saw it.

Despite the absence of formal unions, we came across a description of workers attempting to bargain collectively, albeit with unsuccessful results:

A9: There was no union. We would ourselves informally organize and put our demands before contractor. It happened many times but to no avail. He would not listen to us. And if we would go to the company, they will see that we are not their employees.

3.3 Marginalized Labour Groups: Women, Children, and Migrant Workers

The men-to-women workforce ratio in Pakistan is notoriously low. Currently, Pakistan's female employment rate is at its all-time high, at a mere 25%.¹¹⁷ The ADB's policies highlight this issue and efforts have been made to employ more women on the project. According to their monitoring report, this can be seen in higher positions.¹¹⁸ On the work site however, all workers report not having female colleagues:

A15: Never saw women. The women of the villages around usually work in fields.

A1: I neither saw any woman there nor do I think women are involved in our work.

A8: I never saw any woman working on the site.

Out of all industries in Pakistan, the construction industry has the highest incidence of child labour.¹¹⁹ The Punjab province, where the M4 is being built, is especially known for

116) ILO, "Report in Which the Committee Requests to Be Kept Informed of Development," Complaint settlement (International Labour Organization, June 2018).

117) World Bank, "Labor Force Participation Rate, Female (% of Female Population Ages 15+)."

118) Renardet S.A and NHA, "Bi-Annual Environmental Monitoring Report for Project 48402-002, July - August 2017" (ADB, August 2017).

119) R. E. Khan, "Socioeconomic Aspects of Child Labour-A Case Study of Children in Auto Workshops," *Lo-*

child labour: a full third (33.5 percent) of the 15- to 19-year olds are part of the labour force.¹²⁰ According to a new Punjab law, heavy labour, such as construction work, is not allowed to be performed by anyone under the age of 18,¹²¹ yet as our report will show later as well, this issue has not yet been solved and child labour is still prevalent in the region.

While researching the M4, our interviewers came across a 17-year old worker, who for safety reasons did not want to be interviewed. Other labourers have mentioned underage workers, although not all the workers had seen underage workers working alongside them:

A10: There were many young workers on the site. The youngest would be 14/15.

A9: There were underage boys working at the site but they were not involved in our work.

A4: There were no minors on the site. All were adult. And the minimum age of a worker would be 20, I guess.

A7: Almost all the workers were adults. Work was nearly the same everywhere for us.

One worker also suggested that underage workers had come to seek work in groups, rather than as individuals:

A12: The labour included young boys too. As young as 13 years of age. Many such boys had also come from Sindh in search of work.

Our local informant who spoke to workers working in a different section of the M4 mentioned that among those he spoke to, underage boys that came from ethnic groups were seen in the work sites.

Migrant workers

Migrant workers move across the country to find better jobs. They are often driven by a lack of jobs in their own province and move far away from their family to make a living. Here they often face exclusion, hardships and negative stereotyping.¹²² Internal migration is not considered an issue by the Pakistani government and it is not even mentioned in current labour laws and policies.¹²³ As an internationally funded enterprise, the M4 construction project brought Chinese workers to Pakistan, although in the interviews we conducted, none of the interviewees had actually worked together with workers with a different nationality. The workers observed, though, that the Chinese they saw on the construction sites were managers or engineers: expats with authority in other words. Interestingly, it is known that in other CPEC and BRI projects, Chinese labourers displaced local workers, showing a rather different dynamic than the one observed by our interviewees. Although not necessarily within the scope of this report, these contrasting dynamics are sufficiently interesting (and ubiquitous) to pay attention to.

hare Journal of Economics 6, no. 1 (2000): 93–112.

120) Piler, “Status of Labour Rights in Pakistan 2016,” 27.

121) “THE PUNJAB RESTRICTION ON EMPLOYMENT OF CHILDREN ACT 2016” (2016), <http://extwprlegs1.fao.org/docs/pdf/pak164577.pdf>.

122) Piler, “Status of Labour Rights in Pakistan 2016” (Karachi: Pakistan Institute of Labour Education & Research, 2016), 29.

123) Piler, “Status of Labour Rights in Pakistan 2016” (Karachi: Pakistan Institute of Labour Education & Research, 2016), 30.

While our interviewees were based in local villages and thus likely represented the less transitory workforce, they nonetheless mention seeing many migrant workers:

A14: There were Punjabis, Siraikis and Pathans. [...] We used our native language to communicate.

Most of people including Pathans would use Punjabi to communicate.

A1: People from various ethnic backgrounds were there, including Punjabi, Siraiki, Sindhi and Pathan.

A2: There were many people from different places and ethnic backgrounds. They were Punjabis, Siraikis and Sindhis. Pathan workers were mostly involved in operating machinery.

3.4 CPEC

All of the issues described above have been known to be prevalent in the entire Pakistani construction industry, but with the recent advancement of CPEC, it has become clear that Chinese influence has in fact exacerbated an already bad situation.

There are two recent labour issues in Pakistan that highlight the many problems the country faced in a CPEC setting: the Orange Metro Line project in Lahore, and the Port Qasim project in Karachi. The Orange Metro line project,¹²⁴ financed by the China Exim Bank with a loan of Rs 165 billion,¹²⁵ has attracted controversy over demolitions of heritage sites¹²⁶ as well as being extremely deadly for the labourers working on its realisation. According to a report dated to June 2017, the project had reportedly claimed more than 25 lives, as a result of unsafe practices. Four workers were injured from a fall resulting from a broken crane, while in January 2017 seven were killed in a fire in the workers' dormitories. Reportedly, workers did not have safety equipment.¹²⁷ Although most victims were workers, at least one victim was a bystander; a senior citizen crushed by a crane.¹²⁸ The contractor for this project is ZKB; the same company that most interviewed workers on the M4 project worked for:

A3: The company was ZKB.

A9: I was recruited by contractor (thekedar) named [--]. The company we worked for was ZKB.

Most of the workers mentioned such subcontractors (*thekedar*), the implications of which have been discussed.

The case of Port Qasim, located in Karachi, concerns Pakistani port workers who held strikes against the Port Qasim Authority as well a Chinese cargo company, Huaneng Fuyun Port and Shipping. The strike reportedly began in late September, 2018, and continued for several months.¹²⁹ As the movement went on, the protestors entered

124) Some Pakistani officials have described this project as separate from the CPEC framework (INP, "Orange Line Not Part of CPEC: NA Body," *The Nation*, January 17, 2017, <https://nation.com.pk/17-Jan-2017/orange-line-lahore-not-part-of-cpec-na-body>), but it is listed on official CPEC website of Pakistan. "Orange Line - Lahore | China-Pakistan Economic Corridor (CPEC) Official Website," accessed February 8, 2019, <http://cpec.gov.pk/project-details/46>.

125) Ihsan Qadir, "Poor Quality of Civil Work on OLMT Irks Citizens | Pakistan Today," *Pakistan Today*, August 1, 2018, <https://www.pakistantoday.com.pk/2018/08/01/poor-quality-of-civil-work-on-olmt-irks-citizens/>.

126) Sher Ali Khan, "Why the Orange Line Metro Train in Lahore Is Highly Controversial," *Herald Magazine*, April 23, 2018, <https://herald.dawn.com/news/1398510>.

127) A. Reporter, "25 Killed since Launch of Train Project: Four Orange Line Workers Injured," *DAWN.COM*, June 21, 2017, <https://www.dawn.com/news/1340798>.

128) "Deaths before Orange Line Goes on Line," *The Nation*, January 25, 2016, <https://nation.com.pk/25-Jan-2016/deaths-before-orange-line-goes-on-line>.

129) Oonib Azam, "Dock Workers' Demand PQA, Chinese Company to Guarantee Their Rights," *The Express*

confrontations with the police¹³⁰ and eventually attracted the attention and support of trade unionists.¹³¹ The strike finally ended on January 14, 2019, after 109 days of striking; the workers were compensated with five months of salary.¹³² As pointed out by researcher Zeenat Hisam, such cases of labour violations related to Chinese companies highlight the need to consider the social cost of CPEC projects, and not just its economic benefits.¹³³

One of the questions in our survey questionnaire sought to understand how CPEC and foreign investments have affected the workers and their families or communities, as well as their general opinions of CPEC and other foreign investments. The was to give workers a voice in the general narrative of CPEC and in BRI projects in a whole, which, as mentioned above, constantly stress the benefits to the host country as well as to China. Some workers mentioned they were aware of CPEC, but did not see any local benefits.

A15: Yes, I know that CPEC is a China-Pakistan's joint project. But I don't feel that it has affected our village much. We are still short of jobs. Our village lacks basic facilities.

A13: I don't know anything about CPEC but I heard from people at M4 that it is ought to be good for the country. May be for the people who live in big cities. There is nothing for us who live in villages. We are back to our daily routine. Everything remained unchanged.

Several workers stated that they did not know about or understand CPEC or investment opportunities, and that they had not benefitted from it. This comment, from worker A2, is indicative:

I am a simple village guy. I don't know anything about what a foreign investment [is] meant to [do]. For me, earning for my family is the ultimate goal.

Most of the workers interviewed had similarly neutral opinions, claiming that not much had changed, that they did not know about Chinese investments, or that it had not significantly impacted their life. Three of the interviewees mentioned positive impacts in that CPEC had brought job opportunities for them. However, another worker mentioned some potential downsides too:

A1: It [CPEC] was enough to keep our cash flow in. I prefer private work over this because I would earn more than this. But here is a downside, the private work depends on its availability. If it is there, we would earn some money but is it not then we would go back home [with] empty pockets.

The overwhelming consensus, however, was that CPEC has not brought significant changes. These answers also stand in contrast to statements by the Chinese construction companies working in Pakistan, some of which have stressed donations or investments

Tribune, October 20, 2018, <https://tribune.com.pk/story/1829722/1-dock-workers-demand-pqa-chinese-company-guarantee-rights/>.

130) "Protesting Port Qasim Employees Baton-Charged," *The Nation*, December 10, 2018, <https://nation.com.pk/10-Dec-2018/protesting-port-qasim-employees-baton-charged>.

131) Anil Datta, "Labour Unions Express Solidarity with Protesting Port Qasim Dock Workers," *International The News*, January 10, 2019, <https://www.thenews.com.pk/print/416744-labour-unions-express-solidarity-with-protesting-port-qasim-dock-workers>.

132) "Port Qasim Dockers End Strike," *The Nation*, January 14, 2019, <https://nation.com.pk/14-Jan-2019/port-qasim-dockers-end-strike>.

133) [Missing reference].

into the local community as part of their CSR policies. A company-made video by the Pakistan branch of China Railway First Group, for example, mentioned donations of fire equipment to the local community.¹³⁴ It appears, however, that the benefits of such donations have not reached the workers on-site, who appear to be unaware of such activities towards them or their communities. In fact, it appeared that the Pakistani workers' interactions with the Chinese were minimal.

A15: Yes, there were Chinese but I never interacted with them.

A14: I saw Chinese workers daily. They moved around the worksites, talking to engineers, contractors and supervisors. I never talked to them.

A1: Yes, there were Chinese workers; they were all bosses/on managerial position as far as my knowledge is concerned. So they were treated comparatively better than other workers.

A3: The Chinese were the bosses. They were often seen at the work site. They never spoke to us. Only our contractor talked to them.

These responses make it clear that while Chinese workers were on-site, they tended to have a managerial position, and that they did not interact with the Pakistani workers directly. This would suggest that the Chinese companies had little direct involvement with the Pakistani workers, and that contacts were made through the subcontractors.



134) China Railway First Group Pakistan, 中铁一局巴基斯坦公司微电影《三剑客》 Zhongtieyiju Bajisitan Gongsi Weidianying <sanjianke>, 2017, <https://v.qq.com/x/page/w0530pd59xd.html>.

3.5 Conclusion

The interviews reveal several problems that have occurred on the M4 motorway work-site. Recruitment were generally verbal, made from friends or family; there were no contracts to guarantee rights. There were problems with wage payments, which most agreed were low; some had their pay deducted or paid late. The workplace was unsafe: many workers reported not having safety equipment or safety training. In addition, the subcontractor they worked for is ZKB, whose previous project resulted in numerous deaths due to unsafe workplace practices.

In fact, many of the problems ultimately stem from subcontracting. It seemed like this practice allowed workers to be denied many legal rights, such as insurance, fair wages, or health safety. These contractors were likely to be further empowered as Chinese companies appeared to only interact with Pakistani workers through them, which also seems to deny the workers the various privileges established by CSR policies of the Chinese companies (as outlined in Appendix II).

In addition to these violations against various Pakistani laws (which in itself is already against the ADB's social policies), most workers interviewed on site were not part of trade unions and did not even know what they were. In one case, the attempt at collective bargaining failed. This is in clear violation to the ADB's policy to "allow freedom of association and effectively recognize the right to collective bargaining". Even audits were apparently insufficient to identify these problems, as workers were instructed to behave differently when visitors came. Despite the ADB's social safeguard policies and the provisions of Pakistani law, it appears that enforcement is not yet strong enough to ensure all condition are met for the workers on the ground.

CHAPTER 4

The Asian Development Bank, Core Labour Standards and the M4 Highway Project

Antoine Duval & Alexandru Tofan

4.1 Introduction

This chapter builds on the empirical findings gathered by the research team in the previous chapters to deliver a legal perspective on the compliance of the M-4 Highway Project with the Asian Development Bank's (ADB) obligations and commitments in terms of labour rights and in particular with regard to the Core Labour Standards (CLS) of the International Labour Organisation (ILO). The ILO in its 1998 Declaration on Fundamental Principles and Rights at Work declared that "all Members, even if they have not ratified the Conventions in question, have an obligation arising from the very fact of membership in the Organization to respect, to promote and to realize, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions, namely: (a) freedom of association and the effective recognition of the right to collective bargaining; (b) the elimination of all forms of forced or compulsory labour; (c) the effective abolition of child labour; and (d) the elimination of discrimination in respect of employment and occupation". This set of labour rights constitute the CLS and have been recognised by Principle 12 of the United Nations Guiding Principles on Business and Human Rights (UNGPs) as part of the human rights covered by the responsibility to respect applicable to businesses.

In this chapter, we will first reflect more generally on the integration of human rights and labour rights (in particular the CLS) in the operations of Multilateral Development Banks (MDBs), before looking more specifically at the ADB's policies with regard to the CLS and their impact (or lack thereof) in the context of the M-4 Highway Project.

4.2 Multilateral Development Banks and Human Rights

The purpose of this section is to present an overview of the relationship between MDBs and human rights. Accordingly, the first sub-section deals with the nature of the human rights obligations of development banks under international law. The second sub-section deals with the concrete ways in which MDBs integrate human rights in their work processes.

The human rights obligations of MDBs under international law

Multilateral Development Banks are international organisations meant to foster economic and social development in the public or private sector.¹³⁵ They are established by states through treaties often designated 'Articles of Agreement' (AoA).¹³⁶ Examples include

135) Leonardo A Crippa, 'Multilateral Development Banks and the Human Right Responsibility' (2010) 25 (3) *American University Int'l L Rev* 531, 533.

136) See, e.g., International Bank for Reconstruction and Development, Articles of Agreement (27 June 1946) available at: <http://pubdocs.worldbank.org/en/722361541184234501/IBRDArticlesOfAgreement-English.pdf>; Asian Development Bank, 'Agreement Establishing the Asian Development Bank' (22 August 1966) available at:

the World Bank, the Asian Development Bank, the African Development Bank, and the European Bank for Reconstruction and Development. The important effects of the projects they financed on the local environment, labour market or social fabric have led in the nineties to widespread criticisms of their human rights record.¹³⁷ Civil society activists started to demand that their activities be conducted in compliance with human rights. Yet MDBs' obligations under international human rights law remain far from clear to date.¹³⁸ In the literature, the current state of the debate presents two prevailing approaches to MDBs' human rights obligations. MDBs are said to accrue human rights obligations either directly or indirectly.¹³⁹

The direct approach sees MDBs as having international legal personality and therefore as subjects of international law.¹⁴⁰ This is based on a classification of MDBs as international intergovernmental organisations and not as mere non-State actors.¹⁴¹ This approach is premised on the fact that MDBs possess all the characteristics of an intergovernmental organisation (e.g. established, comprising of and governed by states) and that they satisfy the requirements for international legal personality under the International Court of Justice's *Reparations* Advisory Opinion.¹⁴² In the case of the ADB, it is argued that the AoA confer upon it all the elements necessary for the establishment of international legal personality.¹⁴³ This would entail that the ADB, together with other MDBs, would be directly bound by treaty law, customary international law and general principles of law. Nonetheless, MDBs are generally not party to any treaties (much less so to human rights ones),¹⁴⁴ which means that any human rights obligations binding on them stem from customary international law. The growing consensus seems to be that MDBs should at the very least respect human rights that have become customary international law. Some scholars even argue that their customary law obligations extend beyond a mere duty to respect; MDBs shall on this reasoning avoid directly violating any human rights and avoid complicity in violations of human rights obligations.¹⁴⁵

The indirect approach to MDBs' obligations builds on the idea that "[...] [a] State that transfers competences to, or participates in, an international organisation must take all reasonable steps to ensure that the relevant organisation acts consistently with the

<https://www.adb.org/sites/default/files/institutional-document/32120/charter.pdf>; European Bank for Reconstruction and Development, 'Basic Documents of the EBRD' available at: <https://www.ebrd.com/news/publications/institutional-documents/basic-documents-of-the-ebrd.html>.

137) Patricia Armstrong, Human Rights and Multilateral Development Banks: Governance Concerns in Decision Making, *Proceedings of the ASIL Annual Meeting*, 88, 277-282.

138) There is a growing literature on the subject and little consensus on the questions. Specifically on the Asian Development Bank, see Sanae Fujita, *The World Bank, Asian Development Bank and Human Rights: Developing Standards of Transparency, Participation and Accountability* (Edward Elgar Publishing 2013) 3-4 and 10. For academic publications discussing the IMF, the World Bank and human rights, see S Skogly, *The Human Rights Obligations of the World Bank and the International Monetary Fund* (Cavendish Publications 2001); M Darrow, *Between Light and Shadow: The World Bank, the International Monetary Fund and International Human Rights Law* (Hart Publishing 2003); W Genugten, P Hunt and S Matthews (eds), *World Bank, IMF and Human Rights* (Wolf Legal Publishers 2003); A Clapham, *Human Rights Obligations of Non-State Actors* (OUP 2005) 151.

139) Fujita (n 4) 4.

140) Ibid., 7-8.

141) For a discussion, see Crippa (n 1) 536-544.

142) See also the *Interpretation of the Agreement of 25 March 1951 between the WHO and Egypt*, Advisory Opinion, ICJ Reports 1980, p.73 at p.89-90. The Advisory Opinion reads: "International organizations are subjects of international law and, as such, are bound by any obligations incumbent upon them under general rules of international law, under their constitutions or under international agreements to which they are parties".

143) Fujita (n 4) 8 and 25.

144) Ibid., 8.

145) Ibid., 8-9. Cf. Skogly, (n 4) 151, 193 and Clapham (n 4) 151.

international human rights obligations of that State.”¹⁴⁶ In other words, the human rights obligations of States are not directly transferred to the MDBs but the constituent States must ensure that the organisation operates in a manner consistent with their standing human rights obligations.¹⁴⁷ This reasoning has been reflected in international conventions such as Article 32 of the UN Convention on the Rights of Persons with Disabilities, which stipulates that State parties should promote the purposes and objectives of the Convention for instance by “(a) Ensuring that international cooperation, including international development programmes, is inclusive and accessible to persons with disabilities”. This article therefore explicitly extends the obligations under the convention to situations where states act through development institutions such as MDBs. Following this reasoning, States’ duty to respect, protect and fulfil human rights would apply to their actions (1) as recipients of public finance, (2) as financiers, and (3) as decision-makers within multilateral and domestic financial institutions.

The indirect approach is also strongly reflected in Principle 10 of the UNGPs, which reads:

States, when acting as members of multilateral institutions that deal with business-related issues, should:

- (a) Seek to ensure that those institutions neither restrain the ability of their member States to meet their duty to protect nor hinder business enterprises from respecting human rights;*
- (b) Encourage those institutions, within their respective mandates and capacities, to promote business respect for human rights and, where requested, to help States meet their duty to protect against human rights abuse by business enterprises, including through technical assistance, capacity-building and awareness-raising;*
- (c) Draw on these Guiding Principles to promote shared understanding and advance international cooperation in the management of business and human rights challenges.*

Principle 4 of the UNGPs also provides that “States should take additional steps to protect against human rights abuses by business enterprises [...] that receive substantial support or services from State agencies such as export credit agencies and official investment insurance or guarantee agencies, including, where appropriate, by requiring human rights due diligence.”

In conclusion, MDBs should probably comply with human rights to the extent that they constitute international customary law and a compelling case can be made that they have at least indirectly, through the obligations of their member states, a duty to respect human rights (including CLS). Moreover, even if one entirely denies the existence of such direct or indirect human rights obligations, MDBs are in any event subject to the responsibility to respect human rights enshrined in the second pillar of the UNGPs.

MDBs’ approach to integrating human rights

MDBs have been slow in integrating human rights in their operational processes. Currently, MDBs’ due diligence processes include fiduciary, legal, social, economic and environmental considerations. References to human rights remain generally scarce as they are often treated as political considerations. Indeed, most AoA of MDBs include a

146) Maastricht Principles on Extraterritorial Obligations of States in the Area of Economic, Social and Cultural Rights (2011) at 15. See also: Maastricht Guidelines on Violations of Economic, Social and Cultural Rights (22-26 January 1997).

147) Fujita (n 4) 4-5; see also: Skogly (n 4) 109.

clause explicitly prohibiting basing a lending decision upon political considerations.¹⁴⁸ In the case of the ADB, its reluctance to embrace human rights has been attributed to concerns among member states about protecting sovereignty, to questions surrounding the universality of human rights standards, and to the prohibition on political interferences.¹⁴⁹ Some scholars suggest that this reluctance can be further attributed to the disinclination of some member states (e.g. China, Myanmar, Singapore and Thailand) to the concept of human rights.¹⁵⁰ The ADB exhibits a reluctance to commit to human rights at the policy or operational level.¹⁵¹ Byrnes argues that “[t]he ADB has been reluctant to embrace human rights standards explicitly in its policy documents, to use a human rights framework systematically in its policies and operations, or even to follow the World Bank in its approach to development and human rights. This reflects concerns among many member states about protecting their sovereignty and questioning universal human rights standards, sometimes justified by reference to the prohibition in the ADB Charter on ‘political activity’ and on taking into account considerations other than ‘economic considerations’.”¹⁵²

The MDBs have been much more proactive in devising safeguard policies concerning the environment, involuntary resettlement or indigenous people without referring directly to their human rights dimension. In doing so, they have also developed grievance mechanisms that are supposed to provide avenues for disgruntled actors to raise their concerns. The most well-known are the World Bank’s Inspection Panel (for projects supported by the International Development Association and the International Bank for Reconstruction and Development) and Compliance Advisor Ombudsman (for projects supported by the International Finance Corporation and the Multilateral Investment Guarantee Agency). The ADB maintains the ‘Accountability Mechanism’ (AM), which provides problem solving and compliance-review functions.

In short, the MDBs have until today failed to acknowledge their human rights obligations, nor have they at this stage committed to funding only projects that are in full compliance with the CLS. It remains to be seen what the ADB has committed to in terms of labour rights? And how effective in practice have these commitments been?

4.3 The Asian Development Bank and Labour Rights

The MDBs do not have the reputation to be supportive of labour rights.¹⁵³ In fact, the World Bank’s infamous Doing Business report has been criticised at length for adopting an anti-labour logic.¹⁵⁴ Nonetheless, this critique of MDBs has led to some, at least

148) See, e.g.: IBRD, Article IV S.10: “The Bank and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned. Only economic considerations shall be relevant to their decisions, and these considerations shall be weighed impartially in order to achieve the purposes stated in Article I”. See also: Agreement Establishing the Asian Development Bank Article 36.

149) Andrew Byrnes, ‘The Asian Development Bank and the Role of Human Rights in the Pursuit of Just and Sustainable Development in the Asia-Pacific Region: An Advocacy Role for Australia?’ (2011) 19 *Australian Int’l L J*, 8.

150) *Ibid.*, 7-8.

151) Fujita (n 4) 56-59.

152) Byrnes (n 15) 8.

153) Blanton, Robert G., Shannon Lindsey Blanton, and Dursun Peksen. “The Impact of IMF and World Bank Programs on Labor Rights.” *Political Research Quarterly* 68, no. 2 (2015): 324-36.

154) Peter Bakvis, The World Bank’s Doing Business Report: A last fling for the Washington Consensus?, *Transfer: European Review of Labour and Research*, 15, 3-4, (419), (2009).

rhetoical, changes in the way they consider labour rights and in particular the CLS.¹⁵⁵ In particular, the ADB was the first MDB to endorse the CLS in its Social Protection Strategy published in 2001.

The ADB's social protection strategy

In a lengthy document of more than 100 pages, the ADB spelled out its ambition to provide for social protection in Asia.¹⁵⁶ In this regard, it highlighted “labor markets” as one of the main components of social protection and considered that “appropriate steps should be taken to ensure that procurement of goods and services, contractors, subcontractors, and consultants, comply with the country’s labor legislation (e.g., minimum wages, safe working conditions, social security contributions, etc.) as well as with the Core Labor Standards”.¹⁵⁷ More concretely, ADB committed to “take all necessary and appropriate steps to ensure that for ADB-financed procurement of goods and services, contractors, subcontractors and consultants will comply with the country’s labor legislation (e.g., minimum wages, safe working conditions, and social security contributions, etc.) as well as with the Core Labor Standards”.¹⁵⁸ Importantly, ADB also vowed to monitor the compliance with this commitment as part of its regular loan reviews. This strategic commitment to enforce the ILO’s CLS was recognised as an important first step for a MDB.¹⁵⁹ However, it remained almost *lettre morte* in practice until the adoption of the Handbook on Core Labor Standards in 2006.

The ADB Handbook on Core Labor Standards

After the signature of a memorandum of understanding in 2002 between the ILO and the ADB,¹⁶⁰ both organisations jointly developed what became the Handbook on Core Labour Standards released in 2006. The Handbook aims to look “at ways in which [CLS] can be incorporated into ADB activities”.¹⁶¹ It “gives practical knowledge on how ADB operations can comply with the CLS”.¹⁶² However, its recommendations “are not an expansion of any policy, and the user should note the distinction between good practice suggestions, i.e., the examples in this Handbook, and the policy requirements presented in ADB’s Operations Manual”.¹⁶³ In short, the Handbook “does not introduce any new policies or compliance requirements for ADB’s operational staff”.¹⁶⁴ Nonetheless, the Handbook claims that, since the approval of the Social Protection Strategy, “CLS have

155) Notably, in 2016, the World Bank adopted new safeguard policies which, for the first time, expressly address labour standards concerns. For a first assessment of their effectiveness, see Franz Christian Ebert, *Labour Standards and the World Bank. Analysing the Potential of Safeguard Policies for Protecting Workers*. In: Gött H. (eds) *Labour Standards in International Economic Law*. Springer, pp 273-304.

156) Asian Development Bank, *Social Protection Strategy*, 2001, <https://www.adb.org/documents/social-protection-strategy>.

157) *Ibid.*, 16.

158) *Ibid.*, 57.

159) Peter Bakvis and Molly McCoy, *Core Labour Standards And International Organizations: What Inroads Has Labour Made?*, *Friedrich-Ebert-Stiftung, Briefing Papers N° 6/2008*, available at <https://library.fes.de/pdf-files/iez/05431.pdf>.

160) Memorandum of Understanding between the Asian Development Bank and the United Nations International Labour Organization, 2002, available at <https://www.adb.org/documents/mou-between-asian-development-bank-and-united-nations-ilo>.

161) Asian Development Bank, *Handbook on Core Labor Standards*, 2006, 4, available at <https://www.adb.org/documents/core-labor-standards-handbook>.

162) *Ibid.*, 7.

163) *Ibid.*, 4.

164) *Ibid.*, 7.

become an integral part of ADB's development mission"¹⁶⁵ and that it commits "ADB to comply with the CLS, and guide ADB operations to good labor and social protection practices".¹⁶⁶ This Handbook is an ambiguous document. It fleshes out the strong commitment to enforce CLS made by ADB in 2001, while being presented as non-binding on ADB staff and as merely providing a knowledge base.¹⁶⁷ Nonetheless, it ought to play a role as a guiding interpretative tool to determine whether the 2001 commitment to CLS is being met in practice.

The ADB Safeguard Policy Statement

In July 2009, ADB released its Safeguard Policy Statement (SPS). This statement consolidated and updated the three previously existing safeguard policies, which addressed three key areas of concern for the ADB: impacts on the environment, involuntary resettlement and impacts on indigenous peoples. Yet, it did not introduce any new commitments towards the compliance of ADB-financed projects with the CLS or other labour rights. Instead, it simply noted "core labor standards and broader social protection issues are already included in ADB's Social Protection Strategy (2001)" and "also handled through Operations Manual section on incorporation of social dimensions into ADB operations".¹⁶⁸ However, the Operations Manual in question does not mention the CLS and is not referring to the Handbook as a reference document on which it is based.¹⁶⁹ In other words, operationally the political and rhetorical commitment to the CLS is not reflected in the key legally binding documents of the ADB.¹⁷⁰ The refusal to enshrine the CLS in the SPS and the Operations Manual has the practical consequence of removing them from the existing safeguard procedures, which include the obligation for the borrower to produce an impact assessment, to devise a plan to tackle potential adverse impacts, and to inform and consult potentially affected people. Furthermore, issues related to noncompliance with the CLS are also more likely to be ignored by ADB's monitoring of the borrower's implementation of the safeguard. Finally, people adversely affected by ADB projects can have recourse to ADB's Accountability Mechanism but solely to report alleged violation of ADB's operational policies and procedures. It is therefore uncertain whether a violation of the CLS by a contractor on a project financed by ADB would be falling under the scope of jurisdiction of ADB's Accountability Mechanism.

The ADB Social Protection Operational Plan 2014-2020

The ADB's most recent policy document released on the matter is the Social Protection Operational Plan 2014-2020 in which the bank highlights as a priority to "ensure that ADB operations comply with the CLS".¹⁷¹ More precisely with regard to infrastructure programmes, ADB commits to "ensure that its lending operations in infrastructure (and in other sectors) adhere to the CLS" and that a "project's potential impacts on work-

165) Ibid., 6.

166) Ibid.

167) Highlighting this contradiction, see Bakvis and McCoy (supra n 25), 8.

168) Asian Development Bank, Safeguard Policy Statement, 2009, 9, available at <https://www.adb.org/documents/safeguard-policy-statement>.

169) Asian Development Bank, Operations Manual, 2010, available at <https://www.adb.org/sites/default/files/institutional-document/31483/om-c3.pdf>.

170) Raising such concerns, see GUF/FNV, Engaging with Asian Development Bank for Workers Rights : A Trade Unions Guide to Understanding ADB, 2012.

171) Asian Development Bank, Social Protection Operational Plan 2014-2020, 2013, 9, available at <https://www.adb.org/documents/social-protection-operational-plan-2014-2020>.

ers will be identified and assessed early in the project cycle”.¹⁷² Furthermore, “plans to avoid, minimize, or mitigate potential adverse impacts on workers will be developed and implemented”.¹⁷³ Finally, it is said, “ADB will utilize the Large Works (International Federation of Consulting Engineers, or FIDIC) and Plant (Engineering Advancement Association of Japan, or ENAA) Conditions of Contract requiring contractor compliance”.¹⁷⁴

As becomes clear from this section, ADB’s commitments to comply with the CLS (and national labour law) are only a glass half full. On the one hand, the bank was one of the first MDBs to commit to push for compliance with the CLS and national labour law in 2001, the World Bank followed only in 2016. But, on the other hand, it has since then refused to strongly bind itself to enforce this commitment by making the Handbook on Core Labor Standards binding internal policy or by integrating the CLS in its 2009 Safeguard Policy Statement as the World Bank did in 2016. In short, while the ADB has been quite ready to commit to CLS on paper, as illustrated again in the latest Social Protection Operational Plan 2014-2020, it is questionable whether it actually does so in action.

4.4 The ADB’s CLS Commitments in Action: The M-4 Motorway Project

To properly understand the impact of ADB’s commitment on the labour rights of workers involved in ADB project, we need to investigate how those commitments are reflected in day-to-day practice. To do so, we will rely on the empirical findings on the M-4 Project Gogra-Shorkot-Khanewal Section outlined in the previous chapters.

ADB’s labour rights policies in the M-4 Motorway Project

The ADB did consider the CLS both in the conceptualisation and design phase of the M-4 Motorway Project and in the Loan Agreements signed.

Labour rights during the M-4 Project Conceptualisation and Design phase

Labour rights played a (minor) role during the project’s conceptualisation phase where they were marginally integrated in the Initial Poverty and Social Analysis (IPSA) meant to identify social issues. In the context of the M-4 motorway project the IPSA identified « adhering to core labor standards »¹⁷⁵ as a potential issue to be considered in the project design. However, it did not detail any further why CLS compliance could be an issue, nor did it provide any refinement of the main problems to be dealt with. It simply indicated that « [a]dherence to core labor standards [...] will be included in the construction contracts », without advancing any type of concrete mechanism to ensure that this contractual requirement will be monitored and enforced. The second phase in ADB projects (‘project design’) builds on the findings of the IPSA and foresees that a social analysis should be carried out to examine opportunities, constraints and likely social impacts of the project, and to identify and design measures that can maximise social benefits and avoid or minimise the social risks. The result of this analysis are summarised in a Summary Poverty Reduction and Social Strategy document. This document does mention that “[r]isks in the labour market will be closely monitored

172) Ibid., 12.

173) Ibid.

174) Ibid.

175) Asian Development Bank, Initial Poverty and Social Analysis, 2015, 11, available at <https://www.adb.org/sites/default/files/project-document/158500/48402-001-ipsa.pdf>.

since the US Department of State classifies Pakistan as a Tier 2 country and warns that it is a source, transit, and destination country for men, women and children subjected to forced labour and sex trafficking”.¹⁷⁶ In fact, it foresees that “[d]uring implementation, the construction supervision consultant will closely monitor the labour environment and ensure that ADB’s Core Labour Standards and the country’s relevant laws and regulations are complied with to maintain a healthy work environment at the site”.¹⁷⁷

Labour rights in the agreements between ADB and the National Highway Authority

The Loan Agreements between the Islamic Republic of Pakistan and the Asian Development Bank are unequivocal, they provide in Schedule 5 Paragraph 14 that Pakistan (The Borrower) “shall ensure, that the core labor standards and the Borrower’s applicable labor laws and regulations are complied with during Project implementation”.¹⁷⁸ Moreover, the Borrower should also ensure “that contractors, other providers of goods and services, and their subcontractors, engaged under contracts for Works, have Works contracts which include specific clauses to: (a) comply with the Borrower’s applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) comply with all legally mandated provisions on health, sanitation, and appropriate working conditions, including accommodation where appropriate for construction workers at construction campsites; (c) use their best efforts to employ women and local people, including disadvantaged people, living in the vicinity of the Works; (d) provide equal pay to men and women for work of equal type; (e) provide and adequately equip first-aid, health and sanitation, and personal hygiene facilities for male and female workers at the Works sites; (f) maximize female training and employment; (g) conduct an information and education campaign on sexually transmitted diseases and HIV/AIDS for construction workers as part of the health and safety program at campsites and adjacent communities during Works implementation; (h) allow freedom of association and effectively recognize the right to collective bargaining; and (i) abstain from forced or child labor”.¹⁷⁹ Finally, Pakistan “shall ensure, and cause NHA to ensure, compliance with the labor standards and provide ADB with regular reports”.¹⁸⁰

These contractual obligations are in theory quite far-reaching and protective for workers, who should, based on them, enjoy a working environment fully compliant with the CLS and Pakistani labour law. While, this looks on paper promising, we will see in the next section that based on the empirical findings of the research team some discrepancies between these commitments and the actual experience of M-4 workers on the ground can be evidenced.

The reality on the ground at the M-4 construction sites

Since 2001, ADB claims to ensure that projects financed by it are complying with the CLS and national labour laws. And yet, the empirical findings based on the interviews conducted by the research team (see chapter 3) point towards a relatively substantial

176) Asian Development Bank, Summary Poverty Reduction and Social Strategy, 3, available at <https://www.adb.org/sites/default/files/linked-documents/48402-001-sprss.pdf>.

177) Ibid.

178) Asian Development Bank, Loan Agreement (Ordinary Operations) for Loan 3300-PAK: National Motorway M-4 Gojra-Shorkot Section Project, 2015, available at <https://www.adb.org/sites/default/files/project-document/176053/48402-001-lbj.pdf>.

179) Ibid.

180) Ibid.

gap between the written commitments and the reality on the ground. On at least two of the core labour standards - freedom of association and the effective recognition of the right to collective bargaining and the effective abolition of child labour – the empirical evidence gathered points towards partial noncompliance with the CLS.

Despite the existence of the Pakistani Industrial Relations Act adopted in 2012, it seems that many workers on the M-4 project were deprived of the possibility to unionise and engage in collective bargaining. None of the workers interviewed reported the existence of unions, and, more worryingly, some highlighted the systematic refusal of their employer to engage in any type of, even informal, collective bargaining. Moreover, the empirical work has also evidenced the widespread informality of labour relations around the M-4 project. Many workers were simply not officially employed by subcontractors, who were themselves not necessarily registered companies. This specific context and structure of the labour market makes it much easier to evade compliance with the right to unionise and collectively bargain. Regarding child labour, the Pakistani construction industry, and in particular the Punjab province where the M-4 is being built, are perceived as high risk (see chapter 2). In fact, some of the workers interviewed by the research team have reported the presence of very young workers (13 to 14 years old) on the building sites of the M-4. While the evidence is not entirely conclusive, it seems safe to assume that there is a relatively high likelihood that child labour has been employed on the construction sites of the M-4.

In any event, while we cannot definitely demonstrate violations of the CLS on the project's construction sites, we believe there are strong indications that ADB has failed to ensure the respect of the contractual requirements related to labour rights enshrined in the original Loan Agreements with Pakistan. ADB did publish extensive monitoring reports on the M-4 project produced by external consultants hired by the Borrower. However, these are exclusively focused on environmental impacts and land acquisition,¹⁸¹ they do not report and monitor the compliance of the Borrower and its agent the NHA with regard to the CLS. Despite the Borrower's contractual duty to regularly report on the compliance with labour standards in the context of the M-4 Project, no such report has been made publicly available on ADB's website. Thus, it seems ADB is trusting blindly the Borrower to comply with the labour rights requirements enshrined in the Loan Agreement, this is in spite of the specific risks identified *ex ante* with regard to compliance with the CLS in Pakistan. Our limited empirical study shows, moreover, that there are legitimate concerns in this regard. The labour rights pledges made on paper since 2001, ring quite hollow in practice in light of ADB's hands-off approach to making sure that they are taken seriously on construction sites like those of the M-4 project.

Finally, it seems unlikely that affected parties would be able to access ADB's accountability mechanism with regard to breaches of the CLS. Indeed, ADB will not consider complaints "about actions that are not related to ADB's action or omission in the course of formulating, processing, or implementing ADB-assisted projects", nor will the Compliance Review Panel consider "complaints relating to actions that are the responsibility of other parties, such as a borrower, executing agency, or potential borrower, unless the conduct of these other parties is directly relevant to an assessment of ADB's compliance with its operational policies and procedures".¹⁸² In the case of labour rights,

181) The relevant monitoring report on the M-4 Project are available at <https://www.adb.org/projects/48402-002/main#project-documents>.

182) Asian Development Bank, Accountability Mechanism Policy, 2012, 29, available at <https://www.adb.org/documents/accountability-mechanism-policy-2012>.

as they are not integrated in ADB's safeguard policy nor in its Operations Manual, the responsibility to comply with the requirements enshrined in the Loan Agreement lies only with the Borrower and the executing agency, e.g. NHA.

4.5 Conclusion

ADB like other MDBs has been subjected to public scrutiny with regard to its compliance with international human rights standards as well as the CLS. In response to these external pressures the bank fully committed to the CLS in its 2001 Social Protection Strategy. Yet, it failed to integrate them fully in its internal policies, Safeguard and Operations Manual, this has, as we have evidenced in the context of the M-4 project, diminished the practical relevance of the original commitment in favour of the CLS. The interviews conducted with workers involved with the M-4 project have shown that the spirit and letter of the CLS have been partly disregarded during the implementation of the project. Moreover, the systematic recourse to informal work on the construction sites limits substantially the ability of workers to organise collectively and bargain with their employers. It also heightens the risk of other CLS violations, such as the recourse to child labour or forced labour. In any case, it seems the ADB has not been strictly monitoring the compliance of the Borrowers with the labour rights obligations enshrined in its loan agreements. While ADB is imposing extensive reporting obligations on the Borrower for certain issues (environmental impacts, resettlement policies), it does not extend them to labour rights. The findings of this report underline the need for a much more extensive monitoring of labour conditions in ADB projects. Moreover, at the time of writing, ADB still lacks a specific department dealing with issues connected to violations of labour rights in the projects it finances. In fact, the Global Union Federations (GUFs) have been proposing a labour desk in the ADB for several years now without success.¹⁸³ Our conclusions with regard to ADB's insufficient concerns for the respect of CLS on the working sites of the projects it finances are in tune with prior research done on the matter.¹⁸⁴

Finally, we believe it can be legitimately argued that ADB as an MDB is subjected to international human rights, either directly or indirectly (through the commitments of its Member States). In fact, this is the unanimous position endorsed by the U.N. Human Rights Council when it supported the UNGPs in 2011 (including Principle 10 on the duties of states when acting as members of multilateral institutions that deal with business-related issues). In any event, the minimum expectation with regard to ADB's human rights responsibility should be the one enshrined in the second pillar of the UNGPs: The responsibility to respect human rights. Indeed, it would be incoherent to see MDBs (due to their status as international organisations) escape the arguably limited human rights responsibility expected from businesses under the UNGPs, while being also exempted from the human rights obligations applicable to states. Hence, ADB should at least "avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved" (UNGP 11). This would imply that the Bank adopts a policy commitment to meet its responsibility to respect human rights (including the CLS), puts in place a human rights due diligence process to identify, prevent, mitigate and account for how it addresses its impacts on human rights, and

183) GUF/FNV, Engaging with Asian Development Bank for Workers Rights : A Trade Unions Guide to Understanding ADB, 2012.

184) Ibid.

introduces processes to enable the remediation of any adverse human rights impacts it causes or to which it contributes (UNGP 15). Currently, the ADB lacks a proper human rights due diligence process covering the CLS and therefore fails to meet the minimum expectations enshrined in the second pillar of the UNGPs. It is high time for ADB to take its human rights, and labour rights, responsibility seriously by introducing solid human rights due diligence policies and by using its leverage on its partners, specifically its Borrowers, to mitigate the potential human rights risks and violations arising in the context of the projects it finances.

References

- Patricia Armstrong, Human Rights and Multilateral Development Banks: Governance Concerns in Decision Making, *Proceedings of the ASIL Annual Meeting*, 88, 277-282.
- Peter Bakvis, 'The World Bank's Doing Business Report: A last fling for the Washington Consensus?', *Transfer: European Review of Labour and Research*, 15, 3-4, (419), (2009).
- Peter Bakvis and Molly McCoy, Core Labour Standards And International Organizations: What Inroads Has Labour Made?, *Friedrich-Ebert-Stiftung, Briefing Papers N° 6/2008*.
- Robert G. Blanton, Shannon Lindsey Blanton, and Dursun Peksen. 'The Impact of IMF and World Bank Programs on Labor Rights', *Political Research Quarterly* 68, no. 2 (2015): 324-36.
- Andrew Byrnes, 'The Asian Development Bank and the Role of Human Rights in the Pursuit of Just and Sustainable Development in the Asia-Pacific Region: An Advocacy Role for Australia?' (2011) 19 *Australian Int'l L J*, 8.
- Andrew Clapham, *Human Rights Obligations of Non-State Actors*, Oxford University Press, 2005.
- Leonardo A Crippa, 'Multilateral Development Banks and the Human Right Responsibility' (2010) 25 (3) *American University Int'l L Rev* 531.
- Mac Darrow, *Between Light and Shadow: The World Bank, the International Monetary Fund and International Human Rights Law*, Hart Publishing, 2003.
- Franz Christian Ebert, Labour Standards and the World Bank. Analysing the Potential of Safeguard Policies for Protecting Workers. In: Gött H. (eds) *Labour Standards in International Economic Law*. Springer, 273-304.
- Sanae Fujita, *The World Bank, Asian Development Bank and Human Rights: Developing Standards of Transparency, Participation and Accountability*, Edward Elgar Publishing 2013.
- Sigrun Skogly, *The Human Rights Obligations of the World Bank and the International Monetary Fund*, Cavendish Publications, 2001.
- Willem Genugten, Paul Hunt and Susan Matthews (eds), *World Bank, IMF and Human Rights*, Wolf Legal Publishers, 2003.

PART II

From CSR Seminar to Sweatshop:
*Detecting North Korean Forced Labour in
Textile Supply Chains*

Executive Summary

Situated on the Sino-DPRK border, the Chinese city of Dandong has been witness to close ties between the two countries at both the level of government policies and of individual businessmen and traders in the last few decades. The intensity of exchanges on the ground has not always held steady, however, and has been affected by events such as China's normalising of relations with South Korea or the execution of Jang Song Thaek, who was a key figure in the economic relationship. Ebbs and flows notwithstanding, it is reasonable to say that the relationship has expanded from small-scale, localized operations to becoming incorporated at the scale of China's provincial and even national economic strategy.

Against this backdrop, sending goods to North Korea for export processing took off around 2013 in China's garment industry. This refers to a practice where raw materials or unfinished products are sent abroad to be assembled then re-imported, and it expanded as China witnessed a decline in productivity and competitiveness as the cost of employing workers in the textile industry domestically went up.

In terms of Corporate Social Responsibility (CSR) for European companies, the practice introduces concerns about supply chain transparency. Goods produced via export processing do not necessarily carry a "made in North Korea" label, even if most of the manufacturing process took place there. In order to investigate whether and to what extent North Korean factories might feature in the supply chain of European fashion brands, the research team pursued the following methodology:

Publicly disclosed supplier lists were used to come up with an initial list of Chinese companies that supply to European brands. This information was used as a starting point for a comprehensive examination of China customs data. This was accomplished through the Panjiva platform, which allows the search and filter of shipping records using various parameters such as by HS Code and date range, in addition to by company name or destination and departure countries. The results were used to produce case studies of Chinese companies that supply to major European brands while engaging North Korea workers in the manufacture process, whether directly or indirectly.

In addition to export processing, employing North Koreans to work in garment factories in China is no less a cause for concern. Although assignment abroad for North Koreans workers is generally voluntary, they cannot negotiate the terms and conditions of their employment, do not get freedom of movement and have their documents confiscated, have much of their pay withheld, and continue to be subject to the DPRK's surveillance system. They also lack mechanisms with which to claim rights.

Aside from concerns relating to sanctions on the DPRK, the variously documented exploitative practices and lack of accountability surrounding North Korean labour rights provide ample reason to seek more transparency on the issue of North Korean workers in the supply chain.

Introduction

This report presents empirical research on the Democratic People's Republic of Korea, which despite the plethora of publications devoted to the DPRK is still in rather short supply. It can be considered the third such study we have published, after *Slaves to the System* (2016) and *People for Profit* (2018).

The garment industry is of great importance to the DPRK. Estimates vary, but the hard currency the garment industry brings into the country, either by sending North Korean workers to textile factories abroad, or by accepting outsourcing assignments from China, is generally considered to be vital to the maintenance of the DPRK regime. As such, paragraph 16 of resolution 2375 by the UN in September 2017 must have been an unpleasant surprise for Pyongyang: "The DPRK shall not supply, sell or transfer, textiles (including but not limited to fabrics and partially or completed apparel products). All Member States are required to prohibit the procurement of such items from the DPRK by their nationals, or using their flag vessels or aircraft, whether or not originating in the territory of the DPRK."

The story of this report is contained in this short excerpt from the UN sanctions. This particular sanction was levied because of the economic importance of the garment industry for Pyongyang: sanctioning this vital industry, it was thought, would lead to a more malleable DPRK stance (and this reasoning may have been correct). While its economic importance undoubtedly drew the sanctions, the garment industry in the DPRK also functioned as a rather disingenuous way to maintain Pyongyang's relations to the international world. Outsourcing to the DPRK has long been a popular if hidden way of doing business. And member states are not always interested in prohibiting the procurement of garments from the DPRK.

The networks we have analysed in this report underline the importance of "textiles (including but not limited to fabrics and partially or completed apparel products)" in this process. In the last few years, this report establishes, garments worth hundreds of millions of dollars traversed the border between North Korea and China, usually raw materials from China to North Korea and finished products (back) to China from North Korea. The analysis of these networks, which may just be the proverbial tip of the iceberg - more research is needed, deepen our understanding of the multivalent relationship between China and North Korea, but it also complicates our understanding of North Korea's economic dependence on its powerful neighbour. If export processing to the DPRK occupied or occupies a significant part of the trading activities between the two countries, what does this mean for the often cited very high percentages of China's part in the DPRK's total trade volume? Sending raw materials one way and finished products back the other way is also an economic activity, to be sure. It is just not the kind of economic activity that we perhaps expect in the PRC-DPRK dynamic, where the dependent position of the DPRK is often emphasised. Outsourcing as we have described and analysed in this chapter cannot be categorised as the DPRK receiving economic or other favours from Beijing. Quite the opposite, one can imagine that if outsourcing is no longer possible, the Chinese factories would hurt as much as the DPRK ones. The process to the extent that we have been able to reconstruct it seems much more balanced in its internal hierarchy.

This report is not just a report on the garment industry and the DPRK. It is also a study that takes seriously the region in which the research was done. Dandong and

the surrounding region have been a place of interaction (both positive and less so) for at least a millennium: the medieval Koryŏ state on the Korean Peninsula and states in what is now Northeast China already used it as an international market (at times also as a fortified position to withstand invasions from abroad. Mostly, however, it played the role it still plays: a place of exchange, sensitive to the political currents of the day, but never subservient to it. The large amount of smuggling still going on in spite of the sanctions regime imposed on the DPRK should tell us as much. As such, we have done our best to contextualise the trade patterns in the practices and history of the region and its inhabitants. Its inhabitants in the PRC, the ethnic Korean Chinese Chosŏnjok who play an important role as middlemen for example, but certainly also the inhabitants of North Korea, who slave away in sweatshops at home or abroad without earning much of anything.

CHAPTER 1

Dandong, the DPRK, China, and Labour

Our case study focuses on Dandong, a Chinese city situated on the border between China and North Korea. The aim of this chapter is to provide some background on the historical and local context of this unique city, as well as on the Sino-North Korean relationship as a whole. Sources for this chapter are primarily textual, including academic studies, media articles, NGO reports, and governmental documents and other official sources of information.¹⁸⁵

1.1 Historical Context

A city by the Yalu River, Dandong borders Shinŭiju 新义州 in North Korea and is, today, the largest border city in China. It is part of Liaoning province which, along with the neighboring Jilin and Heilongjiang provinces, is referred to as one of the “Three Northeastern Provinces 东北三省” or simply “the Northeast 东北”. Because of its geographical proximity to the Korean peninsula, its interactions with it date back centuries, to well before the founding of the modern states of the People’s Republic of China and the Democratic People’s Republic of Korea.

As a result of the Japanese occupation over Korea, waves of Korean immigrants moved to the Northeast between 1910 and 1930 as refugees or forced labourers. Significantly, this included the families of Kim Il-sung (Kim Ilsŏng), the first leader of North Korea and the grandfather of Kim Jong-un (Kim Chŏngŭn). Following Japan’s defeat, the newly created Chinese and North Korean states established an agreement whereby Koreans who chose to remain in China received Chinese citizenship. These people, as well as earlier migrants, are known today as the Chinese ethnic Koreans (*Chosŏnjok* 朝鲜族), who predominantly live in Jilin and Liaoning; many of them have familial connections with North Korea.¹⁸⁶ A parallel population exists in the ethnically Chinese North Koreans (*Hwagyo* 화교), who left China to seek a new life in North Korea. These two groups of intercultural populations use their familial ties and language abilities to act as intermediaries between the two countries, and many trade companies based in Dandong are run by individuals from one of these groups.¹⁸⁷

In the modern period, Dandong is known as a battle site of the Korean War, and a common epithet used to describe the city is “the city of heroes, baptized by the fires of war” (被战火洗礼的英雄城市). Several monuments stand testament to this history and

185) This last category presents a challenge. According to a report published by the Chinese National Audit Office in 2016, Liaoning has exaggerated various economic statistics for the years 2011 to 2014 by an estimated 20% in order to show growth. Taking this into account, this report does not take the figures as firm numbers, but rather as a general indication of trends in adherence to particular Chinese political contexts. See: He Yong, ‘陈求发：我们顶着压力挤压数据造假的水分-中国法院网’ (Chen Qiufa: Women Dingzhe Yali Jiya Shuju Zaojia de Shuifen - Zhongguo Fayuanwang), *China Court*, 17 January 2017, <https://www.chinacourt.org/article/detail/2017/01/id/2516250.shtml>.

186) Enze Han, ‘Emigration and Fragmentation of the Chinese Koreans’, in *Contestation and Adaptation: The Politics of National Identity in China* (Oxford: Oxford University Press, 2013), 65–86.

187) Sung-Cheol LEE et al., ‘북중 접경지역 단동의 대북 생산네트워크의 예외적 성격 (Exceptional Characteristics of Cross-Border Production Networks in Dandong, North Korea-China Border Region)’, *한국경제지리학회지* 20, no. 3 (2017): 329–52.

emphasize the close connection between Dandong and its neighbour. The city is home to the only museum of the conflict in China—namely the “Memorial of the War to Resist US Aggression and Aid Korea”¹⁸⁸—and the American-bombed “Yalu River Broken Bridge” that once connected Dandong with North Korea stands as a nationalistic tourist attraction. This bridge stands next to the “Sino-Korean Friendship Bridge”, finished in 1943, which remains one of the few ways via which to enter into North Korea overland.¹⁸⁹

In these ways, Dandong appears to be a tangible proof of the Sino-North Korean relationship, commonly described as “as close as lips and teeth”. There is some basis for this analogy. The two states shared common enemies both during the Korean War and the course of the Cold War; the “Sino-North Korean Mutual Aid and Cooperation Friendship Treaty”, signed in 1961, stipulates friendship and economic cooperation between the two countries. Having renewed automatically in 2001, it remains in effect until 2021. Both sides have reasons to foster close relations: for North Korea, China is the only remaining potential financier, especially after the collapse of the Soviet Union; for China, North Korea occupies a vital geostrategic position, resulting in a delicate balance that China has no urge to rock.¹⁹⁰ The presence of two million ethnically Korean Chinese in the borderlands between China and North Korea further complicates the situation.

The relationship is not without problems though. Relations soured when China normalized diplomatic ties with South Korea in 1992, although China still offered support to North Korea during the famine of the 1990s. Chinese investments increased significantly between 2003 to 2006, followed by what seemed a high point in the Sino-North Korean economic relationship around 2009. After the death of Kim Jong-il (Kim Chŏngil) in 2011, China worked to buttress North Korea’s stability during the transition of power to Kim Jong-un,¹⁹¹ who visited China in August 2012 to reaffirm closer bilateral ties. Subsequently, the visit to China by Chang Sŏng’aek—then the point man in the North Korean regime for trade with China—regarding the Rasŏn and Hwanggŭmp’yŏng economic zones (which border Dandong) suggested a future increase of economic activity.

However, under Xi Jinping’s leadership from November 2012, China began taking a tougher stance with regards to North Korea, as evidenced by China’s participation in UN sanctions in 2013 and the suspension of illegal North Korean banking activities within China. Although Kim Jong-un has subsequently reaffirmed the friendship between the two countries, the sudden execution of Chang Sŏng’aek in December 2013 put an end to prior economic plans and all but destroyed the China-friendly factions in Pyongyang.

In short, the relationship between Beijing and Pyongyang is based on personal diplomacy and given to sudden changes. Partly because of sanctions, these fluctuations are also reflected economically, a relationship that is especially clear when considering Dandong City.

188) ‘抗美援朝纪念馆 (官网)’, accessed 22 March 2019, <http://www.kmycjng.com/>.

189) This bridge was formerly called the “Yalu River Bridge”, and was renamed in 1990.

190) Scott Snyder, *China’s Rise and the Two Koreas: Politics, Economics, Security* (Boulder, Colorado: Lynne Rienner Publishers, 2009), 109; Jae Ho CHUNG and Myung-hae CHOI, ‘Uncertain Allies or Uncomfortable Neighbors? Making Sense of China–North Korea Relations, 1949–2010’, *The Pacific Review* 26, no. 3 (July 2013): 243–64, <https://doi.org/10.1080/09512748.2012.759262>.

191) Shi Yinhong, ‘Painful Lessons, Reversing Practices, and Ongoing Limitations: China Facing North Korea since 2003’, in *China and North Korea: Strategic and Policy Perspectives From A Changing China*, ed. Carla P. Freeman (New York: Palgrave Macmillan, 2015), 17–36.

1.2 Dandong's Economy

Faced with a politically fickle climate, Dandong's economic prospects have nonetheless steadily improved over the last decades, through which its northern neighbour has always been an important point of reference.¹⁹²

Beginning in the 1990s, Dandong underwent a series of urban developments which included the development of several economic zones,¹⁹³ including the Qianyang Outdoor Sportswear Economic Zone, an area that supposedly employs North Koreans and which is further discussed in Chapter 3.¹⁹⁴ In 2007, Dandong was included in the new "Five Point One Belt" plan, which involved developing industrial zones in several coastal cities in Liaoning. The mayor at the time was quoted saying: "Dandong is the only one that is both port and border city in the economic belts. Our unique geographic position means we can explore international shipping routes and develop border trade with the Democratic People's Republic of Korea."¹⁹⁵ In 2011, China and North Korea agreed to develop a free trade zone on Hwanggŭmp'yŏng, a small island between Dandong and Shinŭiju that belongs to North Korea. The Chinese government also funded the "Yalu River New Bridge", completed in 2014. However, following the execution of Chang, these projects appeared to have stalled. Hwanggŭmp'yŏng is undeveloped, and the New Bridge remains unconnected on the North Korean side.¹⁹⁶

Two sets of data provide some insight into North Korean trading activities.¹⁹⁷ The first is from the Liaoning provincial census, which indicates that "petty trade in the border areas"¹⁹⁸ doubled from USD 500 million in 2009 to USD 1 billion in 2012.¹⁹⁹ These figures are accompanied by a set of statistics from the Chinese Ministry of Culture and Tourism, which record the numbers of foreign visitors, separated by country and further subdivided by purpose of entry, method of transport, and age and gender.²⁰⁰

192) Although Dandong today boasts a population of 2.39 million, it was still sparsely populated and rural in the 70s and 80s, while Shinŭiju was the more urbanized and prosperous city. Trade between the two areas stretches back to 1958, when an agreement was signed between China and North Korea. While the Cultural Revolution put a stop to trade in 1970, it was continued in 1982. Trade was often facilitated by the aforementioned presence of family-based trade networks. See Christina H. Kim and Juwon Kang, 'Reworking the Frame: Analysis of Current Discourses on North Korea and a Case Study of North Korean Labour in Dandong, China', *Asia Pacific Viewpoint* 56, no. 3 (2015): 392–402, <https://doi.org/10.1111/apv.12107>.

193) Christina Kim, 'From Security to Speculation: An Ethnography of Economic Activities Along the Border of China and North Korea' (The New School, 2016), 13.

194) '前阳户外运动服装产业园 (Qianyang Huwai Yundong Fuzhuang Chanyeyuan)', 丹东市招商局, 9 February 2017, <http://zhaoshang.dandong.gov.cn/html/80/20172/b8c37e33defde51cf91e1e03e51657da.html>.

195) Song Lijun, "'Five Points, One Line' Strategy Guiding Light for Liaoning", *China Daily*, 9 March 2007, http://www.chinadaily.com.cn/cndy/2007-03/09/content_823163.htm.

196) Sue-Lin Wong, 'Bridge to Nowhere Shows China's Failed Efforts to Engage North Korea', *Reuters*, 11 September 2016, <https://www.reuters.com/article/us-northkorea-nuclear-china-idUSKCN11H05F>.

197) Both can be found in full at the end of the chapter.

198) Defined in 1996, this category enables corporation with the appropriate licence to trade with neighbour countries without taxes on most items, up to a certain amount: RMB 1,000 per person per day in 1996; later amended to 3,000 in 2002. See: General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China, '国务院关于边境贸易有关问题的通知 (Guowuyuan Guanyu Bianjingmaoyi Youguan Wenti de Tongzhi)', 3 January 1996, http://www.aqsq.gov.cn/xxgk_13386/jgfl/tgyws/200610/t20061027_9715.htm.

199) It remained around this figure until 2015, when the figure dropped to USD800 million. As this is roughly a 20% decrease, it is likely that this reduction is based on the recalculation of inflated statistics starting from 2015, as mentioned above.

200) Because the statistics are based on the total number of entries, they do not reflect the total number of individual North Korean in China during a given year. A high number could indicate individuals repeatedly crossing borders, which nonetheless indicates a high degree of activity between the two countries. Again, as these statistics are official numbers, these numbers naturally do not include those that entered China illegally or whose passages



As these statistics indicate, there was a substantial growth of visitors from around 2011, mainly in the “Business” or “Worker” categories, indicating increased economic interactions that correspond with the development of various economic zones as mentioned earlier. At its peak in 2013, the number of visitors was almost double that of 2006. The corresponding set of data on “Mode of Transport” further indicates that during the period between 2011 and 2015, a rising number of visitors was found in the categories of “Rail” and “Motor”. This suggests more North Koreans passing through Dandong, which is connected to North Korea by rail and road. Finally, there is also a higher percentage of women entering North Korea—from around 11% in 2006 and peaking at 23% in 2013—an important detail since the textile industry predominantly hires women. Together, these two statistics indicate an increase in trade with North Korea, as well as in the number of North Koreans entering China as economic connections between the two states grew closer. As shall be seen in the following chapter, economic benefits are featured significantly in the practice of export processing.

Today, the Dandong city government continues to boast that it hosts 70% of all Chinese trade with North Korea.²⁰¹ It appears that Dandong will continue to play an important role in future Chinese plans: according to a governmental outline in 2018, North Korea is considered an important trading partner in the Belt-Road Initiative framework, as part of the “Northeast Asian Economic Corridor”, with Dandong as an important centre for facilitating connections. In short, the trade relationship between the two states has expanded from small-scale, localized operations to the scale of provincial and even national economic strategies.

1.3 An International Trade

The border between Dandong and Shinŭiju, then, is more porous than might be expected given North Korea’s moniker as “the Hermit Kingdom.” North Korean businessmen and workers can be seen around the city, while hundreds of Chinese trading companies facilitate trade across the border,²⁰² many of them run by Chinese ethnic Koreans. Tour-

were not recorded.

201) ‘丹东概况 (Dandong Gaikuang)’, Dandong City Government, 5 May 2017, <http://www.dandong.gov.cn/html/23/20175/102a8d3be2fe5614.html>. It is unclear if this claim is still valid after the 2017 sanctions.

202) Yang Danxu, ‘丹东中朝边贸游走于黑白之间 (Dandong Zhongchao bianmao youzou yu heibai zhijian)’,

ists from China and further abroad come to Dandong as the gateway into a ‘mysterious kingdom’, while vendors promote cheap North Korean goods or tours along the Yalu River for a glimpse across at the forbidden riverbank. Failing this, tourists can visit a restaurant located in Koreatown and be waited on by genuine North Korean attendants, who also perform song and dance routines.

Yet the trading is not limited to that between China and North Korea. Before 2010, Dandong also hosted a number of South Korean businessmen who congregated around another Koreatown, although they tended to meet North Koreans in private due to the laws of both countries forbidding them to interact freely with each other.²⁰³ In fact, as the South Korean academic Juwon Kang argues, the interaction between nationals from all three of these countries is an important aspect of this border trading.²⁰⁴ Periodically, when the DPRK seems to be on the verge of “opening up” to the world, businessmen from abroad or other parts of China swarm to the city to prepare to take advantage of an untapped market. Most recently, this occurred in the months around the Xi-Kim summit in March and the Trump-Kim summit in June, leading to spikes in local housing prices. According to locals, however, such sudden fluctuations in interest are usual for the city, with many investors ending up disappointed.²⁰⁵

As these details suggest, business with North Korea is inherently unstable for a number of reasons: the country’s unique political positioning, its strict control of its citizens, and the weak regulations related to capitalistic ventures. Stories of Chinese traders who lose their money in scams or broken contracts are common. Successful traders must therefore rely on personal networks, rather than on legal protections or on formalized relationships, but even this can be affected rapidly. One business, for example, lost its relationships after the execution of Chang. Global politics may also pose sudden obstacles.²⁰⁶ In 2010, for example, South Korea imposed sanctions against North Korea due to the sinking of the ROKS *Cheonan*. As a result, previously legal goods were made illegal overnight, and many businessmen went bankrupt. By 2014, the number of South Korean businessmen in the area had dwindled to around 1000,²⁰⁷ while South Korean textile companies with factories in Dandong had decreased from eleven in 2012 to four in July 2017.

The fate of Chinese businesswoman Ma Xiaohong is similar and indicative. The owner of trading company Dandong Hongxiang and its numerous subsidiaries, she was a public and successful benefactor of the Chinese-North Korean trade in Dandong. That was until the United Nations Security Council imposed sanctions in 2016 in response to North Korean nuclear weapons testing, and her company was found to be involved in the manufacture of North Korean nuclear weapons. Criminal charges were filed against her by the United States Justice Department, after which a separate Chinese investigation was

早报, 20 June 2018, <https://www.zaobao.com.sg/znews/greater-china/story20180620-868568>.

203) Kim, ‘From Security to Speculation: An Ethnography of Economic Activities Along the Border of China and North Korea’, 122.

204) Juwon KANG, ‘The Chinese City Of Dandong as the Center of Trade for Three Nations: an Analysis of the Role and Condition of the Trade Intersection between Sino-North Korea and North and South Korea’, *The Journal of Modern China Studies* 14, no. 2 (2013): 281–318.

205) Teng An, ‘丹东五月天:‘彪子’来了,‘彪子’走了?’ (Dandong Wuyuetian: Biaozi Laile, Biaozi Zoule?), 29 May 2018, <https://www.wenlc.com/weixin/20180530A1FGMJ00.html>.

206) Yang Danxu, ‘丹东中朝边贸游走于黑白之间 (Dandong Zhongchao bianmao youzou yu heibai zhijian)’.

207) Kim, ‘From Security to Speculation: An Ethnography of Economic Activities Along the Border of China and North Korea’, 101–2.

launched against her.²⁰⁸ Several of her businesses closed, and her whereabouts remain unknown.²⁰⁹ The case, as political commentators pointed out, was another sign that China was taking a harder line towards North Korea; yet it has since, again, softened.²¹⁰

Nevertheless, the same case also demonstrated that sanctions were being, and could be, bypassed. Investigations into Ma's businesses, aided by the Panama Papers, revealed a series of offshore companies that was used by Dandong Hongxiang to bypass the 2009 sanctions against the North Korean bank.²¹¹ For skilled traders operating in Dandong, the sanctions are a temporary obstacle or can be maneuvered around. In any case, it is clear that Chinese trade with North Korea is an inherently unstable business: full of potential, but subject to the rhythms of geopolitics.

1.4 Conclusion

In international media, discussions of North Korea generally occur in geopolitical contexts, where North Korea appears as an ideological enemy and a threat to global stability. While this image is certainly not undeserved, it is important to realize the different contexts in which to consider the state of affairs. To residents of Dandong, for example, North Korea is a neighbour quite literally a stone's throw away, connected by decades if not centuries of economic and personal ties. To the Chinese state, North Korea is at least nominally an ally and an important part of its future strategies, although it can sometimes prove difficult to manage. To business people—both Chinese and international—North Korea represents a potentially lucrative and untapped market, either on the verge of opening up or, as we aim to demonstrate in this report, already bringing significant economic benefits.

What is common across these contexts is the inescapably politicized nature of engaging with North Korea, no doubt exacerbated by a lack of protections regarding the private sector in the country. This is clear when considering state actors, but it also applies to individuals doing business with North Korea. As the case of the South Korean businessmen demonstrate, trading with North Korea is distinctly subject to the rhythms of geopolitics; fortunes can be lost overnight by nuclear testing and international sanctions. On the other hand, as the Ma Xiaohong case shows, dealing with geopolitical obstacles can also be part of the businessman's game: a risk to be managed, navigated, and overcome. What remains constant is the opportunity to make money, often predicated upon either the North Korean need for certain products, or upon the export of its most valuable resource: human labour.

208) Michael Forsythe, 'U.S. Says Chinese Executive Helped North Korea Dodge Sanctions', *The New York Times*, 27 September 2016, <https://www.nytimes.com/2016/09/28/world/asia/china-north-korea-sanctions-ma-xiaohong.html>.

209) Steven Lee Myers, 'Businesswoman's Fate a Test of China's Resolve on North Korea', *The New York Times*, 10 January 2018, <https://www.nytimes.com/2018/01/10/world/asia/north-korea-china-trade-ma-xiaohong.html>.

210) Myers.

211) Forsythe, 'U.S. Says Chinese Executive Helped North Korea Dodge Sanctions'.

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

	Purpose					
	Total	Meeting/ Business	Sightseeing	Visiting	Worker & Crew	Others
2006	110095	26926	5350	1539	50764	25516
2007	113674	20605	7922	294	54183	30670
2008	101824	18266	4869	685	46811	31193
2009	103900	19400	4100	300	52100	28000
2010	116400	25300	4300	400	53900	32400
2011	152300	39000	4600	100	75300	33000
2012	180600	55200	4500	200	79600	41100
2013	206600	55100	2900	300	93300	55000
2014	184400	33900	1500	100	89100	59700
2015	188300	25900	1500	100	94200	66700

North Korean entries into China. Source: Chinese Ministry of Tourism.

Liaoning Province Trade Data									
	2009	2010	2011	2012	2013	2014	2015	2016	
Border - Export	36969,0	40559,0	49456,0	63124,4	73051,4	79353,8	62105,4	60154,4	
Border - Import	14353,0	13954,8	31727,0	37091,0	31443,3	21110,6	19794,3	14769,8	
Total	51322	54513,8	81183	100215,4	104494,7	100464,4	81899,7	74924,21	
Export Processing - Export	517	286,7	54	0,0	1,3	53,3	1370,9	3283,8	
Export Processing - Import	66	33,4	27	0	0	68,9	1699,8	4388,6	
Total	583	320,1	81	0	1,2908	122,2	3070,7	7672,409	
Unit: 10,000 USD									

Liaoning Province Trade Data. Source: Liaoning Provincial Census, 2012 and 2017.

CHAPTER 2

Export Processing via North Korea

This chapter first provides an overview of export processing, including what it consists of and the actors involved. With this background established, we proceed to case studies of networks in Dandong that demonstrably work with both North Korea and international brands, substantiated using the Panjiva platform.

Panjiva is a database of international trade information. It obtains customs records directly from governments including the United States, India, Brazil, and other countries in Asia, as well as Central and South America, and makes them easily searchable. Until 2018, it also received records from China. It is one of several database services that contain this information. It is widely used in both the public and private sector for research, including by universities, NGOs, investors, corporations, and government agencies.²¹² A comparative review of Panjiva and other trade information databases published by the Federation of American Scientists judged them to be generally reliable.²¹³

The fundamental unit of trade information contained in Panjiva is a Bill of Lading, a form that describes the contents and value of an international shipment that is used to calculate duties. Panjiva's data covers maritime shipments for the US, and maritime, air, and ground shipments for many other countries. It does not include military logistics, and some shipments have some fields redacted at the request of the data subjects. Panjiva processes its data to merge single entities, to connect fields like HS codes, and to correct likely mistakes, but the raw records are always also available. Panjiva also cross-references its trade data with statistical data from UN COMTRADE, a database of national-level trade statistics.

2.1 The Context

Cross-border trade flows

According to the United Nations trade statistics database UN COMTRADE,²¹⁴ North Korea imported some USD 1.74 billion in garments and textiles, mainly from China, in 2017—the latest year for which data is available. In the same year, North Korea exported garments and textiles totaling USD 3.42 billion, again, mainly to China. China is North Korea's largest trade partner, accounting for 94% of North Korea's import origins and 91% of export destinations.²¹⁵ A graphic summary of North Korea's trade partners is provided in *Figure 1*. Textiles and garments are North Korea's top category of imports, accounting for 23% of total imports. In exports, they are tied with mineral products at 34%. *Figure 2* shows the top product categories of North Korea's imports and exports.

212) 'S&P Global : Panjiva Supply Chain and Trade Data Now Available Over Xpressfeed', MarketScreener, 13 September 2018, <https://www.marketscreener.com/S-P-GLOBAL-INC-27377749/news/S-P-Global-Panjiva-Supply-Chain-and-Trade-Data-Now-Available-Over-Xpressfeed-27256490/>.

213) Matthew Godsey and Valerie Lincy, 'Tracking Proliferation through Trade Data' (Wisconsin Project, January 2017), <https://fas.org/wp-content/uploads/media/Tracking-Proliferation-through-Trade-Data.pdf>.

214) 'United Nations Commodity Trade Statistics Database', UN Comtrade Database, accessed 15 March 2019, <http://comtrade.un.org>.

215) Cesar A. Hidalgo and Alexander James Gaspar Simoes, 'The Economic Complexity Observatory: An Analytical Tool for Understanding the Dynamics of Economic Development', 2011.

Textiles and garments make up one of North Korea's largest connections with international supply chains.

In 2017, China exported over USD 95 billion just in finished garments and footwear to brands in the EU, US, Canada, Australia, and New Zealand. Compared to this, the cross-border trade in garments between China and North Korea is relatively small. China exported USD 6.14 billion in finished garments and footwear to the Netherlands in 2017, making it a significant market for Chinese garments.

Looking more closely, North Korea's top textile imports are synthetic filament yarn woven fabrics (26%), light rubberized knitted fabric (9.3%) and plastic-coated textile fabric (5.4%). Looking at its exports, the top product categories within textiles are non-knit men's coats (24%), non-knit women's coats (22%), and non-knit men's suits (18%). One reasonable hypothesis to explain these facts is that raw materials are being sent to North Korea from China to be manufactured into finished garments and sent back.

Export processing

Export processing, as understood and referred to in this report, describes a process whereby raw fabric is sent out to another country, manufactured into apparel, and returned to the original country for onwards shipping. In China, this process began in Dandong in 2013, in order to address problems in the Chinese garment industry.²¹⁶ The rise of the Chinese export-oriented garment industry began in the 1990s and boomed in the early 2000s, with its share in the global apparel export doubling from 15.2% in 1995 to 33.2% in 2008. This growth was driven by migrations of unskilled workers, predominantly young and females, from the western and central regions towards the coast where many factories are based. These workers earned low wages and faced hard working conditions, including extensive overtime—a ninety-hour work week was not uncommon.

Since the 2000s, however, a number of factors led to declining productivity, including an aging workforce, workers becoming more aware of their rights, and inflating costs. Migrant workers increasingly shifted to better-paying industries. As a response, factories began relocating to other parts of China, including the northeastern provinces, where production was cheaper and unskilled workers more readily available.

Addressing some of these issues, a press release in 2013 described export processing as a way to boost the local economy by “utilizing the advantageous labour resources of the neighbouring country”, in order to discourage local garment businesses from moving to Southeast Asia. From the onset, then, the practice of export processing centred around the garment industry. Five garment processing companies in Dandong were selected to serve as a trial with the first shipment, valued at USD 230,000, being sent out in August 2014 to be made into cold-resistant menswear.²¹⁷

A Chinese article dated to March 2015 features an interview with the general manager of one of the five companies, Dandong Huayang, who confirms that the operation was successful and that they had received more orders from an American client. The daily production rate of the factory was said to be able to reach over 150,000 pieces. In the same article, we are told that the number of factories involved in the plan was increased to nine (although names of the other factories are not given). The estimated

216) ‘丹东概况 (Dandong Gaikuang)’.

217) ‘辽宁首票出境加工货物顺利通关 (Liaoning Shoupiao Chujiangjiagong Huowu Shunli Tongguan)’; Dalian Customs District P.R. China, 11 September 2014, http://dalian.customs.gov.cn/dalian_customs/460673/460674/460831/index.html.

annual exported garment count would amount to some ten million, with an import/export value of USD 1 billion.²¹⁸

Statistics from the Liaoning yearbook confirm the enormous profits from this trade practice. The combined categories of import and export processing values were USD 12,908 in 2013, but grew drastically to USD 1 million in 2014 and USD 30 million in 2015. In 2016, the total trade value was USD 76 million, which then dipped to USD 58 million in 2017.²¹⁹ This growth is especially notable given the supposed statistical recalculation that begins in 2015. The practice is clearly lucrative, and must have significantly improved Dandong's economy.

The process of export processing generally begins with a request from a Chinese company or factory to a Chinese trading company. The trading company then contacts a North Korean party, providing them with raw materials and production instructions. After the clothing is made in a North Korean factory, it is sent back to the Chinese trading company, which supplies it to the requesting party.²²⁰ The trickiest part in this process is moving goods across the border. However, some of the Chinese trading companies are reported to have connections with custom control, while others employ custom clearance companies that specialize in getting goods across the border in the easiest and cheapest way possible.²²¹ This practice is popular in other border areas as well, such as on the border with Vietnam.²²² Local companies see it as way to promote exchange and lower the trade barrier,²²³ but it also opens up an easy way to avoid sanctions. After the 2017 UN sanctions, Chung et al. conducted a survey among twenty-six Dandong-based businessmen trading with North Korea, and asked them about the impacts on their work of political developments. Only eight of the participants said they would stop working with their North Korean partners, with most of the businessmen assuming the sanctions would affect only the trading volume.²²⁴ As discussed in the previous chapter, the Dandong trade is closely interconnected with North Korea such that directional change is not expected. Instead, the parties involved in the outsourcing process merely wait for the sanctions to be lifted and expect that North Korea will open up their markets more.²²⁵

Several actors are involved in this process, with the most important being the Chinese and North Korean trading companies, who work together to transport textiles and clothing between the two countries. In Dandong alone, 2,000 of these trading companies are registered and more than 500 of them do small trade, which is how export processing of garments in Dandong is categorized.²²⁶ Partnerships between a Chinese and

218) '出境加工让丹东服装企业重塑优势全球纺织网资讯中心', accessed 5 December 2018, <https://www.tnc.com.cn/info/c-013001-d-3512271.html>.

219) '辽宁统计年鉴 2018 (Liaoning Tongjijianjian 2018)' (Liaoning Bureau of Statistics), accessed 31 March 2019, <http://www.ln.stats.gov.cn/tjsj/sjcx/ndsjsj/otherpages/2018/zk/indexch.htm>.

220) LEE et al., '북중접경지역단동의대북생산네트워크의예외적성격 (Exceptional Characteristics of Cross-Border Production Networks in Dandong, North Korea-China Border Region)', 343.

221) Young-Kug JOH, '월경적상호작용과북중접경도시의발전: 중국랴오닝성단둥시를중심으로 (Cross-Border Interaction and Cross-Border City's Development in North Korea-China Borderland: A Case Study of Dandong, Liaoning, China)', *한국경제지리학회지* 20, no. 3 (2017): 318.

222) K. W. Endres, 'Making Law: Small-Scale Trade and Corrupt Exceptions at the Vietnam-China Border', *American Anthropologist* 116, no. 3 (2014): 611–25.

223) Ying Ge et al., 'Border Trade and Regional Integration', *Review of Development Economics* 18, no. 2 (2014): 300–312.

224) Su-Yeul CHUNG et al., '북중무역에서정체성저글링: 중국단둥소재조선족무역상을사례로 (Identity Juggling in the North Korea-China Trade: A Case Study of Korean Chinese in Dandong, China)', *한국경제지리학회지* 20, no. 3 (2017): 364.

225) CHUNG et al., 364.

226) LEE et al., '북중접경지역단동의대북생산네트워크의예외적성격 (Exceptional Characteristics of

a North Korean company are habitually built on many years of mutual trust, meaning the majority of export processing is done by a small group of interconnected businessmen.²²⁷ For bigger orders, the North Korean managers themselves are said to visit Dandong for negotiations.²²⁸ Most people working in the Chinese trading companies are Chinese ethnic Koreans, whose language skills enable them to smoothly direct the trade.

On the North Korean side, the textile industry has grown since the 1980s due to a rise of foreign demand for clothing.²²⁹ Local factories were represented by large trading companies, which created joint ventures with enterprises from Japan, China, and European countries such as Germany or the Netherlands.²³⁰ At present, there are more than fifteen large clothing exporting companies in North Korea that work with domestic factories to manufacture clothes for export.²³¹ The majority of this goes through Dandong for checkup and additional assembly, making it officially legal to use the label “made in China.”²³²

Overseas-based middlemen also bring international companies into the supply chain. GDI Consultancy, for example, is a company specializing in trade with North Korea and based in Rotterdam. They describe a process called “China plus one”, whereby an international company outsources their garment manufacturing to a Chinese company, who in turn outsources processes to an even cheaper country, benefitting both the international and the Chinese company. They claim that this form of export processing has become more and more popular over the years, as labour costs in China have increased.²³³ According to the company’s director, Paul Tjia, North Korean labour in the textile industry is cheaper than that in most other Asian countries and especially lucrative for more labour-intensive products.²³⁴ This is consistent with our findings, where North Korean labourers are often found working on clothing with complex designs such as outdoor wear.

In 2016, Australian surfing brand Rip Curl featured in a report by the Sydney Morning Herald for having their clothing made in North Korea, despite the “Made in China” labels. Rip Curl claimed that the responsibility lay with its Chinese subcontractors, stating also that it only learned of the issue after the garments had already been shipped to retail markets. Nevertheless, it apparently did not inform its consumers about the problem.²³⁵ The story was picked up again by Reuters in 2017, with a Korean-Chinese trader

Cross-Border Production Networks in Dandong, North Korea-China Border Region); 339.

227) CHI, Sang-Hyun et al., ‘접경지역변화의관계론적정치지리학: 북한-중국접경지역단동을중심으로 (A Relational Approach to Political Geography of Border Dynamics: Case Study of North Korea-China Border Region Dandong, China)’, 한국경제지리학회지 20, no. 3 (2017): 297.

228) LEE et al., ‘북중접경지역단동의대북생산네트워크의예외적성격 (Exceptional Characteristics of Cross-Border Production Networks in Dandong, North Korea-China Border Region)’, 341.

229) Kyu Hwa CHO, ‘北韓의衣類産業과衣生活文化研究 (A Study on the Apparel Industry and the Clothing Culture of North Korea)’, Journal of Fashion Business 5, no. 4 (2001): 167.

230) Wansöp SIM, ‘북한의대중의류임가공교역실태및전망 (The General Condition and Future Expectations of North Korea’s Clothing Toll-Processing Trade)’, 산업경제분석 (Korea Institute for Industrial Economics and Trade, December 2016), 91.

231) Paul Tjia, ‘Exploring New Business Opportunities: Garment Production in North Korea’ (GPI Consultancy, 2012), 1.

232) CHUNG et al., ‘북중무역에서정체성저글링: 중국단둥소재조선족무역상을사례로 (Identity Juggling in the North Korea-China Trade: A Case Study of Korean Chinese in Dandong, China)’, 364.

233) Tjia, ‘Exploring New Business Opportunities: Garment Production in North Korea’, 2.

234) Tjia, 2

235) Nick McKenzie and Richard Baker, ‘Surf Clothing Label Rip Curl Using “Slave Labour” to Manufacture Clothes in North Korea’, *The Sydney Morning Herald*, 20 February 2016, <https://www.smh.com.au/business/surf-clothing-label-rip-curl-using-slave-labour-to-manufacture-clothes-in-north-korea-20160220-gmz375.html>.

quoted as saying: “We take orders from all over the world” including the US, Europe, Japan, South Korea, Canada, and Russia, and “we will ask the Chinese suppliers who work with us if they plan on being open with their client—sometimes the final buyer won’t realize their clothes are being made in North Korea. It’s extremely sensitive.”²³⁶ As the following sections of our report show, we have come across several supply chains of reputable international brands being fed by networks that heavily rely on North Korean labour.

Chinese Networks

The research team created a master list of factories that are known to supply to international brands, drawing on publicly disclosed supplier lists and the Dutch Agreement on Sustainable Garments and Textiles. Next, we investigated these factories using a Chinese platform known as Qichacha, which pulls its information from Chinese corporate records. This was supplemented by information from company websites and trade listings, where available. Through this research, it became apparent that factories in Dandong tend to be clustered in networks and repeatedly feature a number of individuals who serve alternately as owners, executives, or investors for various factories or trading companies. Many of the factories and companies, while differing in name and standing as separate corporate entities, share the same address and contact. When looking at relationships, we have opted to treat such factories as being part of a network rather than as individual factories, because there can be cases where a factory that looks unrelated to North Korea at first glance, for example, happens to be owned by an individual that also owns a trading company specializing in trade with North Korea. The exact processes by which we have established connections between factories will be discussed in each individual case study.

With these networks established, we proceeded to investigate their trading patterns using the platform Panjiva, a tool for tracing global shipping information.²³⁷ Investigating the networks established in the previous step, we determined that many of them have definite manufacturing connections with North Korea. The general pattern goes as follows: Chinese factories send textiles and other raw materials (such as embroidery, buttons, or labels) into North Korea, and then receive the assembled garments from North Korea. The finished garments are then sent out to various buyers who can generally be identified, either directly through Panjiva or through other sources.²³⁸ Often, the Chinese factories are divided between several profiles and entries on Panjiva, sometimes because of their operating as networks as mentioned earlier.²³⁹ Occasionally, the same Chinese factory trades with North Korea under one name, and with international brands under another.²⁴⁰

236) Sue-Lin Wong and Philip Wen, ‘North Korea Factories Humming with “Made in China” Clothes, Traders Say’, *Reuters*, 13 August 2017, <https://www.reuters.com/article/us-northkorea-labour-china-insight/north-korea-factories-humming-with-made-in-china-clothes-traders-say-idUSKBN1AT00Q>.

237) Panjiva’s data range on China only extends to March 2018, as a result of the trade war between China and the US.

238) Panjiva lists the shipping address for imports to the US, but only the destination country for exports from China. Because of privacy laws, European buyers are also not named. This means that it is possible to identify buyers based in North America through Panjiva, but other connections were made through the brands’ own supplier list or other sources, which are detailed in the respective case studies below.

239) Panjiva also splits the records [see email chain/responses].

240) According to Panjiva, there may be overlapping data because Panjiva does not match shipments across datasets. In addition, multiple names of the same company is a result of how companies are reported on custom documents. Panjiva also recommended that the original Chinese name of the company is the most accurate data point to use, and that the English listings on Panjiva are not necessarily the most accurate. Private email corre-

It is possible to share some general observations at this stage. First, there is clearly an international dimension whose scope extends beyond the case studies described in this report. Certain Chinese companies appear to be operating as middlemen to companies based abroad: they import fabrics from a certain country to send them on to North Korea, then receive garments from North Korea to be shipped to the original country. We found examples connecting Japan and South Korea with these practices, although it was not possible to establish the identity of the buyers.²⁴¹

Second, there was a sharp decline in Sino-North Korean trade in January 2017. This period of time corresponds with the UN sanctions (Resolution 2321) of November 2016, in which China also took part; however, these sanctions were imposed on minerals, rather than on textiles. The sanctions covering textiles date from September 2017. While the ultimate reason for the observed date for decline in the textiles trade is unclear, it is reasonable to assume that Chinese companies were reacting to heightened Sino-North Korean tensions and accordingly cutting down on trade. Whether they were responding to governmental demands (official or unofficial) or acting on a pre-emptive and voluntary basis is unknown.

2.2 Empirical Data on the Chinese Company Networks

1. The Deng Feixiong Network

Company Profile

The common point of this network of factories is that they all involve an individual called Deng Feixiong 邓飞雄, who holds positions either as shareholder, CEO, or executive across various factories in the Dandong region.²⁴²

On one end of the chain is Dandong SLT (丹东新龙泰), which is listed as a supplier for Adidas in the brand's own transparency report (January 2019).²⁴³ Video footage from a Chinese news report additionally confirms they produce for Sketchers, an American footwear company, while the same report also mentions Polo Ralph Lauren.²⁴⁴ Deng Feixiong, named as a Singaporean in the same report, is the representative as well as vice president of this company. The factory is owned by a Hong Kong holding company, founded in 2007: SLT International Holding 新龍泰國際控股.²⁴⁵

Chinese customs data from Panjiva show significant numbers of exports to several countries, including the US (USD 35 million), Germany (USD 23 million), the UK

spondence with Panjiva representative Kristopher Freeman, 14 March 2019.

241) The Japanese case is a company called Dandong Yuhengyuan Economic And Trade Co., Ltd. 丹东裕恒源经贸有限责任公司. The South Korean case involves a company called Dandong Huari 丹东华衣贸易有限公司 or 丹东华瑞商贸有限公司, which appears to be a middleman between South Korea and North Korea. They are connected with another company, Dandong Xinlian 丹东市信联经贸有限公司, which claims to trade with North Korea on their webpage. Panjiva shows this latter factory importing clothes from North Korea, but only exporting machinery.

242) See Qichacha's listings: '邓飞雄 Deng Feixiong (1)', Qichacha, accessed 31 March 2019, https://www.qichacha.com/pl_p39c79f67c7678101571688a22524745.html; '邓飞雄 Deng Feixiong (2)', Qichacha, accessed 31 March 2019, https://www.qichacha.com/pl_p8a4e6df8f3d71b7af45811888deeff5.html; '邓飞雄 Deng Feixiong (3)', Qichacha, accessed 31 March 2019, https://www.qichacha.com/pl_p3cbb60aa6ddbe76670ab224811e35af.html. The duplication of records is common in Qichacha.

243) Adidas' Supplier List, https://www.adidas-group.com/media/filer_public/c8/26/c82652b9-c69b-49dd-924c-7d1d87865257/primary_suppliers_and_subcontractors_2019jan.xlsx. Accessed 31 March 2019.

244) '新龙泰服装在世界顶级运动品牌叫响丹_运动装备品牌_运动装备分类', accessed 15 February 2019, <http://www.pingguoyanan.com/ydzm/9511.html>.

245) 'SLT INTERNATIONAL HOLDING LIMITED', Hong Kong Companies Directory, 25 March 2019, <https://www.hkcompanydir.com/companies/slt-international-holding-limited/>.

(USD 8 million), Japan (USD 8 million), and Canada (USD 5 million). The Netherlands accounts for USD 3 million of the trade. (Figure 1). The US based customs data sources name Adidas and Sketchers as customers. As Adidas is headquartered in Germany, it can be assumed that at least some portion of the German shipments may be destined for Adidas.

Deng is also the representative as well as executive director of Dandong Dragon STD (丹东龙吉利). This factory was apparently established with the assistance of an Italian sportswear company called STD Reggiani. According to its website, this company opened Dandong Dragon STD in 2008 in order to expand production. The website describes this factory as: “located in the north of China, to the border with North Korea: and great productivity capacity for huge orders [sic]” S.T.D. Reggiani also owns a company called Eurasia DTA based in Kowloon, Hong Kong, charged with managing incoming orders.²⁴⁶

The same website features a number of major sportswear companies among their customers, including notable international brands such as Reebok, Arena, The North Face, Lamborghini, Puma, Kappa, Basics, and Nordica, as well as a host of Chinese domestic brands. However, none of these brands have shared their supplier list, except for Reebok and Arena, which are subsidiaries of Adidas.

North Korean connections and international shipments

Both Dandong SLT and STD are specifically named in a Chinese document as leading factories in the Qianyang sports outerwear economic zone in a China. According to a Chinese government document, this area is known for hiring large numbers of North Korean workers: reportedly around 2,000 out of 5,000 total workers.

Both Dandong SLT and STD are named as leading factories in this zone, and the brands serviced here includes Adidas, The North Face, Sketchers, and Ralph Lauren. While it is possible that these brands were supplied by other factories in the economic zone, specific overlaps with the STD Reggiani website indicates a strong connection between these factories and brands. Panjiva’s data on Dragon STD indicates that they ship to the US (USD 14 million), Canada (USD 900,000), and France (USD 300,000) as their top destinations (Figure 2).

In Chinese corporate records, however, STD Reggiani is not mentioned. Instead, another Hong Kong based company is identified as the investor, known as RND Fashion Limited in English and 新丰服装 or 新豐服装 in Chinese.²⁴⁷ This company has a page on Facebook, and one of its posts confirms their connection to North Korean trade. In addition, another photo from the company’s 2018 dinner party makes clear their connection with yet another factory in Dandong called Dandong Xinfeng 丹东新丰 or 新豐,²⁴⁸ of which Deng Feixiong is the CEO. This connection is also confirmed by Chinese corporate records.²⁴⁹ This factory is especially notable because it is one of the five factories

246) ‘Eurasia DTA, Hong Kong’, STD Reggiani, accessed 27 March 2019, <http://www.euasiadta.com/eurasia-dta.html?lang=en..> Accessed 31 March 2019.

247) 丰 is the simplified form of 豐, so these differences reflect the different forms of Chinese between China and Hong Kong. ‘丹东龙吉利服装有限公司 Dandonglongjili Fuzhuang Youxiangongsi’, Qichacha, accessed 31 March 2019, https://www.qichacha.com/firm_b8f1fb724b72765a872592504234af17.html.

248) “Xinfeng” is the phonetic reading of 新丰. Thus the factory and the Hong Kong company has the same name in Chinese, but not in English.

249) The Chinese corporate record names a company called 新豐服装有限公司 as the owner of Dandong Xinfeng. However, this is listed as a separate entry from RND Limited. Based on the mentioned connections, it seems reasonable to surmise that these are the same company, or at least closely related. It is possible that the mistake

that began export processing in 2013, as mentioned in Chinese media.²⁵⁰ This trade can be substantiated with Panjiva: between June 2014 and January 2017, the factory made a total of 865 shipments to North Korea, with a total value of USD 11 million. As *Figure 4* demonstrates, these consisted primarily of clothes and materials. The company also received USD 13 million worth of shipments from North Korea of various garments, mainly coats and anoraks (*Figure 5*). There are also suppliers of fabric from South Korea recorded (USD 1 million), perhaps suggesting a role as an intermediary to companies in South Korea (*Figure 6*). For the shipments to North America, identified buyers are Reitman, a popular clothing brand in Canada, and L And J, which has a listed address in California (*Figure 9*).

Conclusions

Dandong Xinfeng, to which Dandong SLT is closely related, was one of the first factories to begin export processing to North Korea. Panjiva confirms this process and furthermore identifies several countries to which numerous shipments have been made.

In addition, the presence of Hong Kong companies as investors is consistent with findings from previous reports, where North Korean companies were found to be connected through companies in Hong Kong.²⁵¹

Exports by country











Country	Value (USD)	% Share	Trend
All	\$131,310,271		sparkline
▶ United States	\$35,954,974		sparkline
▶ Germany	\$23,500,994		sparkline
▶ United Kingdom	\$8,067,086		sparkline
▶ Japan	\$8,004,428		sparkline
▶ Russia	\$6,665,991		sparkline
▶ Canada	\$5,142,944		sparkline
▶ United Arab Emirates	\$4,491,709		sparkline
▶ Hong Kong	\$3,521,735		sparkline
▶ Netherlands	\$3,288,127		sparkline
▶ Australia	\$3,025,507		sparkline

Figure 1: Dandong SLT's export.²⁵²

Exports by country












Country	Value (USD)	% Share	Trend
All	\$17,494,999		sparkline
▶ United States	\$14,869,395		sparkline
▶ Canada	\$903,246		sparkline
▶ France	\$340,660		sparkline
▶ Belgium	\$219,798		sparkline
▶ Hong Kong	\$199,501		sparkline
▶ Italy	\$192,626		sparkline
▶ Germany	\$181,784		sparkline
▶ Taiwan	\$124,488		sparkline
▶ Thailand	\$74,682		sparkline
▶ Czech Republic	\$57,610		sparkline

Figure 2: Dragon STD's export.²⁵³

arose from the confusion between 丰 and 豐. It is worth noting that such duplicated records also appear elsewhere on the website – Deng Feixiong, for example, is listed multiple times as separate entries even though the connections make clear they are one individual.

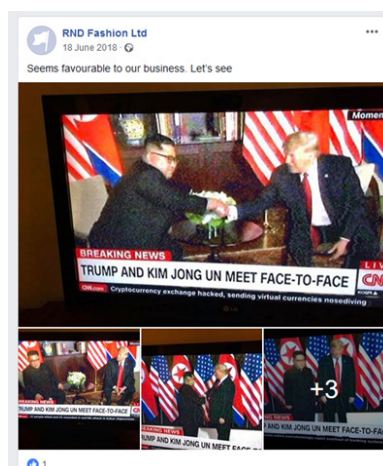
250) ‘丹东服企，逆境发展 (Dandong Fuqi, Nifeng Fazhan)’, 辽宁服装网, 17 April 2015, <http://www.lnfda.com/zixun/bendi/1360.html>.

251) Shannon R. Stewart, ‘DPRK Overseas Financial Networks’, in *People for Profit: North Korean Forced Labour on a Global Scale*, ed. Remco E. Breuker and Imke B. L. H. Gardingen, van (Leiden, The Netherlands: LeidenAsiaCentre, 2018), 120–25.

252) Dandong (Slt) Garment?Industry Company Limited, Liaoning, China | Supplier Report — Panjiva, accessed 29 March 2019, <https://panjiva.com/Dandong-Slt-Garment-Industry-Company-Limited/36118739>.

253) Dandong Long Garment Co., Geely, DANDONG CITY, LIAONING LIAONING PROVINCE | Supplier Report — Panjiva, accessed 29 March 2019, <https://panjiva.com/Dandong-Long-Garment-Co-Geely/15566741>.

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility



North Korea	128 unique hs code (6-digit) Collapse HS Codes (6-digit)	\$11,706,963.00 17.54%
North Korea	5407.69 Fabrics, woven; containing less than 85% by weight of non-textured polyester filaments	\$2,903,742.00 24.80%
North Korea	0505.10 Animal products; feathers and down used for stuffing, not further worked than cleaned, disinfected or treated for preserva...	\$793,482.00 6.78%
North Korea	5903.20 Textile fabrics; impregnated, coated, covered or laminated with polyurethane	\$695,476.00 5.94%
North Korea	9607.19 Slide fasteners; other than those fitted with chain scoops of base metal	\$694,347.00 5.93%
North Korea	5407.42 Fabrics, woven; containing 85% or more by weight of filaments of nylon or other polyamides, dyed	\$624,821.00 5.34%
North Korea	5601.22 Wadding; other articles thereof, of man-made fibres	\$404,655.00 3.46%
North Korea	5407.72 Fabrics, woven; containing 85% or more by weight of synthetic filaments (excluding nylon or other polyamides and polyester...	\$366,837.00 3.13%
North Korea	6117.90 Clothing; parts, knitted or crocheted	\$335,142.00 2.86%
North Korea	5407.92 Fabrics, woven; of synthetic filament yarn, dyed, n.e.c. in heading 5407	\$304,705.00 2.60%
North Korea	9606.10 Press-fasteners, snap-fasteners, press-studs and parts therefor	\$261,120.00 2.23%

Figure 3: Facebook screenshot.²⁵⁴

Figure 4.²⁵⁵

254) 'RND Fashion Ltd', Facebook, 18 June 2018, [https://www.facebook.com/permalink.php?story_fbid=2051898838171938&id=775406982487803&__xts__\[0\]=68.ARB1W-ZezBJ1FYXeUaDgQ5CEgy4l6h8eCocg-ZfV2j49h02uxkCmPZk9hKHDP1IHoMk1spIG4beJVOOEoxovq0tvjD8r4_5xprHUs_hp-AIT-KN_dN2jOHvx-GoH2Ayj-fpTcgPw-IVh046xlnpMNqk1O93lSEmIWzMiVJI8-4U-M2MSAJgQO4ApPjr15ow3YEg6MY3AE-HYPaiO2JNKqmLhawAVZWRsPGRig2C994Nhm02nLD5o1oFdWvKQSdwa3XiiELXFmPNMwjQfwe1mfqvdh-SKMbb31GgR7JxCTIaEWfLRURBc4am3-5r2NVa1nllVd4nKNgjI5Ceed5OTWU8-QrzZlg&__tn__=-R](https://www.facebook.com/permalink.php?story_fbid=2051898838171938&id=775406982487803&__xts__[0]=68.ARB1W-ZezBJ1FYXeUaDgQ5CEgy4l6h8eCocg-ZfV2j49h02uxkCmPZk9hKHDP1IHoMk1spIG4beJVOOEoxovq0tvjD8r4_5xprHUs_hp-AIT-KN_dN2jOHvx-GoH2Ayj-fpTcgPw-IVh046xlnpMNqk1O93lSEmIWzMiVJI8-4U-M2MSAJgQO4ApPjr15ow3YEg6MY3AE-HYPaiO2JNKqmLhawAVZWRsPGRig2C994Nhm02nLD5o1oFdWvKQSdwa3XiiELXFmPNMwjQfwe1mfqvdh-SKMbb31GgR7JxCTIaEWfLRURBc4am3-5r2NVa1nllVd4nKNgjI5Ceed5OTWU8-QrzZlg&__tn__=-R).

255) Dandong Fung Garment Co. Ltd, "Shipment Destination and HS Code (6-digit) Report" (Supplier)., accessed 29 March 2019.

-	North Korea	55 unique hs code (6-digit)s Collapse HS Codes (6-digit)	\$13,484,452.00 86.39%
	North Korea	6201.93 Anoraks (including ski-jackets), wind- cheaters, wind-jackets and similar articles; men's or boys', of man-made fib...	\$3,793,971.00 28.14%
	North Korea	6202.13 Coats; women's or girls', overcoats, raincoats, car-coats, capes, cloaks and similar articles, of man-made fibres,...	\$2,324,114.00 17.24%
	North Korea	6202.93 Anoraks (including ski-jackets), wind- cheaters, wind-jackets and similar articles; women's or girls', of man-made ...	\$1,959,462.00 14.53%
	North Korea	6210.40 Garments; men's or boys', n.e.c. in item no. 6210.2, of the fabrics of heading no. 5602, 5603, 5903, 5906 or 5907 ...	\$1,266,690.00 9.39%
	North Korea	6210.50 Garments; women's or girls', n.e.c. in item no. 6210.3, of the fabrics of heading no. 5602, 5603, 5903, 5906 or 59...	\$543,418.00 4.03%
	North Korea	6202.12 Coats; women's or girls', overcoats, raincoats, car-coats, capes, cloaks and similar articles, of cotton, other th...	\$357,406.00 2.65%
	North Korea	6204.33 Jackets and blazers; women's or girls', of synthetic fibres (not knitted or crocheted)	\$314,459.00 2.33%
	North Korea	6203.31 Jackets and blazers; men's or boys', of wool or fine animal hair (not knitted or crocheted)	\$238,202.00 1.77%

Figure 5.²⁵⁶

256) Dandong Fung Garment Co. Ltd, "Shipment Destination and HS Code (6-digit) Report" (Exporter), accessed 29 March 2019.

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

South Korea	18 unique hs code (6-digit) Collapse HS Codes (6-digit)	\$1,453,175.50 9.31%
South Korea	5407.69 Fabrics, woven; containing less than 85% by weight of non-textured polyester filaments	\$296,979.50 20.44%
South Korea	5407.72 Fabrics, woven; containing 85% or more by weight of synthetic filaments (excluding nylon or other polyamides and polyester...	\$266,523.00 18.34%
South Korea	6001.92 Fabrics; pile fabrics (excluding long pile and loop pile), of man-made fibres, knitted or crocheted	\$146,833.00 10.10%
South Korea	5407.42 Fabrics, woven; containing 85% or more by weight of filaments of nylon or other polyamides, dyed	\$145,951.00 10.04%
South Korea	5603.12 Nonwovens; whether or not impregnated, coated, covered or laminated, of man-made filaments, (weighing more than 25g/m2 but...	\$135,496.50 9.32%
South Korea	5903.20 Textile fabrics; impregnated, coated, covered or laminated with polyurethane	\$113,120.50 7.78%
South Korea	5210.31 Fabrics, woven; containing less than 85% by weight of cotton, mixed mainly or solely with man-made fibres, weighing 200g/m...	\$97,105.00 6.68%
South Korea	5407.82 Fabrics, woven; of synthetic filament yarn, containing less than 85% by weight of synthetic filaments, mixed mainly or sol...	\$94,840.00 6.53%
South Korea	5801.31 Fabrics; woven pile, of man-made fibres, uncut weft pile fabrics, other than fabrics of heading no. 5802 or 5806	\$50,730.00 3.49%

Figure 6.²⁵⁷

HS Code	Consignee	Consignee Global HQ	Consignee Domestic HQ	Shipments	Weight (kg)	Volume (TEU)	LCL
6202	1 unique consignee Collapse Consignees			7 shipments	67,684 KG	28 TEUs	3 shipments
6202	Coats, women's or girls' overcoats, carcoats, capes, cloaks, anoraks, ski-jackets, wind-cheaters, wind-jackets and...			5 shipments 71.43%	63,278 93.49%	26.11 TEUs 96.55%	1 shipment 33.33%
6202	Coats, women's or girls' overcoats, carcoats, capes, cloaks, anoraks, ski-jackets, wind-cheaters, wind-jackets and...	Reimans (Canada) Ltd. Rue Saint O. Montreal, QC H2L, Canada Phone 1: +1 514 385 2603 reimans.ca company profile		5 shipments 100.00%	63,278 100.00%	26.11 TEUs 100.00%	1 shipment 100.00%
6203	1 unique consignee Collapse Consignees			2 shipments	4,406	0.41 TEUs	2 shipments
6203	Suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear); men's...			2 shipments 100.00%	4,406 100.00%	0.41 TEUs 100.00%	2 shipments 100.00%
6203	Suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear); men's...	L And J Fashion Inc. 388 East Valley Boulevard #212, Alhambra, CA 91801, USA Phone 1: +1 626 268 3722 company profile employee contacts		2 shipments 100.00%	4,406 100.00%	0.41 TEUs 100.00%	2 shipments 100.00%

Figure 7: The low number of total shipments is because this is listed under a separate entry on Panjiva, but it can be confirmed to be the same company.²⁵⁸

257) Dandong Fung Garment Co. Ltd, "Shipment Destination and HS Code (6-digit) Report" (Exporter), accessed 29 March 2019.

258) Dandong Rnd Fashion Ltd. "HS Code (4-digit) and Consignee Report" (Supplier), accessed 29 March 2019.

2. China Dawn/Fashion Garment Company Profile

On Panjiva, the supplier China Dawn is listed as having the same address as Dalian Fashion Garment. Qichacha reveals two companies associated with this name: 大连中黎伟业贸易有限公司 and 辽宁冠丰国际贸易有限公司.²⁵⁹ In addition, the owner is also the benefactor of a company 大连风尚服饰有限公司, the name of which directly translates as “Dalian Fashion Garments”. These three legal entities share the same address, contact phone number, and contact email, which has a “chinadawn” domain name. These facts show a close connection between Dalian Fashion Garment and China Dawn, and it is possible that they are the same legal entity with several different trade names.

The figure displays three screenshots of company profiles from the Qichacha platform, illustrating a connection between three different companies. All three profiles share the same contact information and address.

- 大连中黎伟业贸易有限公司 (Dalian Zhongliweiye Maoyi Youxiangongsi):**
 - Phone: 0411-86339006
 - Email: lanfen.wang@chinadawn.com
 - Website: www.chinadawn.com
 - Address: 辽宁省大连市甘井子区大连湾街道拉风村 (Liaoning Province, Dalian City, Ganji District, Dalian Bay Road, Laifeng Village)
 - 简介: 大连中黎伟业贸易有限公司位于中国大连, 成立于1999年10月。是一家集产品研发、面料采购、成衣加工生产、贸易、...
- 辽宁冠丰国际贸易有限公司 (Liaoning Guanfeng Guojimaoyi Youxiangongsi):**
 - Phone: 0411-86339006
 - Email: lanfen.wang@chinadawn.com
 - Website: 暂无
 - Address: 辽宁省甘井子区辛寨子小辛村 (Liaoning Province, Ganji District, Xinzaisi Suburb, Xiaoxin Village)
 - 简介: 辽宁冠丰国际贸易有限公司位于中国大连, 成立于1999年10月。是一家集产品研发、面料采购、成衣加工生产、贸易、...
- 大连风尚服饰有限公司 (Dalian Fengshang Fushi Youxiangongsi):**
 - Phone: 0411-86339006
 - Email: lanfen.wang@chinadawn.com
 - Website: 暂无
 - Address: 辽宁省大连市甘井子区辛寨子小辛村 (Liaoning Province, Dalian City, Ganji District, Xinzaisi Suburb, Xiaoxin Village)
 - 简介: (Not fully visible)

Figure 1: These separate listings have the same phone numbers and emails, suggesting a connection.²⁶⁰

Import and export

As suppliers, China Dawn and Dalian Fashion Garment have sent materials to North Korea (1,577 shipments), but also to Vietnam (11,613 shipments) and Myanmar (953) (Figure

259) The former name, 中黎, roughly corresponds to “China Dawn” and is also the name cited in the official website, still under construction. <http://www.chinadawn.com>.

260) ‘大连中黎伟业贸易有限公司 Dalian Zhongliweiye Maoyi Youxiangongsi’, Qichacha, accessed 31 March 2019, https://www.qichacha.com/firm_76b81be56ba5e7eb97e2f6c7d4b13889.html; ‘辽宁冠丰国际贸易有限公司 Liaoningguanfeng Guojimaoyi Youxiangongsi’, Qichacha, accessed 31 March 2019, https://www.qichacha.com/firm_f81661a5f3b2cc1b746d75550c6e5a30.html; ‘大连风尚服饰有限公司 Dalianfengshang Fushi Youxiangongsi’, Qichacha, accessed 31 March 2019, https://www.qichacha.com/firm_26c7df84a31a7477372ff98c8bd62787.shtml.

5). They have bought raw materials from South Korea (USD 4 million), Italy (USD 1 million), and Germany (USD 184,000), possibly suggesting a minor role as middlemen between these countries and North Korea (*Figure 6*).

They received 351 shipments from North Korea between January 2013 and December 2016, with a total value of USD 164 million. The shipments were predominantly anoraks, ski jackets, coats, and track suits (*Figure 7*). As for international shipments, they sent USD 170 million worth of products to the Netherlands in 386 shipments between March 2014 and January 2018. Comparatively, Germany has a large number of shipments (956 between March 2014 and March 2018, which is the end date of Panjiva's dataset on China), but a lower value of USD 93 million, likely because many shipments also included materials for unspecified purposes. Other shipping destinations include Australia (USD 3 million), Slovenia (USD 2 million), and Spain (USD 1 million) (*Figure 8*).

Export to brands in the Netherlands

Many of the clothing shipments exported to the Netherlands follow a familiar pattern with imports from North Korea. Here, goods with a certain HS Code are imported from North Korea and a shipment with the same code and with an added value of 10% is exported to the Netherlands in the same time frame. An interesting example is HS Code 6201.13, the code for 'padded coats for men.' As can be seen in *Figure 3*, products with this HS Code were imported from North Korea four times between 2014 and January 2017 when the sanctions began.²⁶¹ In this period, when products with the same HS Code are exported to the Netherlands (*Figure 2*),²⁶² it happens one month after a similar shipment was imported from North Korea with an added value of roughly 10%. This value increase corresponds to business estimates of the profit of export processing to North Korea.²⁶³ However, when products with this HS Code were exported to Germany in these years, there were no import shipments from North Korea that fit the export processing profile (see *Figure 4*).²⁶⁴ After the sanctions of November 2016, China Dawn

261) 'Shipments for China Dawn Garment (Dalian) — Panjiva - HSCode 620113 from North Korea', accessed 19 March 2019, https://panjiva.com/shipment_search/company?m=shipments&permanent_id=34067363&q=620113&type=china_imports&x_history=eJxlT9tKw0AQ_Zd9FkyTGGvAFwVRhFaLL-1FkCLsTs7iXsDtbSuV_3bG1pda3OZc5nLMWbaLeHWmpaQTyn-hELWbV86x5MU-XFT1-5fF8uPl4Xdw-WK_cwr-66XCazmj63NOiuRZnwoJfYghalf_GXg-WEyML0ptkXYQhYGRK1OsjURYTsTl4TrQ3oZK112fsSb-DeUc_EELxKkrR3IH1yFH5cFFqF7GLgw8ENA71xLL1CSFFxXdPka0Kj05QGcXjgNIHtX_apf6CXaF3rhw6OM-RxrX-zA3YaptlFBmV-VUwnWVWkW27kcoi20xmxVprWRBSbb3oth_0.

262) 'Shipments for China Dawn Garment (Dalian) — Panjiva - HSCode 620113 to the Netherlands', accessed 19 March 2019, https://panjiva.com/shipment_search/company?m=shipments&permanent_id=33826096&q=620113&type=all_profile&x_history=eJxtkm1LwzAQx79LXg90VWo38I0DUYRNh2-myBH-StA3LQ0kuajf23b1mwz2-SZP73f3_d0nXjEdspEUIFHAbiktG7Np_jZdvOvXuxxfrJw1T7UH_PJzco-z_LHKhN-Rr2YL5Z9wvrhnA2bAfUvvVSmpNjSqNaQYCAino7EBWi8Dhdh4fYDHbMg2_zkn7JOV0ZiONERzco_RSyg5y-iQaLfoOXAXOq1rZlBRQWY7KWdhximpeKltD6zyC5YaK1-cxskoHktuxywlRaiccjfi1OfY7kr8M-nFOwd7IDB-1Zoec2pDB2bT9_EyDBVCjogzLSuqxpiaHs4xw5BBE92PZ0cKROSLCky1Reit5yO0-67LTbJ_dPJBrdQORv30AYx-ADKpC25-ArIGYw7e3Yiy_oikJWCIs8yuM2KYjQsRteJ9B-QrzLatU6UQhXXQbLNH-aX8TA.

263) LEE et al., '북중 접경지역단동의대북생산네트워크의예외적성격 (Exceptional Characteristics of Cross-Border Production Networks in Dandong, North Korea-China Border Region)', 259.

264) 'Shipments for China Dawn Garment (Dalian) — Panjiva - HSCode 620113 to Other European Countries', accessed 19 March 2019, https://panjiva.com/shipment_search/company?m=shipments&permanent_id=33826096&q=620113&type=all_profile&x_history=eJxtkttKAZeQht8l1wXpVtda8EZBFKH-V4k0VGUKS3Q3NYUkmalv67s7GYk97sdlkvsz_zyTZMJ6wUQ610LgC9Evl2IRNy9fp4s28XJf4_F3Ei_aufp_fj9buaVY-VIVIZj1b6PCI88UtGzAL_kuFoKWi3Njo1pJiJCC8SdZFaIOKFGKTzQGesCHb_u85Y9RM-JmtXpCFVywOmoEBYVFk0OQwr8BX4oGvt8qaI2nHU3sGOU9RwqV0NrQ8lJltK3pzHyCovSG7H-gWS-M154avFze-x3jN8PunZOwd7IDB1ZYeAu5jCu2q7_JkKGOVHQD1WicVnTkKLs4hw5RJ-C-KvpYEmVkJCKk-

continued to export to Europe, but it is not visible anymore whether it still engaged in export processing with North Korea.²⁶⁵

Date	Shipment Origin	Shipment Destination	Port of Lading	Port of Unlading	Transport Method	HS Code	Goods Shipped	Volume (TEU)	Weight (KG)	Value (USD)
2017-12	China	Netherlands			Air Transport	6201.13				\$320,247
2017-08	China	Netherlands			River-Sea Transportation	6201.13				\$23,470.00
2017-01	China	Netherlands			Air Transport	6201.13				\$428.00
2015-08	China	Netherlands			River-Sea Transportation	6201.13				\$96,605.00
2014-11	China	Netherlands			River-Sea Transportation	6201.13				\$54,692.00
2014-07	China	Netherlands			River-Sea Transportation	6201.13				\$83,625.00
2014-05	China	Netherlands			River-Sea Transportation	6201.13				\$46,021.00

Figure 2: China Dawn's export of HSCode 6201.13 to the Netherlands.²⁶⁶

Shipment Month	Shipment Origin	Country of Sale	Transport Method	Value of Goods (USD)	HS Code	HS Code Description	Trade Direction	Trade Type
				\$304,324				
Jul 2015	Korea,DPR	Korea,DPR	Motor Vehicle Transportation	\$87,076.00	6201.13	Coats; men's or boys', overcoats, raincoats, car-coats, capes, cloaks and similar articles, of man-made fibres, other than those of heading no. 6203 (not knitted or crocheted)	Import	Processing Trade with Imported Materials
Oct 2014	Korea,DPR	Korea,DPR	Motor Vehicle Transportation	\$48,267.00	6201.13	Coats; men's or boys', overcoats, raincoats, car-coats, capes, cloaks and similar articles, of man-made fibres, other than those of heading no. 6203 (not knitted or crocheted)	Import	Processing Trade with Imported Materials
Jun 2014	Korea,DPR	Korea,DPR	Motor Vehicle Transportation	\$77,126.00	6201.13	Coats; men's or boys', overcoats, raincoats, car-coats, capes, cloaks and similar articles, of man-made fibres, other than those of heading no. 6203 (not knitted or crocheted)	Import	Processing Trade with Imported Materials
May 2014	Korea,DPR	Korea,DPR	Motor Vehicle Transportation	\$38,065.00	6201.13	Coats; men's or boys', overcoats, raincoats, car-coats, capes, cloaks and similar articles, of man-made fibres, other than those of heading no. 6203 (not knitted or crocheted)	Import	Processing Trade with Imported Materials

Figure 3: China Dawn's import of HSCode 6201.13 from North Korea.

Date	Shipment Origin	Shipment Destination	Port of Lading	Port of Unlading	Transport Method	HS Code	Goods Shipped	Volume (TEU)	Weight (KG)	Value (USD)
2018-01	China	Switzerland			Air Transport	6201.13				\$112,018
2017-12	China	Germany			Air Transport	6201.13				\$2,972.00
2017-12	China	Germany			Air Transport	6201.13				\$2,038.00
2017-06	China	Germany			River-Sea Transportation	6201.13				\$50,078.00
2016-07	China	Germany			River-Sea Transportation	6201.13				\$53,379.00
2016-07	China	Germany			River-Sea Transportation	6201.13				\$707.00
2015-12	China	Germany			Air Transport	6201.13				\$2,669.00

Figure 4: China Dawn's export of HSCode 6201.13 to all countries but the Netherlands.

w9RBic7yr5982Hm239xdkWioMIA_XQFkCJom6fkEiogZ7D-7NqJLOteoCoN47Io4LIYj2-G3ZffQR8aXe2Q-1Ba4MZlSqOImKrb9BYzy950.

265) 'Shipments for China Dawn Garment (Dalian) — Panjiva - HScode 620113 to Other European Countries.'

266) 'Shipments for China Dawn Garment (Dalian) — Panjiva - HScode 620113 to the Netherlands.'

The above shows that Dalian Fashion Garment, a supplier to C&A and Esprit, is closely connected to – if not the same entity as – China Dawn. China Dawn has had substantial trading ties with North Korea that correspond to the general pattern of export processing, and has made numerous shipments to Germany and the Netherlands. There is cause for concern enough to warrant a thorough inspection of the supply chains of the companies doing business with either Dalian Fashion Garment or China Dawn.

DIMENSION 1		DIMENSION 2		Shipments	Weight (kg)	Volume (TEU)
Shipment Destination		HS Code				
				5,435 shipments	832 KG	0 TEUs
North Korea		59 unique hs code (4-digit) Collapse HS Codes (4-digit)		1,577 shipments 29.02%	0	0 TEUs
North Korea		5407	Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading no. 5404	150 shipments 9.51%	0	0 TEUs
North Korea		8308	Clasps, frames with clasps, buckles, buckle-clasps, hooks, eyes, eyelets etc for clothing & accessories, footwear, jew...	117 shipments 7.42%	0	0 TEUs
North Korea		5806	Fabrics, narrow woven, other than goods of heading no. 5807, narrow fabrics consisting of warp without weft assembled by m...	103 shipments 6.53%	0	0 TEUs
North Korea		9606	Buttons, press-fasteners, snap-fasteners and press-studs, button moulds and other parts of these articles; button blanks	96 shipments 6.09%	0	0 TEUs
North Korea		9607	Slide fasteners and parts thereof	92 shipments 5.83%	0	0 TEUs
		Show more HS Codes (4-digit)...				
Vietnam		58 unique hs code (4-digit) Expand HS Codes (4-digit)...		1,113 shipments 20.48%	0	0 TEUs
Myanmar		68 unique hs code (4-digit) Expand HS Codes (4-digit)...		953 shipments 17.53%	0	0 TEUs

Figure 5.²⁶⁷

Imports by country			
Country	Value (USD)	% Share	Trend
All	\$172,827,462		sparkline
▶ North Korea	\$164,138,586		sparkline
▶ South Korea	\$4,805,143		sparkline
▶ Italy	\$1,056,649		sparkline
▶ China	\$905,578		sparkline
▶ Taiwan	\$897,480		sparkline
▶ Vietnam	\$414,906		sparkline
▶ Hong Kong	\$269,570		sparkline
▶ Germany	\$184,071		sparkline
▶ Japan	\$59,463		sparkline
▶ Myanmar	\$35,520		sparkline

Figure 6.²⁶⁸

267) China Dawn Garment (Dalian), “Shipment Destination and HS Code (4-digit) Report” (Supplier), accessed 29 March 2019.

268) China Dawn Garment (Dalian), Dalian, Liaoning, China | Buyer Report — Panjiva, accessed 29 March 2019, <https://panjiva.com/China-Dawn-Garment-Dalian/34067363>.

Imports by country



Country	Value (USD)	% Share	Trend
All	\$172,827,462		sparkline
▼ North Korea	\$164,138,586		sparkline
HTS 6202.93 Anoraks (including :	\$35,561,352	~857,000 kg	
HTS 6202.13 Coats; women's or	\$15,755,667	~299,000 kg	
HTS 6201.93 Anoraks (including :	\$16,277,600	~463,000 kg	
HTS 6204.33 Jackets and blazer:	\$3,138,607	~55,600 kg	
HTS 6201.91 Anoraks (including :	\$2,757,126	~19,100 kg	
HTS 6203.33 Jackets and blazer:	\$2,910,703		
HTS 6211.43 Track suits and oth	\$187,336	~8,100 kg	
HTS 6102.30 Coats; women's or	\$170,645	~9,200 kg	
HTS 6202.12 Coats; women's or	\$372,902	~3,800 kg	
HTS 6204.39 Jackets and blazer:	\$635,943	~4,000 kg	
HTS 6202.11 Coats; women's or	\$558,449	~5,000 kg	
HTS 6201.11 Coats; men's or bo	\$122,746	~1,400 kg	
HTS 6204.31 Jackets and blazer:	\$107,923	~420 kg	
HTS 6104.33 Jackets; women's	\$467,325	~16,700 kg	
HTS 6204.32 Jackets and blazer:	\$301,645	~2,500 kg	
HTS 6211.33 Track suits and oth	\$382,170	~13,800 kg	
HTS 6203.31 Jackets and blazer:	\$292,062		
HTS 6201.13 Coats; men's or bo	\$217,248	~3,600 kg	
HTS 6211.42 Track suits and oth	\$80,591	~4,700 kg	
HTS 6210.40 Garments; men's o	\$197,223	~5,500 kg	
HTS 6210.50 Garments; women'	\$43,434	~1,300 kg	
HTS 6203.32 Jackets and blazer:	\$39,237	~620 kg	
HTS 6202.92 Anoraks (including :	\$814,211		
HTS 6201.92 Anoraks (including :	\$145,557		
HTS 5407.69 Fabrics, woven; coi	\$23,225		

Figure 7.²⁶⁹

Exports by country









Country	Value (USD)	% Share	Trend
All	\$436,780,235		sparkline
► Netherlands	\$170,277,478		sparkline
► North Korea	\$105,311,119		sparkline
► Germany	\$93,401,654		sparkline
► Vietnam	\$28,717,545		sparkline
► Myanmar	\$24,054,180		sparkline
► Australia	\$3,944,607		sparkline
► Slovenia	\$2,736,221		sparkline
► Hong Kong	\$2,155,774		sparkline
► Spain	\$1,945,550		sparkline
► Singapore	\$1,200,863		sparkline

Figure 8.²⁷⁰

269) 'China Dawn Garment (Dalian), Dalian, Liaoning, China | Buyer Report — Panjiva.'

270) 'China Dawn Garment (Dalian), Dalian, Liaoning, China | Supplier Report — Panjiva', accessed 29 March

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

Germany	38 unique hs code (4-digit) Expand HS Codes (4-digit)...	949 shipments 17.46%	0	0 TEUs
Netherlands	11 unique hs code (4-digit) Collapse HS Codes (4-digit)	355 shipments 7.08%	0	0 TEUs
Netherlands	6202 Coats; women's or girls' overcoats, carcoats, capes, cloaks, anoraks, ski-jackets, wind-cheaters, wind-jackets and...	181 shipments 47.01%	0	0 TEUs
Netherlands	6201 Overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, me...	86 shipments 22.34%	0	0 TEUs
Netherlands	6204 Suits, ensembles, jackets, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts (other t...	44 shipments 11.43%	0	0 TEUs
Netherlands	6203 Suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear); men's...	21 shipments 5.45%	0	0 TEUs
Netherlands	6211 Track suits, swimwear and other garments (not knitted or crocheted)	13 shipments 3.38%	0	0 TEUs
Netherlands	6104 Suits, ensembles, jackets, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts (not swi...	9 shipments 2.34%	0	0 TEUs
Netherlands	6102 Coats; women's or girls' overcoats, car-coats, capes, cloaks, anoraks, ski-jackets, wind-cheaters, wind-jackets an...	9 shipments 2.34%	0	0 TEUs
Netherlands	6206 Blouses, shirts and shirt-blouses; women's or girls' (not knitted or crocheted)	8 shipments 2.08%	0	0 TEUs

Figure 9.²⁷¹

3. Donggang Maisha/Dandong Xinfei

Introduction and company relations

This network revolves around two related factories, Donggang Maisha Garments Co. Ltd 东港麦莎国际贸易 and Dandong Xinfei Garments Co. Ltd 丹东新飞制衣有限公司. Both are listed as partners on the Dutch Textile Covenant: Donggang Maisha is on the 2017 list, but not the 2018 list; while Xinfei is on both.²⁷² Donggang Maisha is a subsidiary of Qingdao Maisha 青岛麦莎, a garment manufacturing company. According to a Chinese business listing, both Donggang Maisha and Dandong Xinfei are production bases of Qingdao Maisha.²⁷³ Dandong Xinfei also owns a trading company, Donggang Fortune Import and Export 东港市运承进出口有限公司, which was established in 2008 as a trading company for the European and American markets.²⁷⁴

International shipments

An introduction for Qingdao Maisha²⁷⁵ mentions that the company specializes in down-stuffed clothing, skiing clothing, jackets, and childrenswear, and that it mainly exports

2019, <https://panjiva.com/China-Dawn-Garment-Dalian/33826096>.

271) China Dawn Garment (Dalian), "Shipment Destination and HS Code (4-digit) Report" (Supplier), accessed 29 March 2019.

272) SER, 'Aggregated List of Production Locations', Aggregated list of production locations, 4 July 2018, https://www.imvoconvenanten.nl/garments-textile/agreement/method/factories?sc_lang=en. The 2017 list is apparently no longer available online, but had been saved locally by the researchers from the same address.

273) '青岛麦莎国际贸易有限公司', 58企业名录, accessed 23 March 2019, <http://qy.58.com/21492621023239/>.

274) '丹东新飞制衣有限公司(117届) 第117届广交会参展商 (China Exporters of Canton Fair 117)', accessed 17 March 2019, <https://exhibitor117.mingluji.com/node/24253>.

275) '青岛麦莎国际贸易有限公司, 服装, 服装加工供应商, 服装, 服装加工批发商-中国诚商网', accessed 17

to European and American countries. It names a number of Italian brands as its main customers: Kappa, Ande, DF, Areana [sic],²⁷⁶ AU, and Bailo. In addition, both Donggang Maisha and Dandong Xinfei are manufacturers for the company, while the latter is specially notable as a platform from which to conduct “North Korean processing”.²⁷⁷

North Korean connections

Dandong Xinfei²⁷⁸ does not appear to have trade connections with North Korea based on data from Panjiva. However, it is a leading factory in the Qianyang economic zone which, as mentioned previously, is known to hire North Korean workers.²⁷⁹ It predominantly ships clothing to Japan (USD 21 million) and the Netherlands (USD 13 million) (see *Figure 1*).

Donggang Fortune²⁸⁰ fits the general observed pattern of Sino-North Korean trade. It has made a total of 463 shipments to North Korea, including fabrics, buttons, and other textile materials, between February 2013 and September 2016. The total trade value is USD 4.9 million (see *Figures 2 and 3*). Panjiva only records twenty-three imports made by the company as a whole, all of them from North Korea; most of the shipments are children's down garments at a total value of USD 4 million (see *Figure 4*). The data only ranges from January 2013 to July 2014, which is inconsistent with the aforementioned date range for fabric exports to North Korea. It has made a total of seventy-four shipments to the Netherlands between January 2013 and September 2016 valued at USD 8 million (see *Figures 5 and 6*). As can be seen, the largest category of shipments made to the Netherlands (HS Codes 6201.9 and 6202.93, both children's anoraks with down; and HS Codes 6202.33 and 6204.33, both jackets) for both Dandong Xinfei and Donggang Fortune are consistent with the shipments received by Donggang Fortune from North Korea, meriting further research into a possible connection.

For Donggang Maisha,²⁸¹ Panjiva records show numerous shipments to various countries. By far the largest value is Italy with USD 8 million, again with the HS Codes 6201.93 and 6202.93 as the dominant categories (*Figure 7*).

It has only received two shipments from North Korea, at a total of value of USD 400,000 and again consisting of the HS Codes 6201.93 and 6202.93 (*Figure 8*).

Qingdao Maisha²⁸² fits into the standard pattern for North Korean trade with much higher values. It sent 798 shipments of fabrics and material to North Korea, totalling USD 14 million between April 2014 and December 2016, and received USD 13 million worth of goods in anoraks, jackets, and track suits (*Figures 9 and 10*).

Its international buyers include Italy (USD 67 million), Germany (USD 5 million), and the Netherlands (USD 4 million). The aforementioned anoraks and jackets are amongst the highest valued goods sent in these shipments (*Figure 11*).

March 2019, <http://china.trade2cn.com/companyShop/110331145716XkT.html>.

276) Probably a reference to Arena.

277) ‘青岛麦莎国际贸易有限公司, 服装, 服装加工供应商, 服装, 服装加工批发商-中国诚商网’.

278) Listed as “Dandong New Garments” on Panjiva.

279) ‘前阳户外运动服装产业园 (Qianyang Huwai Yundong Fuzhuang Chanyeyuan)’.

280) Listed as “Donggang Yuncheng” on Panjiva.

281) Listed as “East Hong Kong Garment Co., Ltd. Matsa” on Panjiva.

282) Listed as “Maisha International Trading Co., Ltd.” On Panjiva.

Summary

Dandong Xinfei and Donggang Maisha, both at times part of the Dutch Agreement on Sustainable Garments and Textile, have clear North Korean connections. Xinfei is specifically mentioned as a North Korean processing platform on a company website, and is located in an area where North Korean labourers are active, while Donggang Maisha has received shipments from North Korea. Upon investigating, the two companies related to these two factories, Donggang Fortune and Qingdao Maisha, are revealed to have substantial dealings with North Korea, fitting into the standard pattern of export processing.

Exports by country




Country	Value (USD)	% Share	Trend
All	\$36,438,096		sparkline
▼ Japan	\$21,377,734		sparkline
HTS 6211.33 Track suits and oth	\$7,582,145	~619,000 kg	
HTS 6203.33 Jackets and blazen	\$336,688		
HTS 6203.43 Trousers, bib and b	\$4,652,849	~291,000 kg	
HTS 6211.32 Track suits and oth	\$1,278,194	~34,300 kg	
HTS 6203.32 Jackets and blazen	\$567,013	~22,300 kg	
HTS 6201.93 Anoraks (including :	\$523,019	~10,200 kg	
HTS 6203.42 Trousers, bib and b	\$361,284	~15,400 kg	
HTS 6211.43 Track suits and oth	\$131,551	~7,600 kg	
HTS 6203.22 Ensembles; men's	\$104,492	~2,400 kg	
HTS 6205.30 Shirts; men's or bo	\$87,967	~3,100 kg	
HTS 6201.92 Anoraks (including :	\$58,702	~820 kg	
HTS 6201.13 Coats; men's or bo	\$52,947	~1,500 kg	
HTS 6204.61 Skirts and divided s	\$26,613	~1,100 kg	
HTS 6204.63 Skirts and divided s	\$23,910	~1,100 kg	
HTS 6204.33 Jackets and blazen	\$22,648	~680 kg	
HTS 6506.99 Headgear; (other th	\$9,251	~80 kg	
HTS 6210.40 Garments; men's o	\$6,603	~49 kg	
HTS 6205.20 Shirts; men's or bo	\$4,551	~150 kg	
HTS 6109.90 T-shirts, singlets an	\$1,500	~120 kg	
▼ Netherlands	\$13,586,002		sparkline
HTS 6201.93 Anoraks (including :	\$7,248,797	~142,000 kg	
HTS 6202.93 Anoraks (including :	\$4,583,645	~94,300 kg	
HTS 6203.33 Jackets and blazen	\$166,697		
HTS 6204.33 Jackets and blazen	\$79,793	~2,400 kg	
HTS 6201.92 Anoraks (including :	\$231,760	~3,200 kg	
HTS 6210.30 Garments; overcoa	\$109,296	~1,600 kg	
HTS 6204.39 Jackets and blazen	\$93,244	~4,500 kg	
HTS 6210.50 Garments; women'	\$63,139	~870 kg	
HTS 6203.32 Jackets and blazen	\$45,066	~1,800 kg	
HTS 3923.21 Ethylene polymers;	\$150		
HTS 6211.33 Track suits and oth	\$144	~12 kg	

Figure 1: Dandong Xinfei's two top destinations.²⁸³

283) 'Dandong New Garment Co., DANDONG CITY, LIAONING LIAONING PROVINCE | Supplier Report — Panjiva', accessed 29 March 2019, <https://panjiva.com/Dandong-New-Garment-Co/15565976>.

▼ North Korea	\$4,968,812	sparkline
HTS 5407.69 Fabrics, woven; coi	\$1,434,491	~102,000 kg
HTS 5407.42 Fabrics, woven; coi	\$506,215	~31,800 kg
HTS 5601.22 Wadding; other arti	\$470,555	~70,300 kg
HTS 9607.19 Slide fasteners; oth	\$353,552	
HTS 9607.11 Slide fasteners; fitte	\$333,442	
HTS 6004.10 Fabrics; knitted or c	\$257,025	~15,000 kg
HTS 6006.32 Fabrics; knitted or c	\$225,136	~26,200 kg
HTS 6001.10 Fabrics; long pile fa	\$198,884	
HTS 5903.20 Textile fabrics; impr	\$158,746	~10,000 kg
HTS 9606.10 Press-fasteners, sn	\$139,463	
HTS 5407.62 Fabrics, woven; coi	\$107,165	~4,800 kg
HTS 8308.90 Clasps, frames with	\$103,307	~12,700 kg
HTS 5603.12 Nonwovens; wheth	\$77,087	~15,000 kg
HTS 5807.10 Labels, badges and	\$70,343	~6,500 kg
HTS 6001.92 Fabrics; pile fabrics	\$59,748	
HTS 8308.10 Hooks, eyes and ej	\$54,285	~2,900 kg
HTS 5407.72 Fabrics, woven; coi	\$51,135	~4,800 kg
HTS 5811.00 Quilted textile prod	\$46,277	
HTS 4821.10 Paper and paperbc	\$34,099	~3,100 kg
HTS 4203.40 Clothing accessorie	\$33,110	
HTS 5407.44 Fabrics, woven; coi	\$31,803	~1,300 kg
HTS 6117.90 Clothing; parts, knif	\$29,678	~2,600 kg
HTS 5806.20 Fabrics; narrow (ex	\$29,666	~4,000 kg
HTS 5407.54 Fabrics, woven; coi	\$18,286	~2,200 kg
HTS 5806.32 Fabrics, narrow wo	\$16,909	~2,000 kg
HTS 5810.92 Embroidery; with vi	\$16,118	~620 kg
HTS 5607.50 Twine, cordage, rop	\$16,022	~1,300 kg
HTS 9606.21 Buttons; of plastics	\$13,067	
HTS 5801.33 Fabrics; woven pile	\$10,548	~880 kg
HTS 3926.90 Plastics; other artic	\$10,194	

Figure 2: A partial list of Donggang Fortune's exports to North Korea.²⁸⁴



Powered by panjiva.com

Figure 3: Shipments made to North Korea.²⁸⁵

284) 'Donggang Yuncheng Imp. & Exp. Co., Ltd., NO.147,DONGGANG SOUTH ROAD,DEVELOPMENT ZONE,DONGGANG,LIAONING DANDONG CITY,LIAONING LIAONING PROVINCE | Supplier Report — Panjiva', accessed 29 March 2019, <https://panjiva.com/Donggang-Yuncheng-Imp-Exp-Co-Ltd/15571578>.

285) Donggang Yuncheng Imp. & Exp. Co., Ltd., "Shipments Report – North Korea" (Supplier), accessed 29 March 2019.

Imports by country



Country	Value (USD)	% Share	Trend
All	\$4,193,243		sparkline
▼ North Korea	\$4,193,243		sparkline
HTS 6202.93 Anoraks (including :	\$2,152,420	~51,800 kg	
HTS 6201.93 Anoraks (including :	\$1,573,816	~44,800 kg	
HTS 6203.33 Jackets and blazer:	\$213,997		
HTS 6204.33 Jackets and blazer:	\$179,856	~3,200 kg	
HTS 6203.43 Trousers, bib and b	\$63,775	~3,100 kg	
HTS 6204.63 Trousers, bib and b	\$9,379	~390 kg	

Figure 4: All shipments made to Donggang Fortune.²⁸⁶

Exports by country



Country	Value (USD)	% Share	Trend
All	\$13,638,476		sparkline
▼ Netherlands	\$8,429,094		sparkline
HTS 6202.93 Anoraks (including :	\$4,160,061	~85,600 kg	
HTS 6201.93 Anoraks (including :	\$3,640,578	~71,100 kg	
HTS 6204.33 Jackets and blazer:	\$240,627	~7,300 kg	
HTS 6203.33 Jackets and blazer:	\$228,777		
HTS 6203.43 Trousers, bib and b	\$64,812	~4,100 kg	
HTS 6101.30 Coats; men's or bo	\$60,621	~2,000 kg	
HTS 6211.33 Track suits and oth	\$13,051	~1,100 kg	
HTS 6202.13 Coats; women's or	\$11,027	~240 kg	
HTS 6204.63 Trousers, bib and b	\$9,540	~290 kg	

Figure 5: Donggang Fortune's exports to the Netherlands.²⁸⁷

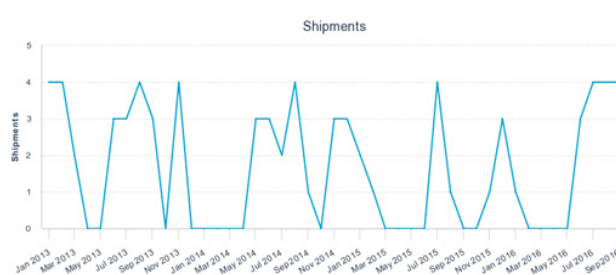


Figure 6: Donggang Fortune's exports to the Netherlands, over time.²⁸⁸

286) 'Donggang Yuncheng Imp. & Exp. Co., Ltd., NO.147,DONGGANG SOUTH ROAD,DEVELOPMENT ZONE,DONGGANG,LIAONING DANDONG CITY,LIAONING LIAONING PROVINCE | Buyer Report — Panjiva', accessed 29 March 2019, <https://panjiva.com/Donggang-Yuncheng-Imp-Exp-Co-Ltd/30319674>.

287) 'Donggang Yuncheng Imp. & Exp. Co., Ltd., NO.147,DONGGANG SOUTH ROAD,DEVELOPMENT ZONE,DONGGANG,LIAONING DANDONG CITY,LIAONING LIAONING PROVINCE | Supplier Report — Panjiva'.

288) Donggang Yuncheng Imp. & Exp. Co., Ltd., "Shipments Report – Netherlands" (Supplier), accessed 29 March 2019.

Exports by country












Country	Value (USD)	% Share	Trend
All	\$9,774,544		sparkline
▼ Italy	\$8,342,187		sparkline
HTS 6201.93 Anoraks (including :	\$4,857,570	~94,900 kg	
HTS 6202.93 Anoraks (including :	\$2,586,972	~53,200 kg	
HTS 6203.33 Jackets and blazer:	\$256,509		
HTS 6201.92 Anoraks (including :	\$156,642	~2,200 kg	
HTS 6101.30 Coats; men's or bo	\$116,143	~3,800 kg	
HTS 6103.33 Jackets and blazer:	\$99,586	~5,100 kg	
HTS 6202.92 Anoraks (including :	\$89,612	~1,700 kg	
HTS 6104.33 Jackets; women's (\$86,933	~4,500 kg	
HTS 6204.33 Jackets and blazer:	\$55,096	~1,700 kg	
HTS 6102.30 Coats; women's or	\$21,020	~1,000 kg	
HTS 6211.33 Track suits and oth	\$8,872	~720 kg	
HTS 6204.63 Trousers, bib and b	\$7,232	~220 kg	
► Germany	\$499,100		sparkline
► Netherlands	\$254,367		sparkline
► Spain	\$249,308		sparkline
► Belgium	\$132,400		sparkline
► United Kingdom	\$113,706		sparkline
► Croatia	\$95,100		sparkline
► France	\$50,162		sparkline
► Mexico	\$16,112		sparkline
► Austria	\$13,120		sparkline

Figure 7: Donggang Maisha's exports.²⁸⁹

Shipment Details

Hide empty fields

Shipment Month	2016-05-01
Shipment Origin	Korea,DPR
Province	Liaoning Province
Country of Sale	Korea,DPR
Transport Method	Motor Vehicle Transportation
Is Containerized	
Value of Goods (USD)	72924
HS Code	6202.93
HS Code Description	Anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles; women's or girls', of man-made fibres, other than those of heading no. 6204 (not knitted or crocheted)
HS Code Keywords	CHILDREN'S DOWN GARMENT; DOWN CLOTHES; DOWN CLOTHES FOR CHILDREN; DOWN CLOTHING COVER; MULTIFUNCTIONAL WARM WEAR; RHOMBIC LATTICE KNITTED WAISTHAND JACKET; WOMAN DOWN GARMENT; WOMEN'S DOWN GARMENT; WOMEN'S TYPE DOWN VEST;
Trade Direction	Import
Admin Region	Dandong City,Liaoning
Trade Type	Processing and Assembling Trade with Customer-Supplied Materials

Figure 8 (1): The two North Korean shipments to Donggang Maisha.

289) 'East Hong Kong Garment Co., Ltd. Matsa, DANDONG CITY,LIAONING LIAONING PROVINCE | Supplier Report — Panjiva', accessed 29 March 2019, <https://panjiva.com/East-Hong-Kong-Garment-Co-Ltd-Mat-sa/39436011>.

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

Shipment Details Hide empty fields

Shipment Month	2016-06-01
Shipment Origin	Korea,DPR
Province	Liaoning Province
Country of Sale	Korea,DPR
Transport Method	Motor Vehicle Transportation
Is Containerized	
Value of Goods (USD)	387804
HS Code	6201.93
HS Code Description	Anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles; men's or boys', of man-made fibres, other than those of heading no. 6203 (not knitted or crocheted)
HS Code Keywords	CHILDREN DOWN THERMAL UNDERWEAR; DOWN CLOTHES; DOWN JACKET; DOWN VEST; DOWN VESTS; DOWN WAISTCOAT; HEAT PROTECTION SHIRT; MEN'S DOWN JACKET; MEN'S TYPE THERMAL SHIRT; MULTIFUNCTIONAL COTTON DRESS; POLICE REFLECTIVE WATERPROOF COTTON CLOTHES;
Trade Direction	Import
Admin Region	Dandong City,Liaoning
Trade Type	Processing and Assembling Trade with Customer-Supplied Materials

Figure 8 (2): The two North Korean shipments to Donggang Maisha.²⁹⁰

DIMENSION 1	DIMENSION 2	Shipments	Weight (kg)	Volume (TEU)
Shipment Destination	HS Code			
		784 shipments	KG	0 TEUs
North Korea	41 unique hs code (4-digit) Collapse HS Codes (4-digit)	784 shipments 100.00%	0	0 TEUs
North Korea	5407 Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading no. 5404	107 shipments 13.65%	0	0 TEUs
North Korea	9606 Buttons, press-fasteners, snap-fasteners and press-studs, button moulds and other parts of these articles; button blanks	81 shipments 10.33%	0	0 TEUs
North Korea	9607 Slide fasteners and parts thereof	70 shipments 8.93%	0	0 TEUs
North Korea	5806 Fabrics; narrow woven, other than goods of heading no. 5807; narrow fabrics consisting of warp without weft assembled by m...	67 shipments 8.55%	0	0 TEUs
North Korea	5601 Wadding of textile materials and articles thereof; textile fibres, not exceeding 5 mm in length (flock), textile dust and ...	41 shipments 5.23%	0	0 TEUs
North Korea	5907 Labels, badges and similar articles; of textile materials, in the piece, in strips or cut to shape or size, not embroidered	39 shipments 4.97%	0	0 TEUs
North Korea	6117 Clothing accessories; made up, knitted or crocheted, knitted or crocheted parts of garments or of clothing accessories	37 shipments 4.72%	0	0 TEUs
North Korea	5603 Nonwovens; whether or not impregnated, coated, covered or laminated	37 shipments 4.72%	0	0 TEUs
North Korea	6001 Fabrics; pile fabrics, including long pile fabrics and terry fabrics, knitted or	33 shipments 4.21%	0	0 TEUs

Figure 9: A partial sample of Qingdao Maisha's shipments to North Korea.²⁹¹

290) East Hong Kong Garment Co., Ltd. Matsa, "Shipments Report" (Buyer), accessed 29 March 2019.

291) Maisha International Trading, "Shipment Destination and HS Code (4-digit) Report" (Supplier), accessed 29 March 2019.

DIMENSION 1 +	Shipment Origin	DIMENSION 2 HS Code	Value (USD) ↑
			\$18,510,675
⊖	North Korea	7 unique hs code (6-digit)s Collapse HS Codes (6-digit)	\$13,843,139.00 74.78%
	North Korea	6201.93 Anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles; men's or boys', of man-made fib...	\$9,332,494.00 67.42%
	North Korea	6202.93 Anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles; women's or girls', of man-made ...	\$3,006,439.00 21.72%
	North Korea	6203.33 Jackets and blazers; men's or boys', of synthetic fibres (not knitted or crocheted)	\$717,607.00 5.18%
	North Korea	6201.92 Anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles; men's or boys', of cotton, othe...	\$335,560.00 2.42%
	North Korea	6204.33 Jackets and blazers; women's or girls', of synthetic fibres (not knitted or crocheted)	\$247,971.00 1.79%

Figure 10: Qingdao Maisha's imports from North Korea.²⁹²

▼ Italy	\$67,263,283	sparkline	▼ Germany	\$5,009,248	sparkline
HTS 6201.93 Anoraks (including :	\$40,241,776	~786,000 kg	HTS 6201.93 Anoraks (including :	\$2,573,964	~50,300 kg
HTS 6202.93 Anoraks (including :	\$18,612,977	~383,000 kg	HTS 6202.93 Anoraks (including :	\$761,120	~15,700 kg
HTS 6203.33 Jackets and blazer:	\$155,689		HTS 6203.33 Jackets and blazer:	\$3,779	
HTS 6210.40 Garments; men's o	\$67,453	~500 kg	HTS 6210.40 Garments; men's o	\$260,196	~1,900 kg
HTS 6204.33 Jackets and blazer:	\$193,980	~6,900 kg	HTS 6211.33 Track suits and oth	\$179,334	~14,600 kg
HTS 6101.30 Coats; men's or bo	\$669,451	~22,200 kg	HTS 6210.50 Garments; women'	\$30,137	~410 kg
HTS 6201.92 Anoraks (including :	\$535,222	~7,500 kg	HTS 6203.32 Jackets and blazer:	\$118,917	~4,700 kg
HTS 6210.50 Garments; women'	\$461,018	~6,300 kg	HTS 6204.33 Jackets and blazer:	\$94,745	~2,900 kg
HTS 6211.33 Track suits and oth	\$335,396	~27,400 kg	HTS 6203.43 Trousers, bib and b	\$93,438	~5,800 kg
HTS 6203.43 Trousers, bib and b	\$298,000	~18,600 kg	HTS 6201.92 Anoraks (including :	\$39,192	~550 kg
HTS 6210.30 Garments; overcoa	\$249,186	~3,600 kg	HTS 6204.53 Skirts and divided s	\$34,153	~1,600 kg
HTS 6210.20 Garments; overcoa	\$147,546	~1,800 kg	HTS 6202.92 Anoraks (including :	\$29,190	~570 kg
HTS 6202.92 Anoraks (including :	\$126,901	~2,500 kg	HTS 6204.32 Jackets and blazer:	\$655	~30 kg
HTS 6204.63 Trousers, bib and b	\$112,896	~3,400 kg			
▼ Netherlands	\$4,037,091	sparkline			
HTS 6201.93 Anoraks (including :	\$1,173,499	~22,900 kg			
HTS 6210.40 Garments; men's o	\$304,529	~2,300 kg			
HTS 6210.50 Garments; women'	\$363,597	~5,000 kg			
HTS 6203.43 Trousers, bib and b	\$295,632	~18,500 kg			
HTS 6204.33 Jackets and blazer:	\$229,207	~6,900 kg			
HTS 6203.33 Jackets and blazer:	\$203,702				
HTS 6202.93 Anoraks (including :	\$190,445	~3,900 kg			
HTS 6203.32 Jackets and blazer:	\$154,814	~6,100 kg			
HTS 6201.92 Anoraks (including :	\$37,872	~530 kg			

Figure 11: Shipments made to Italy, Germany, and the Netherlands. Italy's listings are partial; the other two are complete.²⁹³

292) Maisha International Trading, "Shipment Destination and HS Code (4-digit) Report" (Buyer), accessed 29 March 2019.

293) 'Maisha International Trading, Laoshan, Qingdao, Shandong, China, 266061 | Supplier Report — Panjiva', accessed 29 March 2019, <https://panjiva.com/Maisha-International-Trading/33818398>.

4. Richland/Xintianhe - Xianteng Garment Co. Ltd.

Company profile and export to the Netherlands

Xianteng Garment co. Ltd. is a Dandong based factory owned by Xintianhe Trade co., Ltd. The trading company is in charge of transporting the products it makes in the factory to the buyers. On the website of the trading company, it mentions working together with C&A.²⁹⁴ This is corroborated by C&A's supply chain list, which names the factory as one of their Tier 1 suppliers.²⁹⁵ According to customs data from 2013 to March 2018, Xintianhe exported clothing worth of USD 19.9 million to the Netherlands,²⁹⁶ most of which fell in the category of coats and outdoor sport jackets.

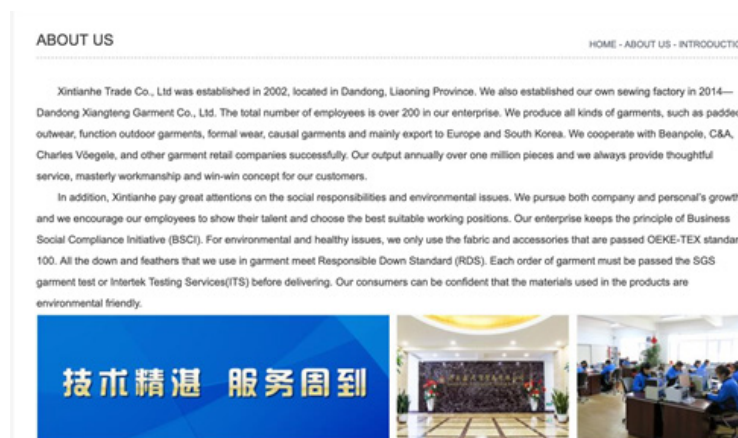


Figure 1: Introduction page of Xintianhe's company website.²⁹⁷

About C&A Our Approach Sustainable Products Sustainable Supply Sustainable Lives <u>Supplier List</u> GRI						
Reset		China	Search			
Name	Address	Country	Product Category	No of Workers	Tier	
Wuxi Amicus Apparel Co. Ltd.	No 101, Meixi Road, Bld 6, Meicun Industrial Park, Meicun Town, 214112, Wuxi City, Jiangsu Province	China	Apparel / Accessories	1-1000	Tier 1	
WUXI SIFU APPAREL CO., LTD	Hongdou Industrial Park, Gangxia Town, Xishan District, 214199, WUXI	China	Apparel	1-1000	Tier 1	
Xianteng Garment Co. Ltd	Yinquan Third Street, 118000, Dandong	China	Apparel	1-1000	Tier 1	
XINJIANG JINLIYUAN GARMENT CO., LTD	Aksu, Xinjiang textile development, Zone, 0, Aksu	China	Apparel	1-1000	Tier 1	
Xinyi Guotai Huayi Garment Co. Ltd.	Second Group of Xinzhuang, Shaodian Town, Xinyi city, Jiangsu province, 221428, Jiangsu	China	Apparel	1-1000	Tier 1	
Xize Fashion Accessories CO., LTD	Tashan Road, 322002, Yiwu	China	Accessories	1-1000	Tier 1	
Yangzhou Fuheng Shoes Co., Ltd	Niangao Village, 225119, Yangzhou City, Jiangsu Province	China	Accessories / Footwear	1-1000	Tier 1	
YANGZHOU RICH ARTS & CRAFTS CO., LTD (Posh Paws)	North Yangzijiang Road, 225009, Yangzhou City	China	Accessories	1-1000	Tier 2	

Figure 2: Xianteng on C&A's supplier list.²⁹⁸

294) 'About Us', Xintianhe Dandong, accessed 19 March 2019, <http://www.xth-china.com/en/aboutus/Introduction/>.

295) 'C&A: Supplier List', accessed 19 March 2019, <http://sustainability.c-and-a.com/supplier-list/>.

296) 'Shipments for Dandong Xintianhe Trad Co., Ltd. — Panjiva - Total Export to the Netherlands', accessed 19 March 2019, https://panjiva.com/shipment_search/company?m=shipments&permanent_id=15568018&-type=china_exports&x_history=eJxlj91KAzEQhd8l14Lt2m7tgjcKogitFm9WkSEks25ofpZk0RltfXfHasuid2fOl-5w5sxcyU4uejDLUA4U1eLGRfmyqF_t86ykp22RLrvbz7fV3dXOPy7L-6ZQ2e6WtYkPtKpVxIVwEDYYo9Hif1N-rOsejiYEKNjufoIuY2BLVfoArMRaH85s_7F3o7FzPGScTXPDUskFR-tSFSEB9h2xspM0IOWnWLSVQqENAg-sakhvMa-22I-rtgRMXqFMTJjH-Hn_0f3DA2cF7BLf5dGbExcD2ajmBSzCfzclZMx8frOMQ4kNYeKVuNtAn-F4Qv5qoF7.

297) 'About Us'.

298) 'C&A: Supplier List'.



As shown by Chinese customs data, Xintianhe also makes extensive use of export processing to North Korea.³⁰⁰ It exports raw textiles and accessories to the country and imports finished clothing from it. Such shipments are given the label “Processing and Assembling Trade with Customer-Supplied Materials” in the customs record. Between 2013 and the final month of 2016 (right before the sanctions), Xintianhe exported USD 22 million of raw textiles other material to,³⁰¹ and imported USD 37.5 million worth of clothing from, North Korea.³⁰²

300) 'Shipments for Dandong Xintianhe Trad Co., Ltd. — Panjiva - Individual Import Shipments from North Korea', accessed 19 March 2019,

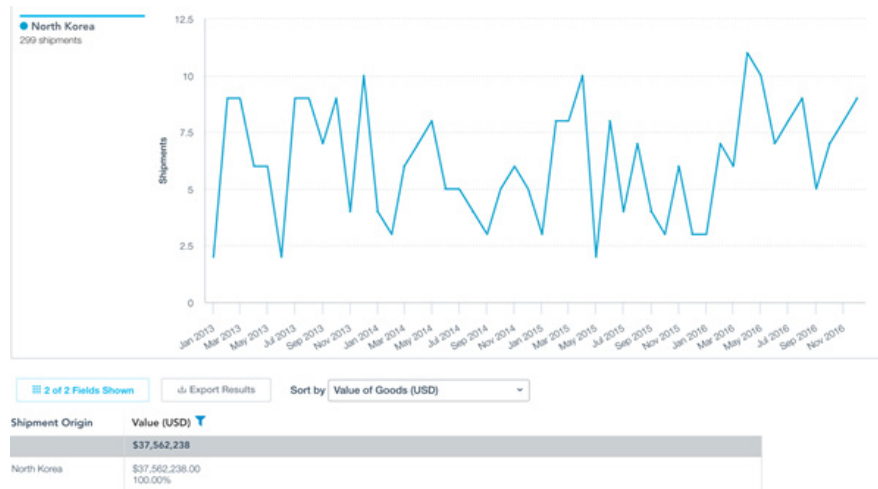


Figure 4: Xintianhe import from North Korea, data by Panjiva.³⁰³

Shipment Month	Shipment Origin	Country of Sale	Transport Method	Value of Goods (USD)	HS Code	HS Code Description	HS Code Keywords	Trade Direction	Trade Type
				\$37,542,238					
Dec 2016	Korea,DPR	Korea,DPR	Motor Vehicle Transportation	\$29,094.00	6210.30	Garments; overcoats, raincoats, car coats, capes, cloaks and similar articles, women's or girls', of the fabrics of heading no. 5602, 5603, 5903, 5906 or 5907 (not knitted or crocheted)	BICYCLE; CAMOUFLAGE RAINCOAT; CLOTH-ADHESIVE PVC LEATHER RAINCOAT; HIGH-GRADE WATERPROOF RAINCOAT; KART RAINCOAT; SLIT; PROFESSIONAL RAINCOAT; PROTECTIVE RAINCOAT; RAINCOAT; RAINWEAR; REFLECTION BICYCLE RAINCOAT; WATERPROOF RAINCOAT;	Import	Processing and Assembling Trade with Customer-Supplied Materials
Dec 2016	Korea,DPR	Korea,DPR	Motor Vehicle Transportation	\$114,736.00	6204.63	Trousers, bib and brace overalls, breeches and shorts; women's or girls', of synthetic fibres (not knitted or crocheted)	ADULT TROUSERS; BEACH PANTS; BEACH SEMI-PANTS; BEACH TROUSERS; BEACH TROUSERS; BEACH TROUSERS; CASUAL TROUSERS; CASUAL STRETCH PANTS; CHILDREN LONG PANTS; CHILDREN'S BEACH PANTS; EMBROIDERY TROUSERS; FEMALE BADMINTON SHORTS; KNITTED BEACH PANTS; MEN'S BEACH TRO	Import	Processing and Assembling Trade with Customer-Supplied Materials

Figure 5: Example of clothing shipment imported by Xintianhe from North Korea.³⁰⁴

From North Korea to the Netherlands

In August 2013, Xintianhe imported a shipment of “woollen coats or shirts” from North Korea (see Figure 6). One month later,³⁰⁵ it exported a shipment with the same description to the Netherlands. The difference in value between these two shipments was around 10%, which is the profit margin described by South Korean textile company CEOs who use North Korean export processing.³⁰⁶ No other shipment of woollen coats or shirts were made by the company until July 2015, when again, it imported a shipment from North Korea and sent a similar shipment to the Netherlands in the following month. This process repeats itself in 2016, although this time the shipment to Europe is divided between the Netherlands and Germany.

303) ‘Shipments for Dandong Xintianhe Trad Co., Ltd. — Panjiva - Total Import North Korea.’
304) ‘Shipments for Dandong Xintianhe Trad Co., Ltd. — Panjiva - Individual Import Shipments from North Korea.’
305) Chinese customs data is registered every 1st of the month, so the exact date is not known.
306) LEE et al., ‘북중접경지역단동의대북생산네트워크의예외적성격 (Exceptional Characteristics of Cross-Border Production Networks in Dandong, North Korea-China Border Region)’; 259.

Shipment Month	Shipment Origin	Country of Sale	Transport Method	Value of Goods (USD) ▼	HS Code	HS Code Description	HS Code Keywords	Trade Direction	Trade Type
				\$329,120					
Jul 2016	Korea, DPR	Korea, DPR	Motor Vehicle Transportation	\$172,752.00	6204.31	Jackets and blazers; women's or girls', of wool or fine animal hair (not knitted or crocheted)	100% WOOL; KOREAN WOMEN'S KNITTED SHIRT; CASUAL WOOLLEN OVERCOAT; LADIES' PARKA JACKETS; LADY'S WOOL; WOVEN SHORT SLEEVE JACKET; LADY'S WOOL; WOVEN T-SHIRT COAT; WOOLLEN JEANS; WOMEN'S WOOL JACKET; WOOL LATTICE; WOMEN'S TYPE COAT;	Import	Processing and Assembling Trade with Customer-Supplied Materials
Jun 2015	Korea, DPR	Korea, DPR	Motor Vehicle Transportation	\$78,948.00	6204.31	Jackets and blazers; women's or girls', of wool or fine animal hair (not knitted or crocheted)	100% WOOL; KOREAN WOMEN'S KNITTED SHIRT; CASUAL WOOLLEN OVERCOAT; LADIES' PARKA JACKETS; LADY'S WOOL; WOVEN SHORT SLEEVE JACKET; LADY'S WOOL; WOVEN T-SHIRT COAT; WOOLLEN JEANS; WOMEN'S WOOL JACKET; WOOL LATTICE; WOMEN'S TYPE COAT;	Import	Processing and Assembling Trade with Customer-Supplied Materials
Aug 2013	Korea, DPR	Korea, DPR	Motor Vehicle Transportation	\$77,420.00	6204.31	Jackets and blazers; women's or girls', of wool or fine animal hair (not knitted or crocheted)	100% WOOL; KOREAN WOMEN'S KNITTED SHIRT; CASUAL WOOLLEN OVERCOAT; LADIES' PARKA JACKETS; LADY'S WOOL; WOVEN SHORT SLEEVE JACKET; LADY'S WOOL; WOVEN T-SHIRT COAT; WOOLLEN JEANS; WOMEN'S WOOL JACKET; WOOL LATTICE; WOMEN'S TYPE COAT;	Import	Processing and Assembling Trade with Customer-Supplied Materials

Figure 6: All Xintenghe Import from North Korea of HS Code 6204.31.³⁰⁷

Shipment Month	Shipment Destination	Transport Method	Value of Goods (USD) ▼	HS Code	HS Code Description	HS Code Keywords	Trade Direction	Trade Type
				\$374,781				
Aug 2016	Netherlands	River-Sea Transportation	\$103,329.00	6204.31	Jackets and blazers; women's or girls', of wool or fine animal hair (not knitted or crocheted)	100% WOOL; KOREAN WOMEN'S KNITTED SHIRT; CASUAL WOOLLEN OVERCOAT; LADIES' PARKA JACKETS; LADY'S WOOL; WOVEN SHORT SLEEVE JACKET; LADY'S WOOL; WOVEN T-SHIRT COAT; WOOLLEN JEANS; WOMEN'S WOOL JACKET; WOOL LATTICE; WOMEN'S TYPE COAT;	Export	Processing and Assembling Trade with Customer-Supplied Materials
Jul 2016	Germany	Air Transport	\$91,803.00	6204.31	Jackets and blazers; women's or girls', of wool or fine animal hair (not knitted or crocheted)	100% WOOL; KOREAN WOMEN'S KNITTED SHIRT; CASUAL WOOLLEN OVERCOAT; LADIES' PARKA JACKETS; LADY'S WOOL; WOVEN SHORT SLEEVE JACKET; LADY'S WOOL; WOVEN T-SHIRT COAT; WOOLLEN JEANS; WOMEN'S WOOL JACKET; WOOL LATTICE; WOMEN'S TYPE COAT;	Export	Processing and Assembling Trade with Customer-Supplied Materials
Jul 2015	Netherlands	River-Sea Transportation	\$90,816.00	6204.31	Jackets and blazers; women's or girls', of wool or fine animal hair (not knitted or crocheted)	100% WOOL; KOREAN WOMEN'S KNITTED SHIRT; CASUAL WOOLLEN OVERCOAT; LADIES' PARKA JACKETS; LADY'S WOOL; WOVEN SHORT SLEEVE JACKET; LADY'S WOOL; WOVEN T-SHIRT COAT; WOOLLEN JEANS; WOMEN'S WOOL JACKET; WOOL LATTICE; WOMEN'S TYPE COAT;	Export	Processing and Assembling Trade with Customer-Supplied Materials
Sep 2013	Netherlands	River-Sea Transportation	\$89,033.00	6204.31	Jackets and blazers; women's or girls', of wool or fine animal hair (not knitted or crocheted)	100% WOOL; KOREAN WOMEN'S KNITTED SHIRT; CASUAL WOOLLEN OVERCOAT; LADIES' PARKA JACKETS; LADY'S WOOL; WOVEN SHORT SLEEVE JACKET; LADY'S WOOL; WOVEN T-SHIRT COAT; WOOLLEN JEANS; WOMEN'S WOOL JACKET; WOOL LATTICE; WOMEN'S TYPE COAT;	Export	Processing and Assembling Trade with Customer-Supplied Materials

Figure 7: All Xintenghe export to Europe of HS Code 6204.31, data by Panjiva.³⁰⁸

307) 'Shipments for Dandong Xintianhe Trad Co., Ltd. — Panjiva - All Import from North Korea of HS Code 6204.31', accessed 19 March 2019, https://panjiva.com/shipment_search/company?m=shipments&permanent_id=30318824&q=6204.31&type=china_imports&x_history=eJxlUNtKw0AQ_Zd9FkyTGGvAFwVRh-FaLL1FkCbsTs3Rv7M62pKX_7rS1JerbnMucuWxZm7AHi0ooHDI6jVhWs1n1Omve9Mt1hc_rPF76u6_3xX2x-sU_z6qHLRdKbeaPCly6aW3bBDHcrCEfJoN7YK28oMZlgnE7GRu4DRKjYvR3jNZuw3dznR_tgMhkzU-Maj5MZZ7InwwckkUDnLhUsWw96FoZXwG9voXUCOgwciVq1OwFOUVPcYySphVHIJUYzxEoa1C3J_RQBB1SnoOOkHHJf8pDNCx88jaNV_rwjQKT7NrlJe5jffDjKVZXf4AYUow1utDypRXasjsN037AKPjQ.

308) 'Shipments for Dandong Xintianhe Trad Co., Ltd. — Panjiva - All Export to Europe of HS Code 6204.31', accessed 19 March 2019, https://panjiva.com/shipment_search/company?m=shipments&permanent_id=15568018&q=6204.31&type=china_exports&x_history=eJxtj91KAzEQhd8l14Lt2m7tgjcKogitFm9WkWFJZ-t3Q_CzJpGVb-u5Oa1sW692Z82VOzmxFlahBR1pq6oD8Ep0oxCx_m5Xv5nWS08s6i9ft_ffH4uFm457n-WOdy-WQ281KHJ1qUd-JKWPArDEEr5N3Y6NZyYmQgvUnWRWgDRrZEse3hQgzF7vzmD_sUKlnbcbjBOsdNWx-

Taking the above into consideration, it would be worth examining more closely other shipments sent to the Netherlands. The C&A's supplier list features Xintianhe's factory in Dandong.³⁰⁹ One wonders whether it would be reasonable to consider it more than sheer coincidence that shipments being sent to the Netherlands correspond with shipments being imported from North Korea in the same or previous month, and always with a value difference of about 10%.³¹⁰

After mid-2015, Xintianhe started importing in bulk from North Korea and sending it all over the world.

5. Dalian Richland Fashion

Company profile and export to the Netherlands

Dalian Richland Fashion (hereafter referred to as Richland) is a major supplier of clothing to the Netherlands with a total export value of USD 116.5 million.³¹¹



Figure 1: Dalian Richland Fashion total export to the Netherlands.³¹²

When it comes to HS Codes 61 and 62 (which cover all types of clothing), Richland is the 90th largest Chinese supplier to the Netherlands, and it is responsible for 0.11% of the Chinese textiles supply to the Netherlands.³¹³ This means that one out of every

QqFxsSCgrkU2VpVJCCkq1g1FkF5hT4LCKPvzEru1D2pfMKbkdQriZMbHoQ1eJUnaO95KjsK-zG-pL64dajj_y9UuTg9Ya7gdjAcwyqajaT7J8uxw8n9oPDwipS1UxhwoW3VllordDz4VvAg.

309) 'C&A: Supplier List'.

310) There is some fluctuation at times. For example, in 2013, the percentage increase is a little below 9%, which may be due to it being early days in the practice of export processing to North Korea.

311) 'Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - Total Export to the Netherlands', accessed 19 March 2019, https://panjiva.com/shipment_search/company?m=country&permanent_id=44650315&type=china_exports&x_history=eJxdUF1Lw0AQ_C_3LNjGNrUBXy-qIIRafkiS7jbNEfvI9zttaSL_9012g_6NjuzOzN3e1ElatCRlp06IL9GJwoxz9_n5Yd5m-T0us3ibTtbfs4f73buZZE_1ZlMZrcodXimZfkqboQFv8EQtEK-IT45Ch3T0ptkXYQ2YOQIUexFbHRRGUdeHlrDaedK-xIqWfvrSTBkc-NE23wKknS3sE5iULIYusDAXUtMrGpTEJIUTFuKPKqwgslCqO8nNfybX1QkbmAktHRIj1Z_h_-Sn1z7VD-DKYKr9Q8_97_S--tCrAh7-1rD_WA8gFE2HU3zSTYe9p_B9tpCZUyvMlVXJqI4_ABrEpIs.

312) 'Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - Total Export to the Netherlands'.

313) 'All Shipments from China to the Netherlands | Clothing | Shippers Ranked on Amount of Shipments Made — Panjiva', accessed 19 March 2019, https://panjiva.com/shipment_search/results?hsq=%2860+OR+61+OR+62%29&m=merged_shipper&type=all_profile&x_history=eJyNkttOwkAQht-l1yRKNbWQeKOJ0ZiAE_m_QmMn-SnbYT9lB3tyIQ3t1pjQShincz_3wz_-xhHUKRBHhbuwx9NIyykowA_KisC773lZFus6gXSdIglIi0iWOGc6E8su-wwp1aD8zhNB_10cDrgcp9Log4lmkAZhSUEO0fDhVHYOJo-qYeLJNwvYn9SXRXPk-uzlbkbjzd5nNVqNZ6Su-w2T6SXP0GDf0TmSyL0aXYESfElVhY6rmVW1N4qh56douF6n2k22WzBLuAlkrXWY8Zrb3wXO0MfQEjJh-

thousand clothing articles with the ‘Made in China’ label that pass through Dutch customs was sent by this company. It is on the supply list of C&A and Bestseller in the Netherlands,³¹⁴ and according to US import data, Bestseller and Rev’it Sport are two of its biggest customers.³¹⁵

About C&A Our Approach Sustainable Products Sustainable Supply Sustainable Lives Supplier List GRI					
<input type="button" value="Reset"/> <input type="button" value="China"/> <input type="button" value="Search"/>					
Name ▼	Address ▼	Country	Product Category	No of Workers	Tier
Cixi Chengxin Shoes Co.,Ltd	Industry Zone Qiaotou town, Cixi City, Zhejiang Province, China,315100,Cixi	China	Accessories / Footwear	1-1000	Tier 1 Tier 2
Dalian Hongyang garment washing co.,Ltd.	No.79, Develop Zone, Yangshufang Town,116215,Dalian	China	Apparel	1-1000	Tier 2
Dalian Huachi Garments Co. Ltd	Songjia Village,116222,Pulandian	China	Apparel	1-1000	Tier 1
Dalian Jinzhijie Garment Co. Ltd.	No.363,116000,Dalian, Liaoning	China	Apparel	1-1000	Tier 1
Dalian Richland Fashion Co. Ltd	Songjiang Road, Economic Develop Zone,116600,Dalian	China	Apparel	1-1000	Tier 1 Tier 2
Dalian Vent d'Est Lavado & Garments Co.,Ltd	Shenlu Village, Paotai Town,116000,Dalian City	China	Apparel	1-1000	Tier 1 Tier 2
Dalian Vent d'Est Garments Co., Ltd.	Houshi Town Jinzhou District,116110,Dalian	China	Apparel	1-1000	Tier 1
Dandong Actex Garment Co. Ltd	NO.3 ZHONGDA STREET,GUSHAN TOWN,DONGGANG CITY,LIAONING PROVINCE,118313,Dandong	China	Apparel	1-1000	Tier 1
DanDong YiFeng Garment Co. Ltd	Banqian, Fanjia Shan Village,0,Liaoning	China	Apparel	1-1000	Tier 1

Figure 2: Dalian Richland Fashion on C&A's supplier list.³¹⁶

Chaoyang Huahai Industry & Trade Co. Ltd.	No.103 section 5 Culture Road, Longcheng District, 222000 Chaoyang, Liaoning	China
Chun Xue (Cambodia) Cashmere Textile Co. Ltd.	National Road No.21, Prek Bek Village, Koh Thom Commune, Koh Thom District, Kamdal	Cambodia
Chunt (Cambodia) Co. Ltd.	Preypring Thum Village, Sangkat Choeun Chhan, Khan Porsenchey, Phnom Penh	Cambodia
Crescent Bahuman Limited	Sargodha Road, Bahuman	Pakistan
CS Gold Way Textile (Cambodia) Co. Ltd.	National Road No. 3, Angkorom Village, Trankok District, Takeo Province, Phnom Penh	Cambodia
Dalian Huachi Garments Co. Ltd.	Industrial Park, Pikou, Dalian Pulandian, 116222 Dalian, Liaoning	China
Dalian Richland Fashion Co. Ltd. (Tianhe)	No. 1, Songjiang Road Economic and Technological Development, 116001 Dalian, Liaoning	China
Dalian Richland Fashion Co. Ltd. (Tianhe)	Dalian High-tech industrial-park qixianling Huixian Street No. 15, 116025 Dalian, Liaoning	China
Dalian Warm Trust Leather Garments Co. Ltd.	No.9, Huaihe West Road, 116600 Dalian, Liaoning	China
Dalian Xingfeng Garment Co. Ltd.	No. 9 Hongyan Road, Zhuanghe, 116400 Dalian, Liaoning	China
Dalian Xinlian Garment Factory	Sanhe Village, Pikou Town, Pulandian City, 116222 Dalian, Liaoning	China
Dangshan Guxin Clothing Co. Ltd.	Economic Development Zone, 235300 Dangshan County, Anhui Province	China
Dekko Apparel Ltd.	Plot No. M/4, Road No.-7, Section-7, 1216 Dhaka	Bangladesh
Dekko Ready Wear Ltd.	Plot No.M/1, Road No.-7, Section-7, 1216 Dhaka	Bangladesh

Figure 3: Dalian Richland Fashion Bestseller's supplier list.³¹⁷

h5y60CSr5Ro21ELUs25q9labIIFzjyFNqyczUkhKDjzToMTEsFZVozQfPuv31_KJSdCQUCvIWCxfQ-cOdO-qm_9uwwkpY34Gc6ZtXNHTPb3q4IWYn-OyJtIM1v9sPcYFUIGFXCvi3k1wOh62gbff2KW_Zv4LZbNfuM0ns-v0qrA.

314) 'C&A: Supplier List'; 'Bestseller Supplier Factory List 2017', 2017, <https://about.bestseller.com/media/2280/bestseller-supplier-factory-list-2017.pdf>.

315) 'Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - Biggest US Customers', accessed 19 March 2019, https://panjiva.com/shipment_search/company?m=merged_consignee&permanent_id=44650315&type=all_profile&x_history=eJyNkkLLA0EQhf9LnwOSUWIS8KIgiuASvESRojdM1Ok17GrxxhD_rs9iSsZl9vrqq_rvV5WCptYkYucc1xC9HNyaqwuBzeX01tzfTiF4tM9urj8m5ysv_izq8Gp0WWN-blasrhLE6mR6qnLPgn-CoE1pb2WQkkacu-ES0eU-rk3jXUCdSBJXmq82qXGqq_WH2g3cq90Y-2yddwx6eZnJBFQ62QsUPgAmqU22I-4gi2z6SdSVd9SKBc2E40bWwRdsCAy7eVrGgJog-FRxaEnUw3o3A5TGz9BARagfGwyRgnTl6uR-y9pppn3KkZ7t-b7tu8i_Dj5vGmFfpxG-KXQlScW3TO34rLojLKn6tRGq2kzAiiG9CnsaMVdtEoOfahyg9dpoR2Larz8E9CQwG3fy-9Jb1G3mXyCAXspgHrf_qAX_lh0H_C6Qy_kJotoDEwHGRZlgo0shlABW9qcJANh6P-cLQ_2v7vV8hIQ0Y.

316) 'C&A: Supplier List'.

317) 'Bestseller Supplier Factory List 2017'.

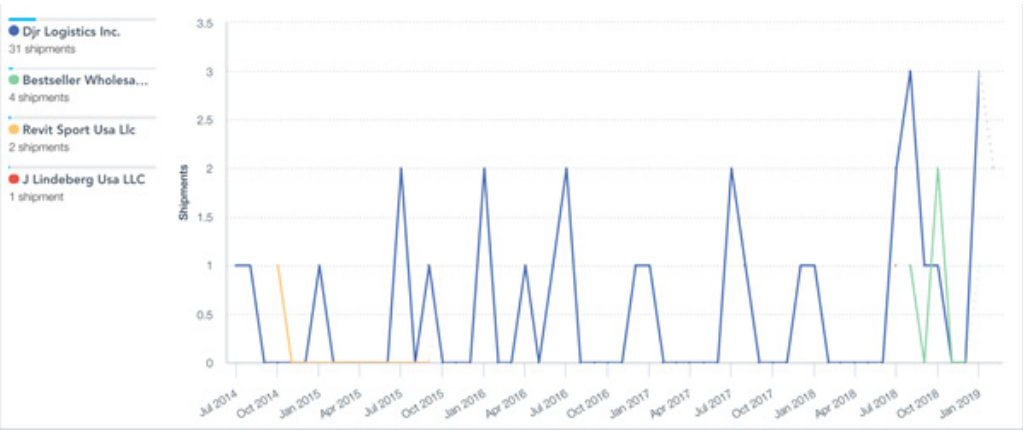


Figure 4: Richland's biggest US customers.³¹⁸

Export processing to North Korea
Richland has used export processing to North Korea since the beginning of the trade practice, and was one of the first five companies allowed by China to do so.³¹⁹ In total, it has imported USD 63 million worth of clothing from North Korea.³²⁰



Figure 5: Dalian Richland Fashion total import clothing from North Korea.³²¹

Shifting shipments after the sanctions

When the sanctions hit in 2017 and the imports from North Korea stopped, China-based Dalian Richland Fashion started 'importing' regularly from China, something it had only done twice before in the past.³²² Shipment records for these domestic imports raise some

318) 'Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - Biggest US Customers'. '丹东服企，逆风发展 (Dandong Fuqi, Nifeng Fazhan)'.

319) '丹东服企，逆风发展 (Dandong Fuqi, Nifeng Fazhan)'.

320) 'Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - Total Import from North Korea', accessed 19 March 2019.

321) 'Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - Total Import from North Korea'.

322) 'Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - Imports from China', accessed 19 March 2019, https://panjiva.com/shipment_search/company?m=shipments&permanent_id=44650313&-type=all_profile&x_history=eJxtU01v2zAM_S86BxjiblkayJcNGFYUaLdil2wYCMWmHSL6MCip-rRvkV49S4jZpcpEoPvGRfjS2Sqe4RheppjhA9Bt0aqHuZr_ulr_Nz8-zePtUhQ_91-7Pw7erF3dzP_veVnUyL_dL4h_xYfFTZQF_4jM1KDEhjX1VhiDALU3yboAPWMQl1psj-CFmqrd65132F_VJGsH-4Wiw1xwTlzQ6YiFNLvIAvgXP1JErI0lkpyN5BwdcvEY35DroPUdw2krw9tnwnqcpB6A7YZYLk-

questions. First of all, domestic trade is not registered with customs unless it crosses a country border somewhere in the process. Second, the shipments hint at some unusual practices. For instance, upon looking at the record found in *Figure 6*, the interpretation at face value would be of a company based in Denmark receiving a shipment of woollen coats valued at USD 105 from another Chinese company, then asking Richland to export it to them. However, Richland's export data shows no such shipment being sent to Denmark in that time period, implying that the shipment never reached its buyer.³²³ Richland also trades this HS Code very infrequently,³²⁴ but the company does send USD 209,865 worth of 'woollen coats or shirts' that same month to Spain.³²⁵ These shipment patterns are nonstandard and merit further investigation, not least because this practice is seen multiple times *after* the sanctions came into effect, but not before.

Shipment Details		Hide empty fields
Shipment Month	2017-11-01	
Shipment Origin	China	
Province	Liaoning Province	
Country of Sale	Denmark	
Transport Method	Air Transport	
Is Containerized		
Value of Goods (USD)	105	
HS Code	6204.31	
HS Code Description	Jackets and blazers; women's or girls', of wool or fine animal hair (not knitted or crocheted)	
HS Code Keywords	100% WOOL KOREAN WOMEN'S KNITTED SHIRT; CASUAL WOOLLEN OVERCOAT; LADIES' PARKA JACKETS; LADY'S WOOL WOVEN SHORT SLEEVE JACKET; LADY'S WOOL WOVEN T-SHIRT COAT; WOOLLEN JEANS; WOMEN'S WOOL JACKET; WOOL LATTICE WOMEN'S TYPE COAT;	
Trade Direction	Import	
Admin Region	Dalian City, Liaoning	
Trade Type	Ordinary Trade	

Figure 6: A shipment imported from China after the sanctions.³²⁶

jK-9tPhvd5rvhP4ykNt5D7xlOYNoukXWLhR3HPrc_zpAAUtgLVvEJOumkyWFJvt11BB84npf-09FRKhHCRsQkxjqn3PdEDtPoEfoUaMpEezTXnl5I7IxdJluIrqFqM1YzTiXvRRqJV2BbhoZfY-DWs2QMvdGZAK0mMx2NajSuMuXaO5yORjUaGWr1s6xPuAoUy5WDWS6xb8kgGHKbLECSR-eS-XeVWFLkmhb3UjI_oEpaMvfEDYn6mVvMGZSK6V5ODPOyFLXeS8UB1aTKIVkWtN0HzM67X-Mj0gm4cUJpKNNOBzGdnxZ-AWZFJg_dk3EWTXXQSwjZjPqil8rObz6-n8-lNV_o3UQBaoMQUVV6tN-QLX7D8n7Wh4.

323) 'Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - All Export of 6204.31', 31, accessed 19 March 2019, https://panjiva.com/shipment_search/company?m=shipments&permanent_id=44650315&q=6204.31&type=all_profile&x_history=eJxtkm9LwzAQxr9LXhfECRMGvLEQRdh0-Ga-KHCHJ2qNNUPKL2o19d6_ZP7fuTZrc7-6555KuhUxUGUeokDogXxsnJm16fpsu3pvX2zG9_LziVXtffswf-blblueTZ-XI5UalazBYynmi_uRCEs-G8TAmrDtbHC1rjiZKB8k6yL0AYTOSQm6394lq7F5pBzxj6FTtZ-2rKFNKwOIYEBLmIk0OQod-CX4gCW6nBQJnST0Dnaco43U6EpofSBw0nLxehjjVvnAcjt2WSC5xivPI35tTvu-dyF8G_Tjn4NhlG5aUZAu5jB1bT9_FSHDXKj4QybxWpe8pKj7uCQJ0aegtp7-HdkJC2q-TAxG9S238-TLzrt-jcv9EqmJnYH57A7Fap1EC2mzn8FpFDMh35-o9ikWK-y3bCUtgi2D94P9gUpdDsPkDbMj0dw.

324) This is the only time it is imported and it is exported only 5 times. (see: 'Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - All Import of HS Code 6204.31', 31, accessed 19 March 2019, https://panjiva.com/shipment_search/company?m=shipments&permanent_id=44650313&q=6204.31&type=all_profile&x_history=eJxtU99rGzEM_l_8HBhJIYPAXjYYG4V2K3vjxDOWXcnzr-Q7bbXkP99su9uTZq-2LI-65P1ST-4KIVMPLmGDaZTJD-DETtxtf97tf5kfH7fp9mkTP4TP3e-HLzcv7vv99mu7abJ5ud8jfuSP-09ijaz0j0CE-Gjg29hgsM0YGGm-ydVEGsgusTuwTuxFqf_d95gf4TO1o7MoSEoSplAapWgkmaXaJS-LZ6wQ1cvx-YROJfROZjh7jdLoOhk8JemU5eDjtY9T1QPTzdj7BNkZ33gu8e_pMt8F_ftAKect8JrlCrpIIUi5WN1pD-KX-PsoK1sCGtwSZ16HjJUdd_CopGX2mZnrT2ZFwoSaxUSCpQSc6pnFLh0IQCVqMTmCfj6U5xn-hjaArcSvWLSZlltcsfZmkEAeuSiqufVRtp44YwxGFQKwCs16MTaLcVMoe-9gvRibxShQq555fYJDxFsVzGa9RL-5FA9KgG4oAmYfOZXSopQh0OsdJaoJHcBlqxmD8CFDG1CoagDuigljN8pBntlJjwSM2tcjIWIW1XgUtY9z03D-2JtjQprjgbKgnPtWXnn4FayZ2S1l99E0aG7ho4_QOL_ky3.)

325) 'Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - All Export of 6204.31', 31.

326) 'Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - Imports from China'.

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility







Date	Shipment Origin	Shipment Destination	Port of Lading	Port of Unlading	Transport Method	HS Code	Goods Shipped	Volume (TEU)	Weight (KG)	Value (USD)
	2017-12	China	Spain		River-Sea Transportation	6204.31				\$220,341
	2017-06	China	Denmark		River-Sea Transportation	6204.31				\$209,965.00
	2017-01	China	Belgium		Air Transport	6204.31				\$1,071.00
	2015-01	China	Italy		Air Transport	6204.31				\$45.00
	2014-12	China	Italy		Air Transport	6204.31				\$4,824.00
	2014-12	China	Italy		Air Transport	6204.31				\$4,536.00

Figure 7: All Dalian Richland Fashion's exports of HS Code 6204.31.³²⁷

6. Vent d'Est

Introduction

Vent d'Est is known to have been a supplier to the following major fashion brands, as according to lists publicly released by the companies themselves for transparent reporting purposes:

[About C&A](#)
[Our Approach](#)
[Sustainable Products](#)
[Sustainable Supply](#)
[Sustainable Lives](#)
[Supplier List](#)
[GRI](#)

Name	Address	Country	Product Category	No of Workers	Tier
Dalian Vent d'Est Lavado & Garments Co.,Ltd	Shenlu Village, Paotai Town, 116000, Dalian City	China	Apparel	1-1000	Tier 1 Tier 2
Dalian Vent d'Est Garments Co., Ltd.	Houshi Town Jinzhou District, 116110, Dalian	China	Apparel	1-1000	Tier 1

C&A.³²⁸

Dalian vent d'est lavado&garment co.,ltd	Shenlu Village, Paotai Town	116308	Puliandian	Dalian	Laoning	CN	< 1,000	Apparel
Dalian vent d'est garments co.,ltd	Heqing Road, 127, DaWeilia Town		JinZhou New District	Dalian	Laoning	CN	< 1,000	Apparel

*Esprit.*³²⁹

Dalian Vent d'Est Lavado Garments Co., Ltd.	Shenglu Village, Paotai Town	116308	Dalian
Dalian Vent D'Est Garments Co. Ltd.	Weijiahoushi Cun, Jinzhou District Dalian Liaonng Province	116000	Dalian

*Bestseller.*³³⁰

VINT D'EE LAMAO SMITS CO	Shen's Village, Pao-tai Town	Puwei New District	Dezhou, Liaoning	869/19	China
WESTMORE TEXTILE	Marshall Mall, Cologny-Sick	No 21A, Davao	Kyauhsai	81905	India
WILSON CLOTHING	No 476, 1A Jothi Nagar	Pichayon Pichayon, King Colony, Changanpur Main Road	Tripura, Tamil Nadu	641658	Turkey
WISCONSIN LTD	121 Gendarmen Street		Plewen	5802	Bulgaria
WISGAMENT CO	Street North Dong Xuyen 1st Zone	Rach Duat Ward	Vung Tau City, Ba Nho Vung Tau Province	74020	Vietnam
WIT THANH	Lot 8584	Grac Long Industrial Park, An Phuoc Commune	Chau Thanh District		Vietnam
WYNATK BONG SON GARMENT	Lot 4, Industrial Park	Bong Son Industrial Park, Hiep Nhan Dist	Binh Dinh Province	590202	Vietnam
WYNATK HUONG TRIA	Lot C48, Tu Hai Industrial Zone	Huong Tri District	Thuan Hoa New Province, Huong Tri		Vietnam
WYNATK TU NGHIA GARMENT	Lot A4, Lu Hai Industrial Zone	Lu Hai Town, Tu Nghia District	Quang Ngai Province		Vietnam
YIN PHU QUANG NAM CO.,	Lot AA/2 Group Co-Hon	Truong Xuan Village	Tam Ky	360202	Vietnam
YIMBONG TEXTILE	12 CH	Bacoi	Phuhoai	102620	Romania
YIN LAM DAVIS (S)AM LTD	National Road # 8	Phum Pongkha, Khum Darnnank Amp	Sak Angkor, Kamal Province	855	Camboia
YIN LAM PRINTING CO LTD	No 161 Chong Road	Fohing Town, Kien City	Yau City, Zhejiang	322020	China
YIN LI BROS COE LTD	No 18 Nguyen Road	The Jet Area Of Chien Shien, Lucheng District	Hanhuo City, Zhejiang	324202	China
YIN LI YOUNGWEAR FACTORY	Block 1, Jieyang, Qiongzhang	Ind. Zone, Chiao Shan Town	Chongshan City, Zhejiang	323875	China
YIN HUA YOUNGWEAR FACTORY	No 10, Area 3, Jieyang, Qiongzhang	Nantian Town	Shengdu City, Zhejiang	324970	China

Factory List - August 2018

16

*Arcadia UK.*³³¹

- 327) ‘Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - All Export of 6204.31’, 31.
328) www.sustainability.c-and-a.com.
329) www.esprit.com/en/company/sustainability/produce-responsibly/transparent-supply-chain
330) <https://about.bestseller.com/media/2674/bestseller-factory-list-01-12-18.pdf>.
331) <https://s3-eu-west-1.amazonaws.com/craft-web-s3-2617/Arcadias-Suppliers-Factory-List.pdf>.

This section looks at Vent d'Est through China imports and exports records. Panjiva states that according to Chinese regulation, China imports and exports records do not reveal the names of a shipment's overseas consignees. Therefore, this analysis focuses on drawing a picture of this Chinese company's trade connections with overseas destinations, rather than on shipments to and from specific companies overseas.

All China imports and China exports records that feature the company between the time period 2014-02-25 and 2018-01-01 were analyzed in this section.³³² This data was accessed through the Panjiva platform. According to Panjiva, the records and all the information within them were provided directly by China Customs to Panjiva. Other sources of data have been individually footnoted whenever incorporated.

Company profile and relations

The following company profile is from the Hong Kong Trade Development Council (HKTDC) page for the company.³³³

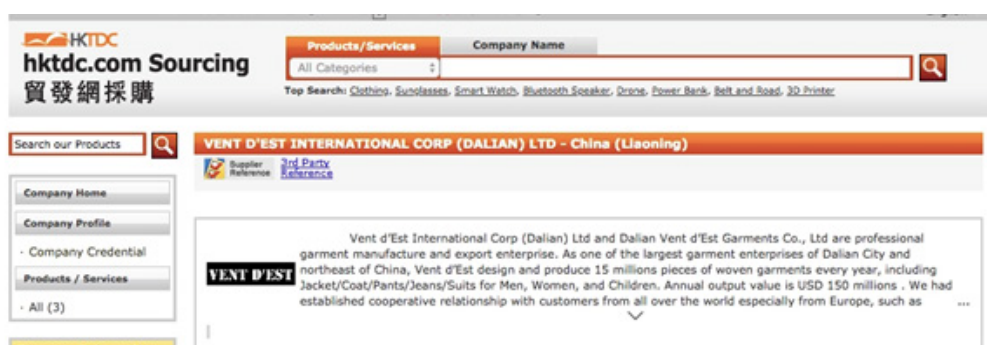


Image reads: Vent d'Est International Corp (Dalian) Ltd and Dalian Vent d'Est Garments Co., Ltd are professional garment manufacture and export enterprise. As one of the largest garment enterprises of Dalian City and northeast of China, Vent d'Est design and produce 15 millions pieces of woven garments every year, including Jacket/Coat/Pants/Jeans/Suits for Men, Women, and Children. Annual output value is USD 150 millions. We had established cooperative relationship with customers from all over the world especially from Europe, such as Inditex, Benetton, C&A, Bestseller group.

Vent d'Est International Corp (Dalian)Ltd will be referred to as INTERNATIONAL in this section. Dalian Vent d'Est Garments Co., Ltd (sometimes known as Dalian Vent d'Est Lavado and Garments Co., Ltd)³³⁴ will be referred to as GARMENTS in the rest of this section. Collectively, they will be referred to as EAST WIND.

Imports and exports by GARMENTS are identified as made by the company with DUNS number 528188249, which is the DUNS number of INTERNATIONAL.³³⁵

332) The start date was chosen because data from hereon was consistently available. The end date was chosen because this is the last date for which China customs provided the value of shipments on the records to Panjiva, with shipping records since given values that are algorithmically imputed by Panjiva.

333) <https://www.hktdc.com/manufacturers-suppliers/VENT-D-EST-INTERNATIONAL-CORP-DALI-AN-LTD/en/1X077ZV8/>.

334) The addresses for both companies are one and the same: No. 10, Chunhe Street, Zhongshan District, Dalian, Liaoning, China. According to Panjiva, the existence of alternative names for one company on shipments are explained by the following: "If you see more than one result for the same company it is because our database is organized by unique name and address. Therefore, any time a company's name or address is written differently on the bill of lading, a new profile is created."

335) Corporate information in the Panjiva platform is provided by Dun & Bradstreet. The DUNS number is a proprietary identifier managed by Dun & Bradstreet. In worldwide use, it assigns a unique 9-digit number to each business entity that is in a distinct physical location.

According to Panjiva's company profile,³³⁶ INTERNATIONAL had an annual revenue of USD 72,143,078 as of 2018-09-12 and was incorporated in 2006; GARMENTS had an annual revenue of USD 88,740,971 as of 2018-08-15 and was incorporated in 2004.

The North Korea connection (imports)

This section looks at the Vent d'Est companies, INTERNATIONAL and GARMENTS, through China imports data in the time period 2014-02-25 to 2018-01-01.

The two companies imported goods worth a combined total of USD 27,539,255 in value via 2,270 shipments.

INTERNATIONAL (China imports)

INTERNATIONAL imported USD 18,921,114.25 worth of goods via 401 shipments during the time period examined. In a breakdown of categories by HS Code, *Figure 1* shows that finished textile products³³⁷ make up the vast majority of imports in value at USD 17,953,256 or 94.88% of all imports.

In terms of overall imports, *Figure 2*³³⁸ shows that shipments of North Korean origin make up almost all of the value at USD 17,940,607 or 94.82% of all imports.

In a breakdown of categories by HS Code among imported goods of North Korean origin, *Figure 3*³³⁹ shows that finished textile products make up all of the imports in value.

We therefore reach the conclusion that in the period examined, the main trading activity of INTERNATIONAL on the imports side were for acquiring finished textile products that had been sent overseas to be processed, and that almost all of these products came from North Korea.

GARMENTS (China import)

GARMENTS imported USD 8,618,141 worth of goods via 1,869 shipments during the time period examined. In a breakdown of categories by HS Code, *Figure 4*³⁴⁰ shows that

336) This is also part of the corporate information in the Panjiva platform that is provided by Dun & Bradstreet.

337) Identified via HS Codes 62** or 61**.

https://panjiva.com/shipment_search/company?m=hs_codes_2&pids_list=44439059_46152653_43682766_30252223&type=china_imports&x_history=eJx1UclOwzAQ_RdflVISUg-iVuIDKckCtVE6gynLjSWLVs_BS0Vb9dyZuU6ASkg8z783y5nlHWPAtaC8q4TfUmxVoMib329dZOuWzt4uJ-na7CV7V8n08eH5bP4enaNXKebT9fdLmaS97ckUuiqFmDtYID9raOVoaDozkylZFBaUc7Cw63kPGOUfZ0C-mOHtRnZn2rOuA_Cg1lbnDGAVBntWwQ6a3ioVDAaNwXtbV_JLePwN9euM9ZTv-kAgTWTAWHwHOP-WH0T-CilKrjC3UBnLh6bD1GMyCOJGgUPH8CpTC9lvVR3TSO3-5_Aga4Lv5_RWx00NntDfY5xnchB-0PIFqpoAs9gt0yNb0pB5diDb_WHXGR7Fj0sRVnHllcLpF60meZkWS5kk-GhjQ_ICXSZrhi6ppQctRekuLvC-zL7OaqSONPYYtQIEkZWYRqJh2Q_TcJicdF

338) https://panjiva.com/shipment_search/company?m=country&pids_list=44439059_46152653_43682766_30252223&type=china_imports&x_history=eJxdj1tLAzEQhf9LX-u1Cdt1qLPii1MuDtLA-KRLSZHY3bC6ai9iW_nfHskUI8zB8Z87JyZ5EHxJZkJgtz1GRGRE5jeCSljpteflTOJRvd-k9rulr57NIWE35S25euuXd7eYh31_EwXT17uPRsakzarjGDMv9J4SgFaBX-uxS2CKW3mTrIn8PEPEJstiTMXLp-FUTe4GVNDn9H_8VXorK1PylWJDlCPG7aDaX5G3pDz08Zt740OMmZESUSVDGJ8u2G1m1Fm6qZHxVw-6pezitY4yAP0mrM5veJtwxirL89bWtqiRVsujCkqol6YCOTWDXldbwC

339) https://panjiva.com/shipment_search/company?m=country&pids_list=44439059_46152653_43682766_30252223&type=china_imports&x_history=eJxdkEtLAzEYRf9LtnYg-89K04Eapj4W0MK6UEtLkm5kweWgeYlv6340jHWwhi3DPPcmXHJC3LqAF8IHT6AWaIRZDDyZILsOOBjuAS-fhu_7LGK7F-vVq61RC_-fatWT7cb5_i47XvVJPvP58NGRolutt0hqb2C5yTApLLbTTB7VLMrYraePrhwKcr0OIw-wQXK0XFqnJF3JKLWv75mgffgTztpunHmTRJ1VEEOMNZ7T7kV4GmBNjPkWvq_TbW9mEqwAJkPbPyHAud-VhousqE8EjPjLSYbztFLuoJWU4BrTqpiXJMdVvY4vSlrUlCk10hS1THmYjBrPk0EIyW_KCl8aiU7G8QdM1YL4

340) https://panjiva.com/shipment_search/company?m=hs_codes_2&pids_list=44439059_46152653_43682766_30252223&type=china_imports&x_history=eJxlj0tLw0AQgP_LXjWQpK-

the top imports were not of finished products but of raw materials or unfinished goods. *Figure 5*³⁴¹ shows the breakdown of shipment origins for goods excluding finished textile products.

We therefore reach the conclusion that in the period examined, the main trading activity of GARMENTS on the imports side were for acquiring raw materials that are used in manufacturing textile products. North Korea did not feature as the shipment origin for any raw material or unfinished goods imports.

Exporting to Europe, to Myanmar and to North Korea

This section looks at the trading activity of the Vent d'Est companies, INTERNATIONAL and GARMENTS, through China exports data in the time period 2014-02-25 to 2018-01-01.

The two companies exported goods worth a combined total of USD 367,280,524 in value via 8,998 shipments in this period.

INTERNATIONAL (China exports)

INTERNATIONAL exported USD 190,884,240 worth of goods via 4,094 shipments during the time period examined.

*Figure 6*³⁴² shows the number of shipments per quarter by destination, for the top five destinations. Finished textile goods and materials are not differentiated in this graph. In terms of the number of shipments, we see that Italy, North Korea and Myanmar top the list of destinations, although as demonstrated below, the type of goods being exported to Europe (finished) and to North Korean and Myanmar (unfinished) are distinct.

1dA16U-jhIC_GkyLDNTpIL-9CdXbEt_ne3KS1FYQ7D981zx8j5wCpG0UAkyS6ZiKFHG1SjwgaCG9Amfht9X-uVLuXq5WPjLEL-b9Wu9uL9bP8aHK-p0XWw_nywfaiz7mzTDgPtC75XE1NsTNE4iQZLM43Q0luDDI6UtrN-qd-4oV7OdU9Fe-MRmN2ezni9D0SMdM2W48_j31-hbOGRj3_wgpAmYUxPh5mRfTLC-zcnY0aOWB8y-wvUuy5MiC0Bj7Lr5NrhSZM2GOrRgBTknNezCeT-eGJX8pSb9I.
341)

Figure 7³⁴³ shows the combined value of all export shipments by destination, for the top ten destinations. In terms of ranking by the number of shipments, as shown in Figure 6, North Korea and Myanmar are the second and third top destinations. But if we rank by the combined value of shipments, we see that Netherlands rises to second place from fifth, and North Korea drops from second to fourth. This can be explained if we take into account the understanding that the value of each shipment to North Korea (unfinished goods) is much lower than that to the Netherlands (finished goods).

Figure 8³⁴⁴ shows the combined value of finished textile goods export shipments by destination, for the top ten destinations. The top two destinations that take up a majority of the value are home to major European retail companies known to have relationships with Vent d'Est.³⁴⁵

Figure 9³⁴⁶ shows the combined value of exports excluding finished textile goods by destination, for all export destinations. Myanmar and North Korea are the top two export destinations, with Cambodia a trailing third with a value half that of either Myanmar or North Korea.

343) https://panjiva.com/shipment_search/company?m=country&pids_list=36273238_36866041_29807866_36336360_44202353_10779197_30904058_33774245_5642106_45925920&type=china_exports&x_history=eJx1UctqwzAQ_BddW4PtJK0b6KUlFRxKAumppQjFWsfCerh6pE1C_r0rBSc-QKOGwzOzO7K72hAXfgvaiFn5LvelAkyl52L0t8jlfvF_N7LwLv_XqYzl7ely9hOcbt5bLYvf9qqtuKfn6nlwTRc0Gr-BUcslC2QXu7Rbo2MijtaG_BYQSZ7olrRa8QOywsyOFUcF9Eh6Uih4DSZXRvo1ZzNctOES9NTzUXhhN-z5lIboSuAaG3TLveWE_9to_EhskANDiOuPUOu3ikhyhuFDg8BM5rGiEBddUzjdL-fw1HXaFCGee4paON-sZQL10sWLUExiYs4Vms0RPADKyD8goOVFL07jsuBWoOMZphGvtJ5Usxgnzjb0NMmeJZ09PPtLvS0-pSsf-dqUecicZxb_gpR5Mc7yMisngwKaH_kqywt80QsaQatJMaLjsqqq4nY0uktthy1CUSZlUpFqmHRADn_suMyF

344) https://panjiva.com/shipment_search/company?m=country&pids_list=36273238_36866041_29807866_36336360_44202353_10779197_30904058_33774245_5642106_45925920&type=china_exports&x_history=eJx9VMtu1EAQ_BdYfV5T89KXIJc44ASaTmB0MixZzfW-gGeMSKJ8u80z-kMLqCLtYdXl7q6urum7Kk9zqbZVXoa45LZ6XdVLUu5j6Zqu3MQyHdPI8NvbT5fior38_Op8vjguy5qrL7vzd-2dXH5b3Lh_6nbz98XGk465vD2-4xhCnn2meuzZxbjMtY5lvONxM_TKMOX6fU-YW1fBuGdxWsrp_ulv5G-vVLsPwJ3-oS3Od8tO_bjysnL9x4ryPp7E4TP_0buuSNrnU67RKSLMRaqPsE5L9iFOGyH5x_E57btVupoFB-FJr3VYeXJKN8S671eUQ_u6z-k0bIhOwg-FOLYWCsoo6R4L_QcZKyAkJYAs80aQlQZBQSAaTgQFaTiLaSDiKIU-je41G9kljGtwLMiSCGjghIYTllZZglsJCWcxQqsjhfWkPyfNwYc8ByQfswyA9ZghpYLNxH7ZwSyFs7zCjIKwID-m85YA1JGxsj4SyWEMr8SOSIQCIxYwMEZDnuSDSkAsib1iCvfhUQBoOQpyFX6WCjiKLv2mRUOwoVN-BJfCoJG8BZuEqDR5YeJkwWMDRBoF46wBulFfShM9DzTuMt8y7hKhXUUhvoKEkvHAD8beDtZfJIQys0VuNRw_vf8UNDxwFOLYWCsoo6R4L_QcZKyAkJYAs80aQlQZBQSAaTgQFaTiLaSDiKIUje41G9kljGtwLMiSCGjghIYTllZZglsJCWcxQqsjhfWkPyfNwYc8ByQfswyA9ZghpYLNxH7ZwSyFs7zCjIKwIDm85YA1JGxsj-4SyWEMr8SOSIQCIxYwMEZDnuSDSkAsib1iCvfhUQBoOQpyFX6WCjiKLv2mRUOwoVNBjCoJG8BZuEqDR5YeJkwWMDRBoF46wBulFfShM9DzTuMt8y7hKhXUUhvoKEkvHAD8beDtZfJIQys0VuNRw_vf8UNDxw

345) These are Benetton and C&A, by admission of both sellers and purchasers, on information made publicly available by them.

346) https://panjiva.com/shipment_search/company?m=country&pids_list=36273238_36866041_29807866_36336360_44202353_10779197_30904058_33774245_5642106_45925920&type=china_exports&x_history=eJx9mFtLHEEQhf_LvCYLfanurhbykmAuD0HBPCWEYd0ddXFnN5mZD-VHxv6eyRjHCTyAiXVb36eqqOqfmrm3w9QcNeOub3fjsnndzHfTVbeZVovVdNNO2-tuY-a3t59P3cny-9Mur4-Hkevd7cf717Pj9u_OPuw95vFyf-dufnzZ6fbZeXr6xPfp2-6sbhtWyM9_FdreZhhtbXmxXu34ztj-GbrQ-jmqO7J-NR45v7p_4z_KtWe76_q9_P58WV934-NdqcnH_N0ch4v2-Vrbb1-cvZxP3Wyc5vvbBudl5sl-spEdL1k-rOvMefux9aG7WLWafGwlqKovMdY9TnNZ9e18vd5bbelivh6758ui-mz5YSNB229UQ8oS_2300l-S8KJiysinWSqZQPZvIK-VCZxWH4LMUHCeU4FkN9REMAyhkFdOibxSYK-ACFNwGI2C4XWB7yXoVRF-hyg4TQDJGXLIMGUYwY7hWrJy8RNGUfKPRK4GP0VPkYyi4YRb0qoHCm4I_AAO9HN8rOoq8RKHwhih-d6ZduQEIpERKiYokk9lrniU6ZQsYiKfJdZL_SSjLW8sDnPeJ76yo_oyE0ajVAJvJgIfSsVALYrgSyWEUvCVk7U2L-CJssNFij2mD2WsmzMOAvde8MPIJC9ZMdJZtiO9VMW1YjgQjZodXD8IIE4a34JWLMC8nTDdbJBU0V2cGyB-pONO7a9CQZKK1KAwSeEzmGKRocFKwURCqaNeM5D7_kpFWFUhGEbcjkg0VsMD9QXZpRmliIRN6zY-bYyysSoDeklFQhRFGHZlhKHY9MyElB0FSapws_EJNZt6JkSk7KyZvHIVynmTWMgplXsvp03ySG3FRQT-PishMIL3CeiMXDjQpYlSVyhumyOHFZDMU2Dd8ZH2g-c3UZlMFFtGBQMVMkRfBvmGzCD5KR80migiFx-ZKhQC3Kr2xzjY6Bnjsbj7c2-eK9PPKy9Q2eOA7oQ-xs1lK42yiPS4jQahkJMSD5mp5n2YMdwLxYmPHswIOP-CDNsQEKUzPKAx3YpB7QoajbrNjwgoI5KnieOip8jYlAmROWqRCYSyfiUmb_A-AOxs2OFYn0Vh0OxZJrZlm-wElzv85mDKgUuPi6iEBxj3fwBNoQmn

Putting this data together, we may draw the conclusion that in the period examined, the trading activity of INTERNATIONAL on the exports side fall into two major categories: the export of finished goods to various overseas destinations, including European countries home to major retail brands; and the export of textile materials and unfinished goods to North Korea and Myanmar, and also Cambodia to a lesser extent.

GARMENTS (China exports)

GARMENTS exported USD 176,396,283 worth of goods via 4,904 shipments during the time period examined.

Of that number, USD 175,815,530 or 99.7% of value in exports were of finished textile goods. *Figure 10*³⁴⁷ shows the combined value of these finished goods by destination, for the top ten destinations.

We can draw the conclusion that the main trading activity of GARMENTS on the export side is the export of finished goods to various overseas destinations, including European countries home to major retail brands.

Putting it all together

Putting together all of the above information, we come to an overall picture of the company's extensive manufacturing relationship with North Korea based entities³⁴⁸ at the same time as it shipped its finished products European countries.³⁴⁹

More specifically, GARMENTS acquired raw materials from various countries for use in manufacturing textile products. North Korea did not feature as the shipment origin for any raw material or unfinished goods imports by GARMENTS. At the same time, INTERNATIONAL exported raw materials and unfinished goods to be processed overseas, primarily in North Korea and Myanmar. INTERNATIONAL then imported the finished textile products.³⁵⁰ The "Trade Type" given on the China Customs record for the imports from North Korea are given either as "Processing and Assembling Trade with Customer-Supplied Materials" or "Others".³⁵¹ Both GARMENTS and INTERNATIONAL exported the finished goods to various overseas destinations.

347) https://panjiva.com/shipment_search/company?m=country&pids_list=36273238_36866041_29807866_36336360_44202353_10779197_30904058_33774245_5642106_45925920&type=china_exports&x_history=eJx9Vctq3EAQ_Je5Jgvznp4FXxIcO4dGw-aUEAZZml2L1SPRI8Q2_vd05AcbQwl0EF3q7pqa6taDGPthElsxzm2ax0q8F8U83eZuqst6uktTf8wdwx_uv1zLq-r667vz4eo4_ylv-vu3OP328uZwv_Hhodur-1-eOjrumOpxxjTb1v_Mw1FXm3LKfu2m443DZN3PbjennkEduIbYPr-BWKPH4-sV_yHdRzW37L78tpvI2jy9vdXdYOP_gxGGfTmOp7d_0roopb8apWE6rpbIbqTfavSC5q57itJGKH44Pe-V8ncsokq4lIBWP0wpNT6jYVTbOgHNoXzZhPw5boJPxUiGNLoahdlOa50FvIWkMQkhDSCmc5CS-GIAORYCAQ5ZXEVRIOp7AHkZdSwoHeYIYIsOdTLBo2ygySYBuzFNGCWh7fsVAgQghqyvLAXKUwD3p-czATP0mIaF8hK2aFQwKyqkBpOHk7LiQ7-ihodZGmcFveIoWJAIWxQbAKvBlwJ9qGLE84VpRLQcuCBSg-2cZ-5BWaMDIQAj94LkPZ7KKOHS8xo6ivB8Wb-ShQ3gkBrSQ1jQ46tUeC1ThBb1DjppqZbOpsAJBecmh5koE-Q0T4Z_IaDgnpuccQQY7in0DbahvCZA9ypaWUR4s-E9TxYZwEmD1XjW8PEvcSZ3cQ

348) As mentioned previously, manufacturing also happens in Myanmar. Here, we focus on the North Korea connection.

349) There are various major US brands that the company has relationships with. Due to the nature of US shipping data naming the consignees (unlike with China shipping data, which we were limited to when examining shipments to European countries from China), it is indeed possible to trace shipments to specific companies.

350) Although we see INTERNATIONAL shipping unfinished goods to Myanmar as well as North Korea, nearly 94.82% of its import shipments are from North Korea, all of which are classified as finished textile products.

351) See figures 12 and 13 for an example of the information that is contained in a shipment record.

Shifting Shipments?

We note two particular trends that emerge around the timing of sanctions on North Korea, give or take a few months. One deals with the decline of shipment records indicating the destination or origin of goods as North Korea, and the other with anomalous shipments.

Decline of shipments to and from North Korea

In Figure 6, it can be seen that shipments to North Korea appear to be phased out just as shipments to Myanmar increase.

Figure 11³⁵² shows the same data, the number of export shipments by destination made by INTERNATIONAL, but excluding finished textile goods, and that trend is easier to see.

China to China shipments

The value of imports by GARMENTS for finished products in the time period examined amounts to only USD 105,471. As this figure seemed comparatively low for the number of shipments there had been, individual shipments in this category were examined, upon which a pattern of anomalies could be observed.

Figures 12³⁵³ and 13³⁵⁴ are an example of these, where all of the following combination of strange conditions are met for a shipment record: both the origin and destination of the shipment is China; the country of sale is given as a country other than China; and the value of the shipment for finished textile goods is given to be less than USD 100.

Both GARMENTS and INTERNATIONAL appear in such shipment records. The first time that we have found evidence for this is in 2016-10-1 for both GARMENTS and INTERNATIONAL, which is also the time period of the decline of shipments to and from INTERNATIONAL and North Korea.

No explanations could be provided by Panjiva for China to China shipments, but they provide the following possible explanations for the existence of US to US shipments:

- *The Shipper and Consignee are fiscal or legal titles. The company selling the product (receiving the financial benefit/responsible for the shipment getting to the Buyer/responsible for compensating the Buyer if the shipment never arrives) may be a U.S. company.*

352) [353\) \[https://panjiva.com/shipment_search/shipment/267785311?type=china_imports\]\(https://panjiva.com/shipment_search/shipment/267785311?type=china_imports\).](https://panjiva.com/shipment_search/company?m=country&pids_list=36273238_36866041_29807866_36336360_44202353_10779197_30904058_33774245_5642106_45925920&type=china_exports&x_history=eJx9mFtLHEEQhf_LvCYLfanurhbykmAuD0HBPCWEYd0ddXFnN5mZD-VHxv6eyRjHCtyAiXVb36eqqOqfmrhm3w9QcNeOub3fjsnndzHfTVbeZVovVdNNO2-tuY-a3t59P3cny-9Mur4-Hkevd7cf717Pj9u_OPuw95vFyf-dufnzZ6fbZeXr6xPfp2-6sbhtWyM9_FdreZhhtbXmxXu34ztj-GbrQ-jmqO7J-NR45v7p__4z_KtWe76_q9_P58WV934-Ndq7nH_N0ch4v2-Vrbb1-cvZxP3Wyc5vvbBudl5sI-spEdLt1k-rOvMefux9aG7WLWafGwlqKovMdY9TnNZ9e18vd5bbelivh6758ui-mz5YSNb229UQ8oS_2300l-S8KJiysinWSqZQPZvIK-VCZxWH4LMUhCEu4FkJN9REMAyhkFdOibxSYK-ACFNwGI2C4XWB7yXoVRF-hyg4TQDJGXlMGUwyJ7hWrJy8RNGUfKPRK4GP0VPkYyi4YRb0qoHCm4I_AAO9HN8rOoq8RKHwih-d6ZduQEIpERKiYokk9lrniU6ZQsYiKFjDZL_SSjLWsDnPeJ76yo_oyE0ajVAJvJgIfSsVAIYrgSyWEUvCVk7U2L-CJssNFij2mD2WsmzMOAve8MPIJC9ZMdJZtiO9VMW1yJgQjZodXDsiIE4a34JWlMC8nTDdbJBU0V2cGyB-pONO7a9CQZKK1KAwSeEzmGKRocFKwURCqaNeM5D7_kpFWFUhGEbcjkg0VsMD9QXZpRmliIRN6zY-bYyysSoDeklFQhRFGHZlKhY9MyElB0FSapwS_EJNZt6JkSk7KyZvHIVynmTWmgPlXsvp03ySG3FRQT-PishML3CeiMXDjQpYISVyhmyOHFZDMU2Dd8ZHgz-c3UZlMFFtGBQMVMkRfBvmGzCD5KR0migiFz-ZKhQC3Kr2xzJY6Bnjsbj7c2-eK9PPKy9Q2eOA7oQ-xs1lK42yiPS4jQahkJMSD5mp5n2YMdwLxYmPHswIOP-CDNsQEKUzPKAx3YpB7QoajbrNjwgoI5KnieOip8jYlAmROWqRCYSyfiUmb_A-AOsx2OFYn0Vh0OxZJRzlm-wElzv85mDKgUuPi6iEBxj3fwBNoQmn.</p>
</div>
<div data-bbox=)

354) https://panjiva.com/shipment_search/shipment/280963595?type=china_imports.

- *This is a transshipment (technically a U.S. Export) where the product is actually going to a foreign country, but the vessel stopped at another U.S. port before heading overseas. Whenever a vessel stops at a port, a U.S. import bill of lading must be filed for all goods onboard.*
- *The country is incorrectly tagged.*

Even if the possible explanations for US to US shipments were to be applied in our case, the very low values for finished textile products and the coincidence of time period when this first happens still are not explained, making these shipments stand out as anomalous.

HS Code	Value (USD) ↑
	\$18,921,114
62 Apparel and clothing accessories; not knitted or crocheted	\$17,953,256.00 94.88%
96 Miscellaneous manufactured articles	\$252,540.75 1.33%
52 Cotton	\$202,433.00 1.07%
58 Fabrics; special woven fabrics, tufted textile fabrics, lace, tapestries, trimmings, embroidery	\$153,359.00 0.81%
54 Man-made filaments; strip and the like of man-made textile materials	\$125,897.00 0.67%
83 Metal; miscellaneous products of base metal	\$66,349.00 0.35%
56 Wadding, felt and nonwovens, special yarns; twine, cordage, ropes and cables and articles thereof	\$60,042.50 0.32%
55 Man-made staple fibres	\$56,850.00 0.30%
85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers; television image and sound recorder...	\$23,027.00 0.12%
39 Plastics and articles thereof	\$10,974.00 0.06%

Figure 1.

Shipment Origin	Value (USD) ↑
	\$18,921,114
North Korea	\$17,940,607.00 94.82%
South Korea	\$255,397.00 1.35%
Italy	\$233,170.00 1.23%
China	\$231,130.25 1.22%
India	\$109,165.00 0.58%
Hong Kong	\$54,827.00 0.29%
Spain	\$32,683.00 0.17%
Bangladesh	\$27,761.00 0.15%
Thailand	\$27,718.00 0.15%
Myanmar	\$5,859.00 0.03%

Figure 2.

DIMENSION 1 Shipment Origin	DIMENSION 2 HS Code	Value (USD) ↑
		\$18,921,114
North Korea	1 unique hs code (2-digit) Collapse HS Codes (2-digit)	\$17,940,607.00 94.82%
North Korea	62 Apparel and clothing accessories; not knitted or crocheted	\$17,940,607.00 100.00%

Figure 3.

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

HS Code	Value (USD) 
	\$8,618,141
54 Man-made filaments; strip and the like of man-made textile materials	\$3,630,690.00 42.13%
55 Man-made staple fibres	\$1,101,963.00 12.79%
96 Miscellaneous manufactured articles	\$742,696.75 8.62%
58 Fabrics; special woven fabrics, tufted textile fabrics, lace, tapestries, trimmings, embroidery	\$566,712.50 6.58%
85 Electrical machinery and equipment and parts thereof; sound recorders and reproducers; television image and sound recorder...	\$511,789.00 5.94%
60 Fabrics; knitted or crocheted	\$441,274.00 5.12%
42 Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other th...	\$316,201.00 3.67%
52 Cotton	\$276,852.00 3.21%
83 Metal; miscellaneous products of base metal	\$253,423.00 2.94%
48 Paper and paperboard; articles of paper pulp, of paper or paperboard	\$162,135.67 1.88%

Figure 4.


Shipment Origin	Value (USD) 
	\$8,461,635
South Korea	\$4,805,614.00 56.79%
China	\$1,696,696.25 20.05%
Hong Kong	\$885,245.00 10.46%
Japan	\$409,194.00 4.84%
Taiwan	\$228,975.00 2.71%
Italy	\$200,786.83 2.37%
Spain	\$116,436.00 1.38%
Thailand	\$23,443.00 0.28%
Turkey	\$23,427.00 0.28%
United Kingdom	\$23,000.00 0.27%

Figure 5.



Powered by panjiva.com

Figure 6.


Shipment Destination	Value (USD) 
	\$190,884,241
Italy	\$60,434,362.20 31.66%
Netherlands	\$33,931,040.17 17.78%
Myanmar	\$17,004,851.35 8.91%
North Korea	\$16,043,063.00 8.40%
France	\$11,507,044.00 6.03%
United Kingdom	\$10,469,430.00 5.48%
Cambodia	\$8,472,943.00 4.44%
Hong Kong	\$5,722,738.00 3.00%
Turkey	\$4,579,120.00 2.40%
United States	\$4,408,795.00 2.31%

Figure 7.

Shipment Destination	Value (USD) 
	\$152,572,177
Italy	\$63,095,128.25 41.35%
Netherlands	\$33,898,400.17 22.22%
France	\$11,415,558.00 7.48%
United Kingdom	\$10,406,482.00 6.82%
Hong Kong	\$5,698,762.00 3.74%
Turkey	\$4,503,278.00 2.95%
United States	\$4,292,276.00 2.81%
Brazil	\$3,843,939.50 2.52%
Spain	\$3,817,021.00 2.50%
Germany	\$2,893,241.00 1.90%
Poland	\$2,020,519.00 1.32%

Figure 8.


Shipment Destination	Value (USD) 
	\$40,395,207
Myanmar	\$16,904,915.35 41.85%
North Korea	\$14,997,454.00 37.13%
Cambodia	\$8,446,230.00 20.91%
Bangladesh	\$19,851.00 0.05%
Spain	\$17,580.00 0.04%
Hong Kong	\$4,559.00 0.01%
Thailand	\$1,778.00 0.00%
Laos	\$1,582.00 0.00%
India	\$1,258.00 0.00%

Figure 9.


Shipment Destination	Value (USD) 
	\$175,815,530
Spain	\$47,939,168.08 27.27%
Italy	\$46,431,430.49 26.41%
Germany	\$21,150,685.47 12.03%
Netherlands	\$13,869,034.73 7.89%
Hong Kong	\$8,865,001.00 5.04%
France	\$8,636,382.00 4.91%
United States	\$7,601,903.47 4.32%
United Kingdom	\$4,396,674.00 2.50%
Denmark	\$3,077,199.60 1.75%
Poland	\$1,991,804.00 1.13%

Figure 10.

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility



Figure 11.

All shipments | China Imports — Panjiva

https://panjiva.com/shipment_search/company?m=shipments&pid...

[See Panjiva Enhanced Record](#) [Open in new tab](#) [Print](#)

Shipment Details

Shipment Month	2017-06-01
Shipment Origin	China
Province	Liaoning Province
Country of Sale	Netherlands
Transport Method	Air Transport
Value of Goods (USD)	26
HS Code	6203.33
HS Code Description	Jackets and blazers; men's or boys', of synthetic fibres (not knitted or crocheted)
HS Code Keywords	BOY'S JACKET; CASUAL COAT; CASUAL JACKETS; CHEERING SQUAD MAN WESTERN-STYLE CLOTHES; CHEMICAL FIBER JACKET; CHEMICAL FIBER SHELL FABRIC WESTERN-STYLE CLOTHES; CHILDREN JACKET; CHILDREN'S JACKET; CORDUROY JACKET; DOUBLE-RUBBERIZED MINE WELL WORK S
Trade Direction	Import
Admin Region	Dalian City,Liaoning
Trade Type	Others

Company Details

Consignee	Vent D'est International Corp.(Dalian) Ltd.
Consignee Name (Chinese Format)	万代国际贸易(大连)有限公司
Consignee Address (Chinese Format)	大连市西岗区唐山街2号谈判楼6楼
Consignee Address (Original Format)	6/F NEGOTIATION BLD., NO.2 TANGSHAN STR., DALIAN, CHINA

1 of 2

08/03/2019, 14:39

Figure 12.

[See Panjiva Enhanced Record](#)
[Open in new tab](#)
[Print](#)

Shipment Details

Shipment Month	2017-09-01
Shipment Origin	China
Province	Liaoning Province
Country of Sale	France
Transport Method	Air Transport
Value of Goods (USD)	30
HS Code	6204.33
HS Code Description	Jackets and blazers; women's or girls', of synthetic fibres (not knitted or crocheted)
HS Code Keywords	BLAZER COAT; BLOUSE; CASUAL JACKET; CASUAL OUTER GARMENT; CHILDREN LONG-SLEEVE JACKET; CHILDREN'S AUTUMN WEAR; CHILDREN'S CASUAL OUTER WEAR; CHILDREN'S JACKET; CHILDREN'S OVERCOAT; CHILDREN'S SHORT SLEEVE FROCK; COAT; COTTON ROUND COLLAR PURE C
Trade Direction	Import
Admin Region	Dalian City,Liaoning
Trade Type	Others

Company Details

Consignee	Vent D'est International Corp.(Dalian) Ltd.
Consignee Name (Chinese Format)	万代国际贸易(大连)有限公司
Consignee Address (Chinese Format)	大连市西岗区唐山街2号谈判楼6楼
Consignee Address (Original Format)	6/F NEGOTIATION BLD., NO.2 TANGSHAN STR., DALIAN, CHINA

Figure 13.

2.3 Summary

The investigation of five Chinese trading networks with strong ties to the international and Dutch garment industries has revealed the practice of export processing to North Korea. Coupled with the established prevalence of North Korean labourers in Chinese garment factories in and near Dandong, the details combine into a worrying picture. North Korean labour must be understood as forced labour and in some cases even as contemporary slavery, whether it takes place domestically or overseas.³⁵⁵ The networks

355) See for example Breuker, Remco E., and Imke B. L. H. van Gardingen (eds.). 2018. *People for Profit: North Korean forced labour on a global scale* (Leiden: LeidenAsiaCentre); Breuker, Remco E., and Imke B. L. H. van Gardingen. 2018. "Pervasive, punitive, and prevalent: Understanding modern slavery in North Korea." In *Global Slavery Index 2018*, 1-36. Walk Free Foundation; Breuker, Remco E., and Imke van Gardingen (eds.). 2017. *Slaves to the system: North Korean forced labour in the European Union, the Polish case : how the supply of a captive DPRK workforce fits our demand for cheap labour* (LeidenAsiaCentre: Leiden); Noland, Marcus. 2014. 'See no evil: South

we have examined seem to make it clear that Dutch companies working with the Chinese companies investigated above run a very high and very real risk of having (had) North Korean forced labour/contemporary slavery in their supply chains. As such, we deem it a task of immediate urgency for these Dutch companies and relevant others (such as the Dutch Agreement on Sustainable Garments and Textiles) to investigate their supply chains for the presence of North Korean forced labour/contemporary slavery and eliminate it. We also recommend taking constructive measures to ensure either that the companies who rely on North Korean forced labour/contemporary slavery are eliminated from the product supply chain or that these companies are, verifiably, required to convert to the international standard of decent labour in order to keep their place in the supply chain of companies active in the European and Dutch markets.

There are generally speaking two major risks associated with having North Korean labour in a product supply chain. First, empirical research has shown that all (state) organized North Korean labour can be categorized as forced labour and/or contemporary slavery. Second, depending on the precise nature of the activity, of the products involved, and of the time period involved, companies run the risk of breaking the very strict UN, US and EU sanctions on the DPRK, which can result in potentially severe countermeasures.

It needs to be emphasized here that the analysis of the trading data presented in this chapter seems to be a mere scratching of the surface, the tip of the proverbial iceberg. The research done so far has been done with relatively modest resources. A sustained and structural effort to understand the extent of North Korean export processing and overseas North Korean labour will yield a significantly fuller picture.

Korean labor practices in North Korea.

CHAPTER 3

North Korean Labourers in China

3.1 Introduction

The main findings of this report are based on trading data and thus focus on the issue of export processing or outsourcing to North Korea, as discussed in the previous chapter. The present chapter deals with North Korean workers active in the Chinese textile industry. This is because there is reason to believe that international clothing companies sourcing from Chinese factories in Northeast China may be tied not only to practices of outsourcing to the DPRK, but also to practices of hiring North Korean workers in the Chinese factories that supply directly to foreign brands. There have been several reports of factories in the Chinese border region producing for the foreign market while employing North Koreans. Therefore, this possibility constitutes yet another notable risk for foreign brands doing business in the region. In the present chapter, the main aspects of the DPRK's labour export to the Chinese textile industry are discussed—including the scale of the issue and working conditions—in order to argue that the employment of North Koreans in the supply chain of foreign brands should be considered undesirable, regardless of UN sanctions. Unfortunately, due to safety concerns, our research team was unable to conduct direct fieldwork for verification of the information presented below.

3.2 Numbers and Locations of North Korean Workers

Although China is the biggest importer of North Korean labour worldwide, estimates on numbers of North Korean labourers dispatched vary widely and their reliability is limited.³⁵⁶ Research on North Koreans active in China is very much lacking, compared to research on North Korean labour in Russia for example, as there are practically no testimonies from North Korean workers who have defected in China during their stay abroad. Testimonies of individuals who have left North Korea after having returned from working in China are also scarce. Furthermore, field research in China can be considered challenging and risky when it comes to investigating this specific topic.³⁵⁷ In order to illustrate the scale of North Korean employment within China, this section compiles some estimates, focusing on the most recently published data. It should be noted that most available estimates focus on the total number of North Korean workers in China, with some focusing on individual cities, but very few sources offer estimates on workers in the Chinese garment industry specifically. Another important limitation to these numbers is that they predate the late-2017 sanctions targeting the (North Korean) textile industry. While it is apparent that the employment of North Korean garment workers is still an ongoing practice even post-sanctions, it is very challenging to assess the extent of this practice currently.

Both the South Korean foreign ministry and South Korea's Asan Policy Research Institute have estimated the number of North Korean workers involved in industrial

356) Yöngyun CH'OE, '북한해외노동자현황: 통계데이터중심으로 (puk'an haeoe nodongja hyönhwang)', KDI 북한경제리뷰 (Korea Development Institute, February 2017), 103–12; Sangshin YI, Gyöngsöp O, and Yejun IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yön'gu)', 정책시리즈 (Seoul: Korea Institute for National Unification, 2017), 14, <http://repo.kinu.or.kr/handle/2015.oak/8471>.

357) YI, O, and IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yön'gu)', 17.

production in China to be around 19,000 as of 2013.³⁵⁸ The North Korea Strategy Centre and the Korea Policy Research Centre reported a lower estimate, one year prior, of around 7,000 to 8,000 North Korean workers active in China across all regions.³⁵⁹ In contrast, Sejong Research Institute's 2016 estimate is much higher, suggesting at least 70,000 to 80,000 North Korean workers in China alone at the time of publication, and predicting this number will at some point exceed 100,000. The Korean Institute of National Unification (KINU) also published a similar estimate of 70,000 to 80,000.³⁶⁰ According to the Beijing branch of the Korea Trade Association and China's National Tourist Administration,³⁶¹ roughly half of the 188,300 North Korean citizens who entered China in 2015 were said to have been dispatched for labour.³⁶² Considering these are official figures published by a Chinese government authority, the credibility of this data is questionable, although they do more or less coincide with the South Korean estimates.

As for individual cities, Dandong is said to host around 30,000 North Koreans as of August 2016, but this number includes those involved in trading activities.³⁶³ Other numbers for Dandong include Radio Free Asia's estimate of some 15,000 to 20,000 North Korean workers across all industries,³⁶⁴ and Kim and Kang's similar estimate of roughly 20,000 North Korean workers.³⁶⁵ Washington Post put the number of North Korean workers in Dandong at 13,000.³⁶⁶ According to a Chinese source, roughly 10,000 to one quarter of the 50,000 garment workers active in Dandong as of 2017 are North Koreans.³⁶⁷ As for other locations, the number of North Korean workers in the cities of

358) CH'OE, '북한해외노동자현황: 통계데이터중심으로 (puk'an haeoe nodongja hyönhwang)', 103; Chang-Hoon SHIN and Myong-Hyun GO, 'Beyond the UN COI Report on Human Rights in North Korea' (Seoul: Asan Institute for Policy Studies, November 2014), 30, <http://en.asaninst.org/contents/asan-report-beyond-the-coi-dprk-human-rights-report/>.

359) This source only mentions restaurant and construction workers. At the time of this publication, China's Jilin province had recently agreed to receive an additional 20,000 North Koreans as "industrial trainees", as had the city of Dandong. Based on these numbers, the total number of North Korean workers in China can be assumed to have surpassed 50,000 in as early as 2012 or 2013. "북한의 해외인력송출실태 (puk'anüi haeoeillyösongch'ul shilt'ae)," 18.

360) YI, O, and IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yöng'u)', 20.

361) China's National Tourist Administration is now merged into the Ministry of Culture and Tourism.

362) Chinuk Nam, '2016 상반기북한의경제동향관련통계자료 (sangban'gi puk'anüi kyöngjedonghyang kwal-lyön t'onggyejaryo)', KDI 북한경제리뷰 (Korea Development Institute, July 2016), 114; CH'OE, '북한해외노동자현황: 통계데이터중심으로 (puk'an haeoe nodongja hyönhwang)', 112.

363) Chongsök YI, '국경에서본북-중경제교류와북한경제실상 (kukkyöngesö ponbuk-chung kyöngjegyoryu-wa puk'an kyöngje shilsang)', 정책브리핑 (Sejong Institute, August 2016), 8.

364) Ch'angsöb PYON, "단둥북한노동자들, 최악의통제생활 (tandung puk'an nodongjadül, ch'oeagüi t'ongjesaenghwal)," *Radio Free Asia*, September 27, 2016, https://www.rfa.org/korean/weekly_program/bd81d55c-c774ac8c-bb38c81cc9c0c694/fe-cp-09272016095027.html.

365) This source specifies that the total population of Dandong is around 80,000 and that the estimate of 20,000 North Korean workers does not include those entering Dandong with short term travel passes. Christina H. Kim and Juwon Kang, 'Reworking the Frame: Analysis of Current Discourses on North Korea and a Case Study of North Korean Labour in Dandong, China: North Korean Labour in Dandong, China', *Asia Pacific Viewpoint* 56, no. 3 (December 2015): 95, <https://doi.org/10.1111/apv.12107>.

366) Anna Fifield and Yoonjung Seo, 'Talking Kimchi and Capitalism with a North Korean Businessman', *The Washington Post*, 16 March 2015, https://www.washingtonpost.com/world/asia_pacific/talking-kimchi-and-capitalism-with-a-north-korean-businessman/2015/03/15/5599ff26-be0a-11e4-9dfb-03366e719af8_story.html?noredirect=on&utm_term=.a72425b8fa4c.

367) The same document (a project plan of Dandong city government to invest 15 billion yuan into the textile industry) provides two contradictory estimates. One specifies 10,000 workers are North Korean, while the other states that "around a quarter" of the 50,000 textile workers are North Korean, putting the total at 12,500. Three North Korean businesses in Dagushan (Economic Park, closely connected with North Korean enterprises) workers hired 2,000 workers between them, while three Chinese businesses account for 1,500. Another 2,000 workers were located in Qianyang (which is administratively part of Dandong), out of a total of 5,000 textile workers in this area. '大孤山纺织服装产业项目市级项目丹东市招商局 (Dà Gū Shān Fǎng Zhī Fú Zhuāng Chǎn Yè Xiàng Mù Shì Jí

Hunchun and Tumen in 2016 was estimated to be at 3,000 and 4,000, respectively.³⁶⁸ North Korean textile workers are reportedly present in more cities in Northeast China, such as Dalian,³⁶⁹ or Helong in the Yanbian Korean Autonomous Prefecture.³⁷⁰ Yanbian Prefecture is part of Jilin, which was the first Northeastern province to hire workers from the DPRK.³⁷¹ The manufacturing industry—which the economy in Northeast China is mostly reliant on—has experienced labour shortages roughly since 2013, thus there has been a growing demand for (relatively inexpensive) North Korean labour force in the region.³⁷² Most North Koreans dispatched to China find themselves working in the textile industry, in restaurants or food processing factories, or in IT/electronic assembling factories.³⁷³ According to South Korean newspaper JoongAng Ilbo, 30,000 to 40,000 North Korean workers were present in the Northeastern region as of 2016.³⁷⁴ The number of North Koreans working in Yanbian Prefecture was relatively recently estimated to be at 12,000.³⁷⁵

Xiàng Mù Dān Dōng Shì Zhāo Shāng Jú); 9 February 2017, <http://zhaoshang.dandong.gov.cn/html/80/20172/a9b-7ba70783b617e9998dc4d82eb3c5.html>.

368) Another source puts the number of workers in each of these cities at 2,000. The city of Tumen is also said to have signed an employment contract, in 2016, for about 20,000 extra labourers to come work in an industrial park built specifically to attract North Koreans. Yet another source claims that the number of workers active in Hunchun jumped to 8,000 in 2017. YI, ‘국경에서 본북-중경제교류와북한경제실상 (kukkyöngesö ponbuk-chung kyönggyeryuwä puk’an kyöngje shilsang)’, 8–10; Süngjae KIM, ‘단독취재 “북-중밀착”으로돌파구 찾았다 (Tandokch’wijae Puk-Chungmilch’aküro Tolp’agu Ch’ajatta)’, 신동아, 20 May 2018, <http://shindonga.donga.com/3/all/13/1290930/1>; ‘中北노동자, 고된노동과생활충화에 “차라리귀국하겠다” (Chung Puk Nodongja, Kodoen Nodonggwa Saenghwalch’onghwae Ch’arari Kwigukagetta)’, DailyNK, 6 July 2016, <https://www.dailynk.com/%E4%B8%AD-%E5%8C%97%EB%85%B8%EB%8F%99%EC%9E%90-%EA%B3%A0%EB%90%9C-%EB%85%B8%EB%8F%99%EA%B3%BC-%EC%83%9D%ED%99%9C%EC%B4%9D%ED%99%94%EC%97%90;> Kayöng KIM, ‘중국장들, “北노동자고용증단” 통보… 北외화벌이 “빨간불” (Chung Kongjangdül, Puk Nodongja Kyoyong Chungdan t’ongbo)’, DailyNK, 11 August 2017, [https://www.dailynk.com/%E4%B8%AD-%EA%B3%B5%EC%9E%A5%EB%93%A4-%E5%8C%97%EB%85%B8%EB%8F%99%EC%9E%90-%EA%B3%A0%EC%9A%A9-%EC%A4%91%EB%8B%A8-%ED%86%B5%EB%B3%B4/.](https://www.dailynk.com/%E4%B8%AD-%EA%B3%B5%EC%9E%A5%EB%93%A4-%E5%8C%97%EB%85%B8%EB%8F%99%EC%9E%90-%EA%B3%A0%EC%9A%A9-%EC%A4%91%EB%8B%A8-%ED%86%B5%EB%B3%B4/)

369) Susŏk KO, '대북제재국면에... 북한노동자더보내달라는중국기업들 (Taebukchejae Kungmyŏne)', *Joongang Ilbo*, 26 January 2016, <https://news.joins.com/article/19473627>.

370) Yoon Ah HA, 'Over 1,000 North Korean Workers Slated for Dispatch to China', *DailyNK*, 12 April 2018, <http://english.dailynk.com/english/read.php?num=15123&catald=nk01500>; Sŭngjae KIM, '중진출한북사업가 들육성증언 (Chung Chinch'urban Puk Saŏpkadŭl Yuksŏng Chŭngŏn)', *신동아*, 19 April 2018, <http://shindonga.donga.com/3/all/13/1290930/1>; Joonho KIM and Richard Finney, 'North Korean Workers Return to China in Defiance of UN Restrictions', trans. Leejin JUN, *Radio Free Asia*, 4 April 2018, <https://www.rfa.org/english/news/korea/workers-04042018134944.html>.

371) According to a Chinese source, 20,000 North Korean workers entered Jilin in 2012, and this was the first large-scale government arrangement of this kind. A Korean source has also investigated the establishment of industrial complexes in the region, and corroborates that workers received by Tumen city (Jilin) were the first North Korean workers officially imported by the Chinese government. Later, other cities like Hunchun, Yanji, Helong and Longjing started hiring North Korean workers. Among the seven areas in Yanbian prefecture that have built industrial complexes for the hiring of North Korean workers, Tumen city has named its complex “North Korean industrial complex”, while the other cities conceal the presence of North Koreans by operating the complexes under the name of “Economic Development Zone”. Zhong Jian, ‘朝鲜劳工探秘! 2万劳工入境内情 (Chaoxian Laogong Tanmi! 2 Wan Laogong Rujing Neiqing); *Phoenix Weekly* (blog), 17 February 2013, http://blog.sina.com.cn/s/blog_4b8bd1450102eb1t.html?lj=1; KIM, ‘단독취재 “북-중밀착”으로돌파구찾았다 (Tandokch'wijae Puk-Chungmilch'aküro Tol'p'agu Ch'ajatta).

372) KO, '대북제재국면에… 북한노동자더보내달라는중국기업들 (Taebukchejae Kungmyöne)'.

373) Unification Media Group and DailyNK, ‘해외북한노동자인권실태, 중국을가다 (haeoe puk’an nodongja in’gwŏnshilt’ae, chunggukŭl kada)’ (Seminar, 21 June 2017), 24; Kim and Kang, ‘Reworking the Frame’, December 2015, 396.

374) The newspaper also reported that in 2015, the Northeastern Chinese provinces had requested additional workers to be sent to the region. KO, ‘대북제재국면에… 북한노동자더보내달라는중국기업들 (Taebukchejajae Kungmyöne)’.

375) According to reporter Kim Sŭngjae, the North Korean and Chinese governments have made plans to take in a total of 200,000 NK workers in Yanbian prefecture. Sŭngjae KIM, '유엔대북제재중국서구명승승 (Yuen

Additionally, interviewed CEOs of Chinese factories employing North Koreans revealed estimates of 60,000 workers in Liaoning province and around 15,000 to 18,000 in Dandong. One company interviewed by KINU claimed to employ 4,000 North Koreans in Hunchun and 2,000 in Tumen. According to this source, practically every garment company in the Liaoning, Jilin, and Heilongjiang provinces employs at least one hundred North Koreans, and some up to 800 or 1,000.³⁷⁶ A contract document secured by KINU corroborates these numbers, stating 400 garment workers (and up to 430-500 if needed) are to be dispatched to a Chinese factory.³⁷⁷ Research by Kim and Kang found that while some Chinese factories might hire hundreds of North Koreans, other smaller scale factories might only hire ten to twenty workers.³⁷⁸

3.3 Recruitment Process, Visas, and Confiscation of Documents

The aim of this section is not to describe in detail every step of the recruitment process for North Koreans to go work abroad, but rather to point out some obstacles and unfair conditions North Koreans face before they can even begin working. Most of this information does not specifically or exclusively concern North Koreans sent to China, but we believe it is likely applicable to their case as well.

According to testimonies, dispatch of workers is decided either by the Labour party forming an official agreement with a foreign country, or by a North Korean trading company and a factory in the receiving country. In the latter case, workers can be dispatched by the trading company once this has been approved by the party.³⁷⁹ A Chinese factory in need of workers would contact a representative from an agency and request North Korean workers.³⁸⁰ Expansion of the number of workers to be sent can be agreed upon by the trading company and the foreign company, as demonstrated by a clause in a contract document included in KINU's report.³⁸¹

Based on testimonies, application for dispatch abroad is generally initiated voluntarily and information about the process is sought out by workers themselves.³⁸² There are no official employment notices or announcements posted anywhere, so workers usually obtain information regarding work abroad through personal connections and unofficial channels. The secrecy surrounding the application process creates a situation in which even acquiring the information about opportunities to work overseas may require bribery.³⁸³

The opportunity to work abroad is not offered to all workers, as aspects like class, background, and loyalty to the party must be judged to be outstanding before

Taebukchejae Chungguksö Kumöng Sungsung), 신동아, 25 February 2018, <http://shindonga.donga.com/3/all/13/1230692/1>; KIM, '단독취재 "북-중밀착" 으로 돌파구 찾았다 (Tandokch'wijae Puk-Chungmilch'aküro Tolp'agu Ch'ajatta)'.

376) YI, O, and IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yŏngu)', 18; '大孤山纺织服装产业项目市级项目丹东市招商局 (Dà Gū Shān Fǎng Zhī Fú Zhuāng Chǎn Yè Xiàng Mù Shì Jí Xiàng Mù Dān Dōng Shì Zhāo Shāng Jú)'.

377) YI, O, and IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yŏngu)', 31.

378) Kim and Kang, 'Reworking the Frame', December 2015, 397.

379) YI, O, and IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yŏngu)', 23.

380) Sangyong Yi (editor-in-chief of DailyNK), interview by Jonne Bosselaar and Rosa Brandse, Skype, trans. Hyojin Pak, 13 September 2018; Kim and Kang, 'Reworking the Frame', December 2015, 396.

381) YI, O, and IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yŏngu)', 25-31.

382) YI, O, and IM, 82-84.

383) YI, O, and IM, 43.

one can be considered for dispatch.³⁸⁴ Still, offering bribes is ultimately the most crucial requirement, as confirmed by many of KINU's interviewees. Without bribery, dispatch abroad is impossible, regardless of one's background. Bribes can even help workers, who do not qualify for work abroad based on their criminal record or unsatisfactory family background, obtain permission for dispatch through fabrication of the necessary documents for example.³⁸⁵ The need for bribes throughout the entire application process, along with other costs (e.g. transportation abroad, visa application, etc.) workers are considered responsible for, means that workers accumulate significant debts even before they can start working abroad. In some cases, initial costs are paid off by working without receiving any pay for a number of months.³⁸⁶

North Korean workers cannot choose or request a specific region to be dispatched to or field to work in. Apart from paying bribes in order to potentially obtain somewhat more favourable working conditions, in practice, workers have do not have the freedom to determine their occupation abroad or to negotiate terms and conditions of employment.³⁸⁷ Many defectors interviewed by KINU have also stated they did not receive detailed information regarding the conditions on the worksite. It seems the North Korean authorities notify workers—at a very late stage—of the country to which they will be dispatched, yet duration of work period, area of dispatch, contract clauses and working conditions, salary, etc. are not made known to the workers beforehand.³⁸⁸

Contracts appear to always be formed between a North Korean trading company and a foreign company/factory owner.³⁸⁹ Workers are never personally nor individually involved and do not sign any contract. This has been unanimously confirmed by multiple defectors previously dispatched to various countries at various times.³⁹⁰ The contract published by KINU corroborates this claim as it is a contract between North Korean “company A” and Chinese “company B”. This particular contract explicitly requests, for a period of at least three years,³⁹¹ a number of female workers with at least six months of prior experience in the garment industry, preferably aged eighteen to twenty-five but no older than forty-five.³⁹² The fact that the contract specifically mentions garment workers also somewhat contradicts the claim that workers are unaware of the industry they will be working in abroad, since in this case the women sent to work in the Chinese textile

384) YI, O, and IM, 46; Unification Media Group and DailyNK, ‘해외북한노동자인권실태, 중국을가다 (haeoe puk'an nodongja ingwönshilt'ae, chunggukül kada)', 7; Researcher (anonymous), interview by Jonne Bosselaar, Rosa Brandse, and Michael Lee, Skype, 9 October 2018.

385) KINU's report suggests that the thriving of this selection system based on bribery reflects a change in North Korean society, where the collapse of the distribution system and subsequent introduction of a market economy has allowed individuals to accumulate personal wealth. YI, O, and IM, ‘북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yŏngu)', 49–50.

386) YI, O, and IM, 93.

387) YI, O, and IM, 43; Kim and Kang, ‘Reworking the Frame’, December 2015, 399.

388) YI, O, and IM, ‘북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yŏngu)', 36.

389) Kim and Kang, ‘Reworking the Frame’, December 2015, 396.

390) YI, O, and IM, ‘북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yŏngu)', 28–35; Unification Media Group and DailyNK, ‘해외북한노동자인권실태, 중국을가다 (haeoe puk'an nodongja ingwönshilt'ae, chunggukül kada)', 27–28.

391) Workers are typically recruited for three years, then rotated. ‘大孤山纺织服装产业项目市级项目丹东市招商局 (Dà Gū Shān Fǎng Zhī Fú Zhuāng Chǎn Yè Xiàng Mù Shì Jí Xiàng Mù Dān Dōng Shì Zhāo Shāng Jú)'; KIM, ‘중공장들, “北노동자고용중단” 통보… 北의화별이 “빨간불” (Chung Kongjangdül, Puk Nodongja Koyong Chungdan tŏngbo)'; ‘中北노동자, 고된노동과생활충화에 “차라리귀국하겠다” (Chung Puk Nodongja, Kodoen Nodonggwa Saenghwalchŏnghwae Ch'arari Kwiguk'agetta)'.

392) A Chinese source also mentions some employment requirements for North Koreans: workers should be skilled technicians with university education, and must have family remaining in North Korea. Zhong Jian, ‘朝鲜劳工探秘! 2万劳工入境内情 (Chaoxian Laogong Tanmi! 2 Wan Laogong Rujing Neiqing)'.

industry were already working in the same industry in North Korea. It is difficult to assess whether this is typical of labour export in the textile industry, or to what extent the selection process differs compared to other fields/industries. In any case, it appears that those sent to work in the textile industry are almost always (young) women, while managers/supervisors are men.³⁹³

It is unclear what kind of visas and travel documents North Korean workers use to enter China, and practices have most likely been affected by the sanctions on North Korean overseas labour. Kim and Kang stated in their 2015 work that most North Korean workers in Dandong hold work visas with a duration of stay ranging from one month to two years.³⁹⁴ In the contract excerpt provided, it is stated that the receiving Chinese factory is responsible for providing all the workers with valid work visas.³⁹⁵ Similarly, the employment contract published by KINU holds the receiving company responsible for “guaranteeing legal employment” by taking care of all necessary procedures in China.³⁹⁶ However, KINU’s report states that up until mid-2016, North Korean trading companies and Chinese factories did not go through official procedures in order to receive permission from the Chinese authorities for the dispatch of workers, meaning official work permits were not issued. Instead, China simply condoned and unofficially approved of the practice, with provincial governments allegedly offering bonuses to local companies hiring North Koreans. Local authorities (immigration office and police) did register North Korean workers coming in and were aware of the number of workers active in the border region.³⁹⁷ Some other sources state many workers entered China on a so called “river crossing pass” rather than an official work visa.³⁹⁸ One source we interviewed confirmed they encountered textile workers who did not have proper work visas issued by China. The workers likely used some kind of short term border pass instead, which they had to renew monthly by briefly returning to North Korea in small groups.³⁹⁹ Yet South Korean journalist Kim Sŭngjae has reported on the illegal renewal of workers’ visas in the border region since implementation of the sanctions, which again suggests that many workers did indeed enter the country with a work permit.⁴⁰⁰ Considering the available information on visas or other documents is both scarce and inconsistent, we cannot be certain whether there are/were several different practices and methods of sending workers into China, or how these procedures may have changed over time and after the implementation of sanctions on the issuing of new work visas.

While workers hold on to identity/travel documents throughout their journey into the receiving country, documents are confiscated as soon as workers reach the worksite.⁴⁰¹ The obligatory seizing of documents has been confirmed by many ex-workers

393) Researcher (anonymous), interview; Anna Fifield, ‘Ban on North Korean Clothing Exports Will Hurt Women the Most, Experts Say’, *The Washington Post*, 17 September 2017, https://www.washingtonpost.com/world/ban-on-north-korean-clothing-exports-will-hurt-women-the-most-experts-say/2017/09/16/2a6ec716-995c-11e7-a527-3573bd073e02_story.html?utm_term=.be3e4fc25870; Wong and Wen, ‘North Korea Factories Humming with “Made in China” Clothes, Traders Say’.

394) Kim and Kang, ‘Reworking the Frame’, December 2015, 396.

395) Kim and Kang, 397.

396) YI, O, and IM, ‘북한해외노동자실태연구 (puk’an haeoenodongja shilt’ae yŏngu)’, 32.

397) YI, O, and IM, 26–27.

398) Unification Media Group and DailyNK, ‘해외북한노동자인권실태, 중국을가다 (haeoe puk’an nodongja in’gwŏnshilt’ae, chunggukŭl kada)’, 27.

399) Researcher (anonymous), interview.

400) These work visas were usually valid for a period of three years and could be renewed yearly. KIM, ‘유엔대북제재중국서구명승 (Yuen Taebukchejae Chungguksŏ Kumŏng Sungsung)’.

401) YI, O, and IM, ‘북한해외노동자실태연구 (puk’an haeoenodongja shilt’ae yŏngu)’, 91.

across industries, locations and times of dispatch. According to one testimony, workers crossing the border into China have their documents confiscated as soon as the Tumen river has been crossed and the customhouse has been reached. In this case, workers initially hand over their documents to local custom officers.⁴⁰² Identity documents are then kept and stored by the workers' supervisors (representatives of the North Korean authorities) dispatched alongside them, or by the receiving company.⁴⁰³ The obvious reason for this practice is the perceived risk of defection and consequent need to restrict workers' movements.⁴⁰⁴

3.4 Wages

The contract document uncovered by KINU specifies each garment worker should earn 1,800 to 2,000 yuan per month, with the exact amount to be fixed or adjusted by both parties once or twice a year.⁴⁰⁵ In the excerpt of a contract provided in Kim and Kang's work, workers are entitled to 650 yuan (roughly USD 105) the first month, up to 2,150 yuan (roughly USD 345) from the sixth month onwards.⁴⁰⁶

However, it is apparent that workers never receive their full wages and that a significant portion goes to the North Korean state.⁴⁰⁷ It is customary for the receiving factory to pay the workers' salaries in a lump sum to the North Korean trading company responsible for the workers dispatch.⁴⁰⁸ It is unclear how exactly workers receive their pay, although it is quite certain they never receive it directly from the employer,⁴⁰⁹ but through their supervisors.⁴¹⁰ In any case, wages are much lower than what is stated on paper, due to supervisors misappropriating salaries, the North Korean state requiring a portion of the pay, and frequent occurrences of overdue/delayed payment by the receiving employer.⁴¹¹ According to an ex-manager of North Korean workers, not properly paying the workers is the North Korean authorities' standard policy, the idea being that

402) Unification Media Group and DailyNK, '해외북한노동자인권실태, 중국을가다 (haeoe puk'an nodongja ingwönshilt'ae, chunggukül kada)', 26.

403) YI, O, and IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yŏngu)', 93; Unification Media Group and DailyNK, '해외북한노동자인권실태, 중국을가다 (haeoe puk'an nodongja ingwönshilt'ae, chunggukül kada)', 26.

404) YI, O, and IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yŏngu)', 91; Unification Media Group and DailyNK, '해외북한노동자인권실태, 중국을가다 (haeoe puk'an nodongja ingwönshilt'ae, chunggukül kada)', 26.

405) YI, O, and IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yŏngu)', 33.

406) Kim and Kang, 'Reworking the Frame', December 2015, 397.

407) Yi (editor-in-chief of DailyNK), interview; SHIN and GO, 'Beyond the UN COI Report on Human Rights in North Korea', 9.

408) Kim and Kang, 'Reworking the Frame', December 2015, 397; YI, O, and IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yŏngu)', 35.

409) One source claims 40% of a 150 to 200 USD monthly is paid directly to workers by the company. Zhong Jian, '朝鲜劳工探秘! 2万劳工入境内情 (Chaoxian Laogong Tanmi! 2 Wan Laogong Rujing Neiqing)'.

410) Kim and Kang, 'Reworking the Frame', December 2015, 397; Unification Media Group and DailyNK, '해외북한노동자인권실태, 중국을가다 (haeoe puk'an nodongja ingwönshilt'ae, chunggukül kada)', 28–33; Songa SOL, '귀국北노동자대체로자국민채용한중단등공장들 (Kwiguk Puk Nodongja Taechëro Chagungmin Ch'ae Yonghan Chung Tandung Kongjangdül)', *DailyNK*, 9 November 2017, <https://www.dailynk.com/%EA%B7%80%EA%B5%AD-%E5%8C%97%EB%85%B8%EB%8F%99%EC%9E%90-%EB%8C%80%EC%B2%B4%EB%A1%9C-%EC%9E%90%EA%B5%AD%EB%AF%BC-%EC%B1%84%EC%9A%A9%ED%95%9C/>; '中北노동자, 고된노동과생활총화에 “차라리귀국하겠다” (Chung Puk Nodongja, Kodoen Nodonggwa Saenghwalch'onghwaee Ch'arari Kwiguk'agetta)'.

411) YI, O, and IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yŏngu)', 52.

if workers were to receive sufficient pay, the risk of them deserting the worksite would be significant.⁴¹²

Estimating the average actual income of North Korean overseas labourers is difficult, as the amount workers receive can vary depending on the field they are sent to work in, the location or region, and the percentage of wages that supervisors decide to hold back.⁴¹³ As a result, available estimations vary widely. KINU has stated that in most cases, workers (across industries) can earn somewhere between 2,000 and 3,000 dollars per year.⁴¹⁴ Reuters reported North Korean workers earn around 2000 yuan (USD 300) a month, but this estimate most likely includes the money workers hand over to the North Korean state.⁴¹⁵ Kim and Kang claim North Korean workers in Dandong can earn between USD 200 and 345 a month, but in practice, their actual earnings are more likely to be around USD 100.⁴¹⁶ Similarly, reporters from South Korea's Unification Media Group found that while the salary of workers dispatched to China has been estimated at around 200-300 dollars a month, the actual pay handed to workers is closer to roughly a third of this estimate.⁴¹⁷ Their actual pay is also much lower than that of Chinese workers in the same industry.⁴¹⁸ Reuters has reported on Chinese textile workers earning twice as much as North Koreans.⁴¹⁹ The report on Unification Media Group's field research in the Chinese border region adds the suspicion that in some cases, workers do not receive any pay until the moment they go back to North Korea, but their research team was unable to verify this.⁴²⁰ It also appears North Korean textile workers in China rarely receive payment for working overtime, and are most likely unaware of the contents of "their" contract and of the salary they are entitled to on paper.⁴²¹

As for the percentage of wages that is held back and paid to the North Korean authorities instead, estimates differ again. Both NKDB and KINU have estimated workers only receive about 10% of their wages.⁴²² Similarly, another source suggests workers may keep between 10% and a third of their wages, and that they are paid less than their Chinese counterparts.⁴²³ Thus, up to 90% of salaries must be handed over to North Korean

412) YI, O, and IM, 58.

413) YI, O, and IM, 53.

414) YI, O, and IM, 52.

415) Another source estimates employers initially pay 500 USD per worker to the North Korean managers. Wong and Wen, 'North Korea Factories Humming with "Made in China" Clothes, Traders Say'; '中北노동자, 고된노동과 생활충화에 "차라리 귀국하겠다"' (Chung Puk Nodongja, Kodoen Nodonggwa Saenghwalchonghwa Ch'arari Kwiguk'agetta).

416) Kim and Kang, 'Reworking the Frame', December 2015, 396; '中北노동자, 고된노동과 생활충화에 "차라리 귀국하겠다"' (Chung Puk Nodongja, Kodoen Nodonggwa Saenghwalchonghwa Ch'arari Kwiguk'agetta).

417) This same source states that according to testimonies gathered by KINU, workers are paid roughly 600 yuan (around 88 USD) in practice, when they are entitled to 1800-2000 yuan (265-294 USD) based on the contract. Unification Media Group and DailyNK, '해외북한노동자인권실태, 중국을가다 (haeoe puk'an nodongja in'gwonsilt'ae, chunggukul kada); 31.

418) Unification Media Group and DailyNK, 5; Kim and Kang, 'Reworking the Frame', December 2015, 396.

419) According to reporter Kim Sungjae, Chinese employers pay around 2100 yuan per North Korean worker while Chinese workers each cost 3500 yuan. Wong and Wen, 'North Korea Factories Humming with "Made in China" Clothes, Traders Say'; Sungjae KIM, "뒤통" 과대복제... 단동의두얼굴 (Twitton'gwa Taebukchejae); 신동아, 11 November 2018, <http://shindonga.donga.com/3/all/13/1547487/1>.

420) Unification Media Group and DailyNK, '해외북한노동자인권실태, 중국을가다 (haeoe puk'an nodongja in'gwonsilt'ae, chunggukul kada); 5.

421) Unification Media Group and DailyNK, 29.

422) Elizabeth Shim, 'North Koreans Assembling Clothes for Leading U.S Brands in China', *UPI*, 17 May 2016, https://www.upi.com/Top_News/World-News/2016/05/17/North-Koreans-assembling-clothes-for-leading-US-brands-in-China/5021463541893/; YI, O, and IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yon'gu); 35.

423) Marc Bain, 'Your "Made in China" Clothes May Actually Have Been Made in North Korea', *Quartz*, 14 Au-

authorities as a compulsory token of workers' allegiance and loyalty.⁴²⁴ In the specific case of workers dispatched to China, DailyNK and Unification Media Group state at least 70% of salaries are to be paid to the state.⁴²⁵ One of the contracts previously mentioned explicitly states meal expenses are included in/deducted from the workers' salary.⁴²⁶ One media source also suggests a significant amount is deducted from salaries to cover living expenses, with "only" 50% of wages directly going to the North Korean state.⁴²⁷ It appears workers do have access to a limited amount of cash money, as they receive a monthly allowance (about USD 45) subtracted from their monthly salary which can for example be used to buy products at a local market.⁴²⁸

For Chinese factories, hiring Chinese employees can be twice as expensive as hiring North Koreans. It has been reported that recently, wages for North Korean workers sent to China have been lowered further, in order to continue fostering the export of NK labour and to ensure it is still attractive for Chinese factories to hire North Koreans despite the sanctions.⁴²⁹

3.5 Working Conditions (Working Hours, Labour Rights, Safety, Insurance, Etc.)

The following sections focus on information specifically about labour and living conditions in Chinese factories. Unlike the case of North Koreans workers in Poland, information on North Koreans' working and living conditions in China could not be extensively verified through primary sources. As stated previously, research into North Korean labour in China is lacking and challenging. Therefore, the information gathered in this section is mostly anecdotal, originating from secondary sources. However, based on this information and on previous research into North Korean labour in other countries, it is fair to say that there is sufficient reason to suspect a number of violations of workers' labour and human rights.

One problematic aspect of North Korean labour is working hours. When North Korean workers are required to work excessive hours, they have no choice but to follow

gust 2017, <https://qz.com/1053045/your-made-in-china-clothes-may-actually-have-been-made-in-north-korea/>.

424) Hakch'ae KIM, '노예 생활에 내몰리는 북노동자... 현대판 노예 (Noye Saenghware Naemollinün Puk Nodongja)', *KBS News*, 24 August 2016, <http://d.kbs.co.kr/news/view.do?ncd=3333524>; Kayōng KIM, '北 해외 노동자, 국가가 임금 착취하는 현대판 노예 제 (Puk Haeoe Nodongja, Kukka-ga Imgūm Ch'akch'wihanün Hyōn-daep'an Noyeje)', *DailyNK*, 22 June 2017, <https://www.dailynk.com/%E5%8C%97-%ED%95%B4%EC%99%B8-%EB%85%B8%EB%8F%99%EC%9E%90-%EA%B5%AD%EA%B0%80%EA%B0%80-%EC%9E%84%EA%B8%88-%EC%B0%A9%EC%B7%A8%ED%95%98/>.

425) Unification Media Group and DailyNK, '해외 북한 노동자인권 실태, 중국을 가다 (haeoe puk'an nodongja in'gwōnshilt'ae, chunggukūl kada)', 31.

426) A Chinese source suggests food expenses amount to 8 to 10 yuan per person and per day. Other sources state some Chinese employers set meal expenses at 300 yuan per person per month, while others may not cover meal expenses at all. Kim and Kang, 'Reworking the Frame', December 2015, 397; '大孤山纺织服装产业项目市级项目丹东市招商局 (Dà Gū Shān Fǎng Zhī Fú Zhuāng Chǎn Yè Xiàng Mù Shì Jí Xiàng Mù Dān Dōng Shì Zhāo Shāng Jú)', Unification Media Group and DailyNK, '해외 북한 노동자인권 실태, 중국을 가다 (haeoe puk'an nodongja in'gwōnshilt'ae, chunggukūl kada)', 5-6.

427) SOL, '귀국 북 노동자 대체로 자국민 채용한 중단 등 공장들 (Kwiguk Puk Nodongja Taeche'ro Chagungmin Ch'ayonghan Chung Tandung Kongjangdūl)',

428) Yi (editor-in-chief of DailyNK), interview; Kim and Kang, 'Reworking the Frame', December 2015, 397.

429) Sōngil KIM, '북한, 中과견 노동자 “기술학습생” 으로 둔갑, 인력 수출 (Puk'an, Chung p'agyōnnodongja Kisurhaksūpsaengūro Tun'gap, Illyōksuch'ul)', *DailyNK*, 13 November 2018, <https://www.dailynk.com/%EB%B6%81%ED%95%9C-%E4%B8%AD-%ED%8C%8C%EA%B2%AC-%EB%85%B8%EB%8F%99%EC%9E%90-%EA%B8%B0%EC%88%A0%ED%95%99%EC%8A%B5%EC%83%9D%EC%9C%BC%EB%A1%9C-%EB%91%94%EA%B0%91-%EC%9D%B8%EB%A0%A5-%EC%88%98/>.

orders as there is no platform or possibility for them to claim their labour rights.⁴³⁰ According to the official contract document, workers are expected to work eight hours a day and are guaranteed two rest days per month.⁴³¹ However, the Unification Media research team has found that North Koreans work at least twelve hours a day with no set rest time other than lunchtime, and this was confirmed by an ex-manager of North Korean textile workers.⁴³² In fact, working additional hours is practically unavoidable since workers must earn enough money to repay debts and to cover initial expenses of their dispatch. If there is sufficient work to be done, working over ten to twelve hours a day is common. If there is a lot of additional work, workers often continue working through the night or at least until 10 pm or 11 pm, in order to meet deadlines. In one particular Dandong garment factory employing twenty-eight North Koreans, the tailors worked fourteen hours a day and had two days off every month. When a deadline had to be met, they worked into the morning without receiving overtime pay.⁴³³ The DailyNK/Unification Media Group report mentions cases of workers not getting any sleep for three consecutive days.⁴³⁴ As for Chinese workers in the garment industry, they usually work eight hours a day as prescribed, and are kept separated from North Korean workers.⁴³⁵ North Korean workers also cannot interact directly with their Chinese employers, and are always supervised by North Korean management.⁴³⁶ This is stated in the employment contract as well.⁴³⁷

The work environment North Korean textile workers find themselves in is described as poor by sources. The DailyNK/Unification Media Group report mentions “female workers collapsing while working in a factory full of dust without being able to rest”, as does an ex-manager quoted in DailyNK articles. In the summer, conditions can get so uncomfortable that workers have been seen “working with towels filled with ice hung around their neck” as there is no air-conditioning.⁴³⁸

In China, all foreign employees must be insured and receive benefits equal to those of Chinese employees when it comes to matters such as healthcare, unemploy-

430) Yi (editor-in-chief of DailyNK), interview.

431) Yi, O, and IM, ‘북한해외노동자실태연구 (puk’an haeoenodongja shilt’ae yŏngu)’, 33

432) Working twelve hours a day constitutes a violation of China’s labour laws.

Unification Media Group and DailyNK, ‘해외북한노동자인권실태, 중국을가다 (haeoe puk’an nodongja in’gwŏnshilt’ae, chunggukül kada)’, 5; ‘Dispatched Laborers Endure 12 Hours of Hard Work without Rest or Respite’, *DailyNK*, 28 June 2017, <https://www.dailynk.com/english/dispatched-laborers-endure-12-hour/>; ‘大孤山纺织服装产业项目市级项目丹东市招商局 (Dà Gū Shān Fǎng Zhī Fú Zhuāng Chǎn Yè Xiàng Mù Shì Jí Xiàng Mù Dān Dōng Shì Zhāo Shāng Jú)’; ‘北노동자가울고있다 “中기업인들, 싸구려노동취급” (Puk Nodongjaga Ulgo Itta Chung Kiöbindül, Ssaguryö Nodong Ch’wigŭp)’, *DailyNK*, 20 June 2017, <https://www.dailynk.com/%E5%8C%97%EB%85%B8%EB%8F%99%EC%9E%90%EA%B0%80-%EC%9A%B8%EA%B3%A0-%EC%9E%88%EB%8B%A4-%E4%B8%AD%EA%B8%B0%EC%97%85%EC%9D%B8%EB%93%A4-%EC%8B%B8/>.

433) Kim and Kang, ‘Reworking the Frame’, December 2015, 398–99.

434) Unification Media Group and DailyNK, ‘해외북한노동자인권실태, 중국을가다 (haeoe puk’an nodongja in’gwŏnshilt’ae, chunggukül kada)’, 36.

435) ‘Dispatched Laborers Endure 12 Hours of Hard Work without Rest or Respite’; Researcher (anonymous), interview.

436) Yi (editor-in-chief of DailyNK), interview; Zhong Jian, ‘朝鲜劳工探秘! 2万劳工入境内情 (Chaoxian Laogong Tanmi! 2 Wan Laogong Rujing Neiqing)’.

437) Yi, O, and IM, ‘북한해외노동자실태연구 (puk’an haeoenodongja shilt’ae yŏngu)’, 32.

438) Unification Media Group and DailyNK, ‘해외북한노동자인권실태, 중국을가다 (haeoe puk’an nodongja in’gwŏnshilt’ae, chunggukül kada)’, 5; ‘Dispatched Laborers Endure 12 Hours of Hard Work without Rest or Respite’; ‘北노동자가울고있다 “中기업인들, 싸구려노동취급” (Puk Nodongjaga Ulgo Itta Chung Kiöbindül, Ssaguryö Nodong Ch’wigŭp)’.

ment, etc.⁴³⁹ The contract document also states it is the receiving Chinese company's responsibility to "ensure that all members (...) have rights and treatment equal to those of the host country's residents" and to "guarantee accident insurance".⁴⁴⁰ However, in practice, North Koreans working in China are excluded from the social security system.⁴⁴¹ If illness or injury occurs, treatment expenses often fall on the worker as the employer tries to keep labour costs as low as possible. Workers can be diagnosed and potentially treated for minor injuries by a North Korean doctor sent along with the group, but medication is often unavailable unless bribes are paid. There have been reports of cases where workers required serious medical treatment, but were unable to cover the costs and did not receive support neither from their employer nor from their North Korean supervisors, and therefore had no choice but to be repatriated⁴⁴² to North Korea or to accumulate significant debts.⁴⁴³ Such situations, in which workers are insufficiently protected and are not guaranteed access to healthcare, can lead to life threatening situations (as the previous research on workers in Poland has shown):⁴⁴⁴ between January 2015 and April 2016, a total of one hundred and twelve North Korean labourers died overseas, including in China.⁴⁴⁵ Factors such as excessive working hours and insufficient nutrition also contribute to this death toll.

As stated in the contract, it is the receiving company's duty to guarantee "the safety of members", "protective working gear", and "safe labour conditions".⁴⁴⁶ Because this responsibility lies with the receiving company, safety standards and education about safety measures vary depending on the employer, as pointed out by testimonies.⁴⁴⁷ It has been suggested that the chance of accidents occurring is high because factory managers and workers do not receive sufficient training regarding basic safety regulations. DailyNK provides a specific example of a North Korean textile worker who injured her finger in a sewing machine, but the incident was dismissed and the injury neglected, leading

439) Unification Media Group and DailyNK, '해외북한노동자인권실태, 중국을가다 (haeoe puk'an nodongja in'gwönshilt'ae, chunggukül kada)', 6.

440) YI, O, and IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yǒngu)', 32.

441) '大孤山纺织服装产业项目市级项目丹东市招商局 (Dà Gū Shān Fǎng Zhī Fú Zhuāng Chǎn Yè Xiàng Mù Shì Jí Xiàng Mù Dān Dōng Shì Zhāo Shāng Jú)'; '北노동자가울고있다 "중기업인들, 싸구려노동취급" (Puk Nodongjaga Ulgo Itta Chung Kiöbindül, Ssaguryö Nodong Ch'wigü)'.

442) Workers generally do not have the option to quit their job and voluntarily return to North Korea, as they are expected to fulfil the full duration of their contract. Although workers often suffer mentally, they carry the burden of providing for their families remaining in North Korea, and therefore have no choice but to keep working. "'제발오지말고돈이나더벌어라' 갈곳없는北노동자 (Chebal Oji Malgo Tonina Tö Pöörä Kal Kot Irün Puk Nodongja)', DailyNK, 26 June 2017, <https://www.dailynk.com/%EC%A0%9C%EB%B0%9C-%EC%98%A4%EC%A7%80-%EB%A7%90%EA%B3%A0-%EB%8F%88%EC%9D%B4%EB%82%98-%EB%8D%94-%EB%B2%8C%EC%96%B4%EB%9D%BC-%EA%B0%88/>.

443) Unification Media Group and DailyNK, '해외북한노동자실태, 중국을가다 (haeoe puk'an nodongja in'gwönshilt'ae, chunggukül kada)', 6; YI, O, and IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yǒngu)', 66–68; 'Dispatched Laborers Endure 12 Hours of Hard Work without Rest or Respite'.

444) Remco E. Breuker et al., *Slaves to the System: North Korean Forced Labour in the European Union, the Polish Case* (Leiden: LeidenAsiaCentre, 2016); Remco E. Breuker et al., *People for Profit: North Korean Forced Labour on a Global Scale* (Leiden: LeidenAsiaCentre, 2018).

445) Hyönggu KIM, '북한해외노동자한달평균 7명사망... 아파도제대로된치료못받아 (Puk'an Haeoenodongja Handal p'yönggyun 7myöng Samang)', *Joongang Ilbo*, 24 June 2016, http://news.jtbc.joins.com/article/ArticlePrint.aspx?news_id=NB11259779.

446) YI, O, and IM, '북한해외노동자실태연구 (puk'an haeoenodongja shilt'ae yǒngu)', 62.

447) Ibid.

to serious complications.⁴⁴⁸ If a worker survives a work-related incident but sustains a disability, they do not receive any financial compensation.⁴⁴⁹

Long working hours as well as the general discipline of North Koreans have earned them a reputation as good workers. Across the sources, there is consistent praise for the high quality of North Korean workers, who are repeatedly described as educated, disciplined, skilled, and possessing strong work ethics.⁴⁵⁰ One source, for example, describes them as easy to manage as they do not miss work or cause trouble: “In North Korea, factory workers can’t just go to the toilet whenever they feel like, otherwise they think it slows down the whole assembly line. (...) They aren’t like Chinese factory workers who just work for the money. North Koreans have a different attitude — they believe they are working for their country, for their leader.”⁴⁵¹ It seems the docility and skill of North Koreans have made them preferable in the industry. Moreover, North Koreans are considered the “lowest rank” of workers, and this is reflected⁴⁵² in the way they are treated. Whether it be living expenses or medical treatment, Chinese employers aim to cut costs wherever possible.

3.6 Living Conditions, Surveillance, Restriction of Personal Freedom

North Korean workers must live together as a group in dormitories provided by the employer.⁴⁵³ The buildings where workers reside are often located on the worksite itself, where sanitation can be lacking despite their contract ensuring “the best sanitary environment”.⁴⁵⁴ Although living in dormitories is very common for Chinese textile workers as well, North Koreans are subjected to a greater number of restrictions.⁴⁵⁵

They are always under strict surveillance by the North Korean authorities, either through their supervisors (as they represent the Party) or through their colleagues.⁴⁵⁶ In a group of one hundred North Koreans, ten to twelve would be managers/supervisors in charge of managing the daily lives of workers and monitoring their thoughts.⁴⁵⁷ These

448) ‘Dispatched Laborers Endure 12 Hours of Hard Work without Rest or Respite’; ‘北노동자가울고있다 “중기업인들, 싸구려노동취급” (Puk Nodongjaga Ulgo Itta Chung Kiöbindül, Ssaguryö Nodong Ch’wigüp)’.

449) YI, O, and IM, ‘북한해외노동자실태연구 (puk’an haeoenodongja shilt’ae yŏngu)’, 68.

450) Zhong Jian, ‘朝鲜劳工探秘! 2万劳工入境内情 (Chaoxian Laogong Tanmi! 2 Wan Laogong Rujing Nei-qing)’; ‘大孤山纺织服装产业项目市级项目丹东市招商局 (Dà Gū Shān Fǎng Zhī Fú Zhuāng Chǎn Yè Xiàng Mù Shì Jí Xiàng Mù Dān Dōng Shì Zhāo Shāng Jù)’.

451) Reportedly, North Korean workers can produce around 30% more clothes daily than Chinese workers, an informant was quoted as saying. Wong and Wen, ‘North Korea Factories Humming with “Made in China” Clothes, Traders Say’.

452) ‘北노동자, 고된노동과생활총화에 “차라리귀국하겠다” (Chung Puk Nodongja, Kodoen Nodonggwa Saenghwalch’onghwae Ch’arari Kwiguk’agetta)’; ‘北노동자가울고있다 “중기업인들, 싸구려노동취급” (Puk Nodongjaga Ulgo Itta Chung Kiöbindül, Ssaguryö Nodong Ch’wigüp)’.

453) Unification Media Group and DailyNK, ‘해외북한노동자인권실태, 중국을가다 (haeoe puk’an nodongja in’gŭwŏnshilt’ae, chunggukül kada)’, 14; YI, O, and IM, ‘북한해외노동자실태연구 (puk’an haeoenodongja shilt’ae yŏngu)’, 32–70; Yi (editor-in-chief of DailyNK), interview; KIM, ‘北해외노동자, 국가가임금착취하는현대판노예제 (Puk Haeoe Nodongja, Kukkaga Imgŭm Ch’akch’wihanün Hyöndaep’an Noyeje)’.

454) Unification Media Group and DailyNK, ‘해외북한노동자인권실태, 중국을가다 (haeoe puk’an nodongja in’gŭwŏnshilt’ae, chunggukül kada)’, 5; YI, O, and IM, ‘북한해외노동자실태연구 (puk’an haeoenodongja shilt’ae yŏngu)’, 32.

455) YI, O, and IM, ‘북한해외노동자실태연구 (puk’an haeoenodongja shilt’ae yŏngu)’, 70.

456) Unification Media Group and DailyNK, ‘해외북한노동자인권실태, 중국을가다 (haeoe puk’an nodongja in’gŭwŏnshilt’ae, chunggukül kada)’, 23–31; ‘北노동자, 고된노동과생활총화에 “차라리귀국하겠다” (Chung Puk Nodongja, Kodoen Nodonggwa Saenghwalch’onghwae Ch’arari Kwiguk’agetta)’.

457) Zhong Jian, ‘朝鲜劳工探秘! 2万劳工入境内情 (Chaoxian Laogong Tanmi! 2 Wan Laogong Rujing Nei-qing)’.

supervisors regularly check on workers in their dormitory rooms.⁴⁵⁸ Workers may not venture outside and can only move from worksite to dormitory and vice versa.⁴⁵⁹ Outings (to a market for example) are occasionally allowed, but can only take place in groups of at two or three people. In these situations, workers are expected to watch each other, creating a system of mutual surveillance. One group member is often a so called “spy”, someone instructed to directly report to supervisors should anyone break rules. This means workers can never trust their colleagues or open up about their honest thoughts.⁴⁶⁰ The workings of this strict surveillance system have been described and confirmed in defector testimonies from the 1980s and 1990s as well as in more recent ones.⁴⁶¹

It has been reported fairly recently that surveillance and restrictions may have become even tighter: in Tumen and Hunchun, where groups of North Korean workers used to be spotted occasionally in public places, it appears that workers are not seen outside at all anymore. This could potentially be due to China demonstrating compliance with UN sanctions by attempting to conceal the presence of North Korean workers in the region.⁴⁶² According to an interview published by Radio Free Asia, North Korean workers in China are subjected to particularly strict surveillance compared to North Koreans dispatched to other countries, possibly because of the presence of South Koreans—which they are explicitly forbidden from interacting with—in the region.⁴⁶³

Workers cannot access internet or watch television according to some sources, although the employment contract provided by KINU states “North Korean TV channels will be provided so that workers can watch”.⁴⁶⁴ According to more recent testimonies (2010 and later), limited use of a mobile phone may be permitted in some cases, but use of a smartphone with internet access is still explicitly forbidden.⁴⁶⁵ Furthermore, contact with outsiders is strictly prohibited, and this includes contact with family in North Korea via phone or post.⁴⁶⁶ However, according to DailyNK, North Korean family members are able to cross the border into China using a short term “family visit” pass, although it is not clear to what extent it is possible for them to come in contact or meet with a relative working in a factory.⁴⁶⁷ Also, the contract document published by KINU mentions the

458) Unification Media Group and DailyNK, ‘해외북한노동자인권실태, 중국을가다 (haeoe puk’an nodongja in’gwönshilt’ae, chunggukül kada)’; 31

459) Zhong Jian, ‘朝鲜劳工探秘! 2万劳工入境内情 (Chaoxian Laogong Tanmi! 2 Wan Laogong Rujing Nei-qing)’.

460) Researcher (anonymous), interview; Yi (editor-in-chief of DailyNK), interview; Unification Media Group and DailyNK, ‘해외북한노동자인권실태, 중국을가다 (haeoe puk’an nodongja in’gwönshilt’ae, chunggukül kada)’; 32; KIM, ‘北해외노동자, 국가가임금착취하는현대판노예제 (Puk Haeoe Nodongja, Kukkaga Imgüm Ch’akchi’wihanün Hyöndaep’an Noyeje)’.

461) YI, O, and IM, ‘북한해외노동자실태연구 (puk’an haeoenodongja shilt’ae yöngu)’; 71–74.

462) Yoon Ah HA, ‘North Korean Laborers Abroad Under Increased Scrutiny’, *DailyNK*, 17 August 2018, <https://www.dailynk.com/english/north-korean-laborers-abroad-under-increased-scrutiny/>.

463) PYON, ‘단둥북한노동자들, 최악의통제생활 (Tandung Puk’an Nodongjadül, Ch’oegäüi r’ongjesaenghw-al)’.

464) It appears that workers only have access to the North Korean central television channel. Yi (editor-in-chief of DailyNK), interview; YI, O, and IM, ‘북한해외노동자실태연구 (puk’an haeoenodongja shilt’ae yöngu)’;

32; Unification Media Group and DailyNK, ‘해외북한노동자인권실태, 중국을가다 (haeoe puk’an nodongja in’gwönshilt’ae, chunggukül kada)’; 32; Joonho KIM and Richard Finney, ‘Foreign TV Blocked For North Korean Workers in China’, trans. Soomin JO, *Radio Free Asia*, 28 February 2017, <https://www.rfa.org/english/news/korea/foreign-02282017145314.html>.

465) YI, O, and IM, ‘북한해외노동자실태연구 (puk’an haeoenodongja shilt’ae yöngu)’; 79.

466) Unification Media Group and DailyNK, ‘해외북한노동자인권실태, 중국을가다 (haeoe puk’an nodongja in’gwönshilt’ae, chunggukül kada)’; 32; KIM, ‘노예생활에내몰리는北노동자... 현대판노예 (Noye Saenghware Naemollinün Puk Nodongja)’.

467) Yi (editor-in-chief of DailyNK), interview.

right for workers to return to North Korea once a year, but it is unclear whether this is reflective of actual practices.⁴⁶⁸

Even when abroad, North Korean workers are subjected to regular meetings for the purposes of self-criticism and mutual criticism.⁴⁶⁹ All defectors interviewed by KINU have confirmed that this system is enforced abroad just as it is in North Korea, possibly even more formally.⁴⁷⁰ A businesswoman from Dalian has claimed that hiring North Koreans can be “a hassle”, since employers have to be able to guarantee a closed off living space and a classroom for meetings and ideology lessons. “They bring their own doctor, nurse, cook, and teachers,” she said.⁴⁷¹ The Chinese factory receiving North Koreans is also expected to aid in providing groceries and daily necessities.⁴⁷²

In some ways, the surveillance system controlling North Koreans abroad is even stricter than it is within North Korea, as they are even barred from contacting family or moving around freely.⁴⁷³

3.7 Conclusion

To summarize, findings on North Korean workers mobilized in the Chinese textile industry align with information on workers in other countries reported on thus far. They are generally subjected to similar conditions, most notably the insufficient compensation for their labour and partial extortion of their salary, the excessive working hours and poor working conditions, and the near total lack of freedom. While this chapter mostly relies on secondary sources, and while these may at times contradict each other, it should be clear that there is sufficient indication that North Koreans working in China are being subject to a number of human and labour rights violations. The employment of North Koreans in the supply chain of foreign brands is therefore problematic not only because of the indirect financial contribution to the DPRK’s regime and military in the form of foreign currency, but also in consideration of the humanitarian aspects. The risk of North Koreans being employed directly by Chinese suppliers and the risk of Chinese suppliers sending garments to be made by workers in the DPRK should both be considered by any foreign company sourcing in China, particularly in the Northeastern border region. Also, since estimates of the scale of the issue vary widely, more research into North Korean workers in China is needed—and this in itself should indicate that brands cannot assess the risk they are taking with any certainty.

468) YI, O, and IM, ‘북한해외노동자실태연구 (puk’an haeoenodongja shilt’ae yǒngu)’, 32.

469) A Chinese source also states that workers must report daily on any interaction with Chinese, what was said, and whether this was out of line. Zhong Jian, ‘朝鲜劳工探秘! 2万劳工入境内情 (Chaoxian Laogong Tanmi! 2 Wan Laogong Rujing Nei Qing)’; ‘中北노동자, 고된노동과생활총화에 “차라리귀국하겠다” (Chung Puk Nodongja, Kodoen Nodonggwa Saenghwalchonghwae Ch’arari Kwiguk’agetta)’.

470) YI, O, and IM, ‘북한해외노동자실태연구 (puk’an haeoenodongja shilt’ae yǒngu)’, 75.

471) Wong and Wen, ‘North Korea Factories Humming with “Made in China” Clothes, Traders Say’; ‘大孤山纺织服装产业项目市级项目丹东市招商局 (Dà Gū Shān Fǎng Zhī Fú Zhuāng Chǎn Yè Xiàng Mù Shì Jí Xiàng Mù Dān Dōng Shì Zhāo Shāng Jú)’.

472) ‘大孤山纺织服装产业项目市级项目丹东市招商局 (Dà Gū Shān Fǎng Zhī Fú Zhuāng Chǎn Yè Xiàng Mù Shì Jí Xiàng Mù Dān Dōng Shì Zhāo Shāng Jú)’.

473) Unification Media Group and DailyNK, ‘해외북한노동자인권실태, 중국을가다 (haeoe puk’an nodongja ingwǒnshilt’ae, chunggukul kada)’, 32.

CHAPTER 4

The Role of Overseas Companies: How Policies Do Not Match Local Needs

The previous chapters described the precarious working conditions of North Korean workers in the textile industry in Dandong. As buyers, brands can influence the enforcement of international standards and norms in the factories they source from, and this responsibility is increasingly felt in the international textile industry. Companies have been adding social corporate responsibility to their agenda and working on improving the sustainability of their supply chain. Besides social policies of individual companies, there are also an increasing number of initiatives wherein companies bundle their strengths to deal with these issues. Some examples of these kind of initiatives are the Ethical Trading Initiative (ETI), the Fair Wear Foundation (FWF), the Bangladesh Accord, the Dutch Agreement on Sustainable Garments and Textile (AGT) and branch organisations like Modint in the Netherlands.

4.1 Awareness and Current Policies

To get an overview of the policies and the awareness of companies, the research team reached out to several industry actors for an interview. In the middle of 2018, we contacted several actors to discuss their views on the problem. A branch organisation was interviewed in December and stated they were not sure if there were any factories of their members in the region, but as no one ever brought it up as a question, they had never looked into it. They do assume that those working for the bigger companies would be aware of the problem, but the smaller companies might not.⁴⁷⁴ An initiative on ethical sourcing in textile explained that none of the brands they work with source from the border region, so they do not have any policies in place.⁴⁷⁵

Marieke Weerdesteijn of the Dutch AGT mentioned that the AGT was aware outsourcing to North Korea is a problem in the region, and that it had informed parties and signatories of the AGT both before and after the sanctions.⁴⁷⁶ The AGT is signed by Dutch (or European) brands, retailers, agents, wholesalers and importers.

When signing the Dutch AGT, companies commit to an annual process of due diligence.⁴⁷⁷ As part of this process they are expected to do a risk assessment, which is strengthened each year. In this risk assessment companies are expected to consider the nine themes addressed by the parties of the AGT.⁴⁷⁸ In line with the OECD guidelines, companies are expected to prioritise risks and develop actions to

474) Apparel branch organisation in the Netherlands, interview by Jonne Bosselaar, 18 December 2018.

475) An initiative on ethical sourcing in textile, interview by Jonne Bosselaar, 31 July 2018.

476) [Omitted], interview by R Brandse, Phone, 13 March 2019.

477) This process can be found here: https://www.imvoconvenanten.nl/garments-textile/agreement/method/due-diligence?sc_lang=en

478) You can find the nine themes here: https://www.imvoconvenanten.nl/garments-textile/agreement?sc_lang=en.

prevent, mitigate or remediate risks in their supply chains. In the assessment framework,⁴⁷⁹ the minimum requirements per year (starting from a company's signing date) are listed.⁴⁸⁰

Three Chinese factories that were included in the 2018 Production Location List of the AGT emerged in the case studies of our previous chapters and have been found to engage in export processing to North Korea up to the beginning of 2017 and possibly even after.⁴⁸¹ Some clothing brands that signed on to the AGT also have factories on their supplier list that have used export processing to the DPRK – this suggests that these companies ought to significantly sharpen their due diligence to ensure no North Korean forced labour is in their supply chains. Through the AGT, the research team was able to contact several companies, but none could provide us with an interview. However, right before the publication of the report in March 2019, representatives from some of the stakeholders joined the research team and the AGT for a meeting to discuss the findings of the research project.

[Omitted] of [omitted] corroborated that while many are aware, specific policies are not in place and talking about the topic is often avoided.

I think it is a little sort of a, people don't talk about it, because they don't want to admit that they are doing it.⁴⁸²

One of the brands with the most elaborate program on countering forced labour in various localities of the textile industry is C&A.⁴⁸³ C&A is a frontrunner when it comes to supply chain transparency and the C&A Foundation has contributed to several ethical sourcing projects such as the Open Apparel Registry, which lists the factories in use by international brands.⁴⁸⁴ In its policies, it also acknowledges that China is one of the countries with the highest risks of forced labour. However, its plans to decrease forced labour in its supply chain do not mention China or the issue of North Korean workers, and this is reflected in its choice of suppliers. As was shown in Chapter 3, C&A sources from various factories in Dandong that have until recently used and might still use export processing to North Korea, possibly contaminating its supply chains. We reached out to C&A for an interview, but it turned out not to be possible to schedule an interview.

4.2 Risk Analysis

Currently, sourcing practices in Dandong seem to fall under the same CSR policies as anywhere else, with the standard audits and the standard background checks. While this might be enough to solve certain problems in the supply chain, it is not sufficient when it comes to the presence of North Korean workers. In late 2018, a company that sources from the region was contacted directly for an interview, which they agreed to on the condition of anonymity. Its supply chain manager explained that factories “know that their costumers do not want to see North Koreans in their factories, and so we don't see

479) Which can be found here: https://www.imvoconvenanten.nl/garments-textile/agreement/~/_media/files/imvo/kleding/assessment-framework-agt.ashx.

480) Marieke Weerdesteijn to R. Brandse, ‘Onderzoek Chinese textielindustrie’, 19 March 2019.

481) These factories are Richland, Vent D'est and Dalian Fashion garment.

482) [Omitted] of [omitted]. Interviewed on 11/05/2018.

483) C&A Foundation, ‘Forced & Child Labour Strategy; Strategy to 2020’, November 2017, <https://www.canda-foundation.org/en/impact/forced-labour/forced-child-labour-strategy.pdf>.

484) <https://info.openapparel.org/>.

them.”⁴⁸⁵ Audit reports therefore do not reflect the actual conditions, but many brands still feel that this is the best tool at their disposal. However, as the same supply chain manager stated, “Nobody with any auditing system should be so confident and so reliant as to draw that kind of conclusion.”⁴⁸⁶

There are other ways to check for North Korean labour in the supply chain. With outsourcing, Chinese customs records can show previous engagement of companies with North Korea. In the future, when China releases real-time customs data again, this can also be used for more up to date information. When the data shows irregularities regarding a factory, in-line audits could be used to establish what is going on. In-line audits check the shipment during production, which can be used to establish if the factory is in fact producing the clothes itself. If the product was not produced in the factory during the audit, it was most likely subcontracted.⁴⁸⁷

When it comes to North Koreans working in Chinese factories, there are special ways for auditors to check for their presence. A recurring theme in overseas North Korean labour is the propaganda they are submitted to. This can be seen in North Korean slogans on the walls and songs played on the work floor.⁴⁸⁸ Such propaganda can (and has) also been seen in the dormitory lobby and walls.⁴⁸⁹ The dormitory system is mandatory for all Chinese factories who want North Korean labour.⁴⁹⁰ Auditors in risk regions could request to visit the dormitories as well and look for signs there.

One more method to detect North Korean labour in Chinese factories, is an identity check. In China everyone above sixteen should carry an identity card stating among other things one's nationality.⁴⁹¹

*Identity documents are compulsory in China. That policy came into a place when the Chinese wanted to check for child labour. It is very effective. (...) Unless the documents have been forged.*⁴⁹²

As we know that North Koreans often have to hand over their passports and/or travel documents to their management or to embassy personnel the moment they arrive abroad,⁴⁹³ it is crucial to verify that all of the workers are in fact in possession of their own identity documents.

While the current UN sanctions have curbed some of the outsourcing and overseas labour practises, there is still a large amount of irregular activity to be observed in the border region between China and North Korea. Also, while the sanctions could be lifted in the future, giving North Korean labour another opportunity to enter the international

485) Sustainable supply chain manager who preferred to be anonymous, interviewed on 20/12/2018.

486) Ibid.

487) Ibid.

488) Researcher (anonymous), interview.

489) Britt C. H. Blom and Rosa Brandse, ‘Surveillance and Long Hours: North Korean Workers in Russia’, in *People for Profit: North Korean Forced Labour on a Global Scale*, ed. Remco E. Breuker and Imke B. L. H. Gardingen, van (Leiden, The Netherlands: LeidenAsiaCentre, 2018), 43–66.

490) CHI, Sang-Hyun et al., ‘접경지역변화의관계론적정치지리학: 북한-중국접경지역단둥을중심으로 (A Relational Approach to Political Geography of Border Dynamics: Case Study of North Korea-China Border Region Dandong, China)’, 295.

491) Ministry of Commerce of People's Republic of China, ‘Regulations of the People's Republic of China Concerning Resident Identity Cards’, accessed 27 January 2019, <http://english.mofcom.gov.cn/aarticle/lawsdata/chinese-law/200211/20021100053292.html>.

492) [Omitted] of a fashion platform that sources many clothes from China. Interviewed on 10/12/2018.

493) Remco E. Breuker and Imke B. L. H. Gardingen, van, *North Korean Forced Labour in the EU, the Polish Case: How the Supply of a Captive DPRK Workforce Fits Our Demand for Cheap Labour* (Leiden: LeidenAsiaCentre, 2016), 42.

textile industry, it is not likely that the defining characteristics of North Korean labour abroad and at home (its forced nature, the absence of fundamental freedoms, the abuse of human rights) will disappear anytime soon. This makes it even more important for international brands to scrutinize their suppliers from the region around Dandong and to eliminate the risk of using North Korean forced labour.

Appendices

Part I

Appendix I: Map of Highways in Pakistan



Appendix II: ILO Conventions Ratified by Pakistan

Fundamental

Convention	Date	Status	Note
C029 - Forced Labour Convention, 1930 (No. 29)	23-12 1957	In Force	
C087 - Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)	14-02 1951	In Force	
C098 - Right to Organise and Collective Bargaining Convention, 1949 (No. 98)	26-05 1952	In Force	
C100 - Equal Remuneration Convention, 1951 (No. 100)	11-10 2001	In Force	
C105 - Abolition of Forced Labour Convention, 1957 (No. 105)	15-02 1960	In Force	

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

C111 - Discrimination (Employment and Occupation) Convention, 1958 (No. 111)	24-01 1961	In Force	
C138 - Minimum Age Convention, 1973 (No. 138) Minimum age specified: 14 years	06-07 2006	In Force	
C182 - Worst Forms of Child Labour Convention, 1999 (No. 182)	11-10 2001	In Force	

Governance (Priority)

Convention	Date	Status	Note
C081 - Labour Inspection Convention, 1947 (No. 81)	10-10 1953	In Force	
C144 - Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)	25-10 1994	In Force	

Technical

Convention	Date	Status	Note
C001 - Hours of Work (Industry) Convention, 1919 (No. 1)	14-07 1921	In Force	
C004 - Night Work (Women) Convention, 1919 (No. 4)	14-07 1921	Not In Force	Abrogated by decision of the International Labour Conference at its 106th Session (2017)
C006 - Night Work of Young Persons (Industry) Convention, 1919 (No. 6)	14-07 1921	In Force	
C011 - Right of Association (Agriculture) Convention, 1921 (No. 11)	11-05 1923	In Force	
C014 - Weekly Rest (Industry) Convention, 1921 (No. 14)	11-05 1923	In Force	
C015 - Minimum Age (Trimmers and Stokers) Convention, 1921 (No. 15)	20-11 1922	Not In Force	Abrogated by decision of the International Labour Conference at its 106th Session (2017)

C016 - Medical Examination of Young Persons (Sea) Convention, 1921 (No. 16)	20-11 1922	In Force	
C018 - Workmen's Compensation (Occupational Diseases) Convention, 1925 (No. 18)	30-09 1927	In Force	
C019 - Equality of Treatment (Accident Compensation) Convention, 1925 (No. 19)	30-09 1927	In Force	
C021 - Inspection of Emigrants Convention, 1926 (No. 21)	14-01 1928	Not In Force	Abrogated by decision of the International Labour Conference at its 107th Session (2018)
C022 - Seamen's Articles of Agreement Convention, 1926 (No. 22)	31-10 1932	In Force	
C027 - Marking of Weight (Packages Transported by Vessels) Convention, 1929 (No. 27)	07-09 1931	In Force	
C032 - Protection against Accidents (Dockers) Convention (Revised), 1932 (No. 32)	10-02 1947	In Force	
C041 - Night Work (Women) Convention (Revised), 1934 (No. 41)	22-11 1935	Not In Force	Abrogated by decision of the International Labour Conference at its 106th Session (2017)
C045 - Underground Work (Women) Convention, 1935 (No. 45)	25-03 1938	In Force	
C059 - Minimum Age (Industry) Convention (Revised), 1937 (No. 59)	26-05 1955	Not In Force	Automatic Denunciation on 06 Jul 2007 by convention C138
C080 - Final Articles Revision Convention, 1946 (No. 80)	25-03 1948	In Force	
C089 - Night Work (Women) Convention (Revised), 1948 (No. 89)	14-02 1951	In Force	
C090 - Night Work of Young Persons (Industry) Convention (Revised), 1948 (No. 90)	14-02 1951	In Force	

C096 - Fee-Charging Employment Agencies Convention (Revised), 1949 (No. 96)Has accepted the provisions of Part II	26-05 1952	In Force	
C106 - Weekly Rest (Commerce and Offices) Convention, 1957 (No. 106)The Government has declared that the Convention also applies to persons employed in the establishments specified in Article 3, paragraph 1(c).	15-02 1960	In Force	
C107 - Indigenous and Tribal Populations Convention, 1957 (No. 107)	15-02 1960	In Force	
C116 - Final Articles Revision Convention, 1961 (No. 116)	17-11 1967	In Force	
C118 - Equality of Treatment (Social Security) Convention, 1962 (No. 118)Has accepted Branches (c) and (g)	27-03 1969	In Force	
C159 - Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159)	25-10 1994	In Force	
C185 - Seafarers' Identity Documents Convention (Revised), 2003 (No. 185)	21-12 2006	In Force	
Amendments of 2016 to the Annexes of the Convention No. 185	08-12 2016	In Force	

Appendix III: Beyond The Law, Corporate Social Responsibility within the Chinese Context

Overview of Chinese Economic History and CSR Policies

Corporations have had a unique history in China. Its inception can be traced to the turn of the 20th century, during a time when China was struggling with the question of how to deal with Western influence, including Western industrialization. Chinese companies were, therefore, founded with a sense of “historical responsibility” of saving their country, and many of the earliest companies were tied to the government in some form.¹

This close relation between state and corporation continued into the Communist period. During the era of centralized planning economy (command economy) from the founding of the PRC in 1949 to 1978, all companies in China were state owned, following the model of the Soviet Union. These state-owned companies (SOE) had little authority: they could not adjust labour forces, nor did they retain their profits. Their personnel were appointed and controlled by the Communist Party. Workers in these companies could neither quit nor be fired, essentially guaranteeing them with a job for life.² Companies were responsible for their welfare, health, and political indoctrination.³ Although China’s economic system has changed considerably, the legacy of this period still carries on.

The period of economic reform that followed Mao’s death in 1976, spanning from 1978 to 1994, was marked by a general pattern of decentralization, wherein local enterprises were permitted to compete with SOEs. In 1994, the Company Laws introduced a new, uniform legal framework that levelled the playing field for different types of companies. Traditional SOEs became legal forms of corporations, and they were permitted to diversify ownership by selling shares. Gradual restructuring began, as encouraged by the government. The largest state firms became joint-stock corporations, sold shares to the public, and became listed on stock exchanges, although the state still retained some measure of control. This control was solidified in 2003 with the creation of a new state organization, the State Asset Supervision and Administration Commission (SASAC), under which the largest firms retained. As of 2017, SASAC controls 102 SOEs, including two of the companies working on the M4 (CRFG and CGGC). SASAC also has its own guiding principles on social responsibility, which is discussed in depth later.

SOEs continue to play an important role in China. Despite reforms in 2013, it appears that they are consolidating strength and growing into even larger companies.⁴ As of 2017, China has approximately 150,000 SOEs, of which around one third are owned by the central government.⁵ As they can be considered as implementers of Chinese political strategy, it is notable that Chinese SOEs are contracted for a large number of projects in the BRI, an issue that has caused concern as this does not benefit local communities.

1) Jingchen Zhao, *Corporate Social Responsibility in Contemporary China*, Corporations, Globalisation and the Law (Cheltenham: Elgar, 2014), 56–57.

2) Barry Naughton, *The Chinese Economy: Transitions and Growth* (Cambridge, Mass: MIT Press, 2007), 59–62.

3) Naughton, 298–301.

4) Kjeld Erik Brødsgaard, “Can China Keep Controlling Its SOEs?,” *The Diplomat*, March 5, 2018, <https://thediplomat.com/2018/03/can-china-keep-controlling-its-soes/>.

5) “China - 7-State Owned Enterprises | Export.Gov,” accessed January 11, 2019, <https://www.export.gov/article?id=China-State-Owned-Enterprises>.

According to a news article in China in November 2018, SOEs have undertaken 3,116 BRI projects, or 50% of infrastructure projects already underway or in the pipeline.⁶

With this context of the importance of SOEs and its ties to the political structure in mind, we now turn to the development of CSR in China.

Development of CSR in China

Although the aforementioned 1994 Company Laws did not contain provisions for CSR policies, the concept of social responsibility became a topic in China in the late 1990s, culminating in the first sustainability report issued in 1999 by Shell China and China joining the WTO in 2001.⁷ These developments were guided by both external and internal factors: externally, China's interactions with foreign buyers and multinational companies meant facing international demands for quality and safety, in order to help market access and social reputation;⁸ internally, as a consequence of rapid economic development, poor business practices resulted in environmental problems such as pollution that endangered its own citizens.⁹

The period around 2005 to 2007 can be seen as an important period of CSR development in China. In 2005, then-Chinese leader Hu Jintao instituted the concept of "Harmonious Society", a vision for the development of China which, as some have noted, has similar objectives to those of CSR. Among other things, Harmonious Society aims to address unequal income in China, the weak rule of law, and environmental damages; it has been seen by scholars as a change of emphasis from absolute growth to tackling social issues that has arisen.¹⁰ This concept was then instituted into policy in 2006, when the first national CSR summit was also held. In the same year, the fifth article of the new Chinese Company Laws recognized CSR: "a company must, when engaging in business activities, abide by the laws and administrative regulations, observe social morals and business ethics, be in integrity and good faith, accept regulation of the government and the public, and undertake social responsibilities."¹¹ A number of legal and CSR reforms followed in the subsequent years, including the Shenzhen Stock Exchange CSR guidelines (2006), the Labour Contract Laws of the PRC (2007), and SASAC's provisions on CSR (2008).

It may seem paradoxical to discuss the role of the government in promoting CSR, as by definition CSR is voluntary and beyond legal requirements. As we have seen, however, the unique political and economic background of China means that the government continue to play important roles in business through its SOEs. Thus, it cannot be discounted as a major stakeholder in the development and implementation of CSR, and consequently the Chinese conception of CSR is closely linked with political concepts, and is often expressed as such.

6) Tan, "Central SOEs Managing over 3,000 Projects under BRI."

7) Sam Yoon-Suk Lee and Joshua Wickerham, "China," in *The World Guide to CSR: A Country-by-Country Analysis of Corporate Sustainability and Responsibility*, ed. Wayne Visser and Nick Tolhurst, 2017, <http://www.myilibrary.com?id=1034830>.

8) Zhao, *Corporate Social Responsibility in Contemporary China*, 69–75.

9) Yongqiang Gao, "Corporate Social Performance in China: Evidence from Large Companies," *Journal of Business Ethics* 89, no. 1 (September 2009): 23–35, <https://doi.org/10.1007/s10551-008-9982-y>.

10) Geoffrey (Kok Heng) See, "Harmonious Society and Chinese CSR: Is There Really a Link?," *Journal of Business Ethics* 89, no. 1 (September 1, 2009): 1–22, <https://doi.org/10.1007/s10551-008-9981-z>.

11) Zhao, *Corporate Social Responsibility in Contemporary China*, 68.

Chinese CSR

With this in mind, several scholars have written about the differences of CSR in practice in the Chinese context. Xu and Yang,¹² for example, has surveyed 630 business owners across different industries in China in order to assess their conceptions of CSR when compared with international ideas, as derived from international CSR literature. While a number of points were similar, such as the importance of environmental protection, there were also a number of differences. Philanthropy, such as donation or charity, factored as a major component in Chinese CSR conceptions. While staff health and workplace safety were mentioned by both Western and Chinese conceptions, Chinese conceptions omitted “meaning and satisfaction of work”. Finally, several unique Chinese dimensions included patriotism as well as obeying the laws as part of CSR, again highlighting the connections between CSR and politics in China.

These observations seem valid when examining the provisions of CSR guidelines, such as the SASAC guideline under which SOEs operate, a document laden with political language.¹³ The importance of fulfilling CSR, the document begins, is “not only an important measure for promoting the socialist harmonious society and also an embodiment of the CSOs to thoroughly implement the China’s new ideas about economic development, social progress and environment protection.” This is important especially in the global context: “either helpful in establishing a “responsible” public image by Chinese enterprises and more internationally influential, or significant for China to spread an image as a responsible nation.” In concrete terms, the document provides several principles for CSOs to follow, including ensuring work safety, protecting the legal rights of employees, philanthropy, environmental protection, and encouraging the Chinese Communist Party’s political integration in the companies. Most of these principles, however, merely reaffirm the legal framework by urging companies to follow the relevant legal codes, and, as recommended guidelines, do not include punishments for companies that do not follow these principles.

It is useful here to briefly review the legal framework regarding labour conditions. In 2008, a new Contract Law was passed in order to address shortcomings of the 1994 Labour Law, which developed into problems in the 2000s. Among other things, it established mandatory written contracts, clarifications on subcontracting, laws on fixed term employment, and forbidding dismissal without notice.¹⁴ Problematically, however, an independent survey conducted in 2010 established that only 60% of surveyed workers had a signed contract, and that dispatching practices still continue to expand at the expense of acceptable pay and working conditions.¹⁵

Of particular relevance to our case study is the state of the construction industry in China, as highlighted in a 2008 report by Students and Scholars Against Corporate Misbehaviour (SACOM), an NGO based in Hong Kong. The report, surveying around 1,300 workers over ten construction sites, finds that no workers had signed a labour

12) Shangkun Xu and Rudai Yang, “Indigenous Characteristics of Chinese Corporate Social Responsibility Conceptual Paradigm,” *Journal of Business Ethics* 93, no. 2 (May 2010): 321–33.

13) State-owned Assets Supervision and Administration Commission of the State Council, “Guidelines to the State-Owned Enterprises Directly under the Central Government,” December 6, 2011, http://en.sasac.gov.cn/2011/12/06/c_313.htm.

14) Benoît Vermander, *Corporate Social Responsibility in China: A Vision, an Assessment and a Blueprint* (New Jersey: World Scientific, 2014), 143–53.

15) Sean Cooney, Sarah Biddulph, and Ying Zhu, *Law and Fair Work in China*, Routledge Contemporary China Series (Abingdon, Oxon [UK] ; New York: Routledge, 2013), 95–96.

contract, except for a small portion whose contracts were highly exploitive. Workers were contracted through a series of subcontractors, and wages were generally paid seasonally instead of the legally required monthly, and were often late. The wages were also subject to a series of deductions, sometimes in the form of mandatory food stamps or as punishments. They had poor living conditions and worked long hours, sometimes up to 70 or 90 hours a week, far above the limited 40 hours as stipulated by the laws.¹⁶ Other reports published by the same NGO reveal similarly problematic situations across different industries.¹⁷

To further compound the problem, workers in China have limited options to redress their issues. There is only one worker's trade union in China, the All-China Federation of Trade Unions (ACFTU). Because the CCP nominally fights for the working class, the ACFTU has a large membership: by the end of 2014, this had 288 million registered members, or 36% of the total Chinese workforce. However, despite the supposed free election of its regional leaders, in practice this is rarely enforced, and leaders tended to be nominated by the state or the union itself. Legally, the trade union is supposed to seek a balance between the workers and the companies or the state; in practice, it often sides with the latter, instead of with the workers. As setting up independent trade unions is prohibited, workers have few alternatives to redress their grievances. Despite worker-organized independent strikes and some signs that the government are beginning to regulate collective bargaining,¹⁸ the overall situation and power of trade unions in China are still limited when compared with that of other countries. In the case of SOEs, it is likely that the power imbalance is stronger, as such companies have the backing of the state and usually win legal disputes, if they had arisen in the first place.¹⁹

CSR guidelines, then, do exist in China, although the conception of it is rather different to Western norms. In China, the government is an important stakeholder in promoting CSR policies, which generally follow and reinforce the legal framework. For this reason, it is difficult to judge if CSR in China can be considered different from government policies. Problematically, however, while freedom of association is technically permitted, trade unions are also part of the governmental organ and therefore does not always side with employees. In the case of SOEs, the problem grows more severe, as the companies are backed up by the state. This is the case of several BRI-related projects worldwide, as discussed in the report.

Company Profiles: CRFG, CGGC, and XBRB

China Railway First Group (CRFG)



中国中铁一局集团有限公司
CHINA RAILWAY FIRST GROUP CO., LTD.

China Railway First Group is a subsidiary of China Railway Group Limited. The acronym of this latter group is CREC, which refers to their predecessor, China Railway

16) Students and Scholars Against Corporate Misbehavior, “建筑业农民工：廿一世纪的包身工,” 2008.

17) “Investigative Report – Students and Scholars Against Corporate Misbehavior,” accessed March 29, 2019, <http://sacom.hk/category/information-centre/investigative-report/>.

18) ebastian Heilmann, ed., *China's Political System* (Lanham, Maryland: Rowman & Littlefield, 2017), 269–74.

19) “China - 7-State Owned Enterprises | Export.Gov.”

Engineering Corporation. It is the third largest construction company worldwide, the largest railroad and bridge construction company in Asia, and the leading construction company in China. CREC was formerly a part of the Ministry of Railways (now defunct), and now a state-owned enterprise under SASAC.

CRFG has CSR reports on their website dating from 2011 to 2015, only in Chinese. CREC have annual reports on their CSR policies ranging from 2008 to 2017 available on their website (bilingual). In the report, they list a number of domestic and international guidelines they adhere to:

We prepared the report by referring to the “ten principles” promulgated by the United Nations Global Compact (Global Compact), the relevant standards of the Global Reporting Initiative (GRI), Social Accountability International (SAI), Chinese National Standards GB/T36000-2015 Social Responsibility Guidelines, GB/T36001-2015 Social Responsibility Reporting Guidelines, GB/T36002-2015 Social Responsibility Performance Classification Guidelines, Construction Industry in China CSR Reporting Guidelines (CASS-CSR3.0), Guide on Social Responsibility for Chinese International Contractors and relevant requirements of the SASAC, Shanghai Stock Exchange and the Stock Exchange of Hong Kong.²⁰

China Gezhouba Group Company (CGGC)



Found in 1970, China Gezhouba is another state-owned enterprise. They are a member company of Energy China (CEEC). CGGC has bilingual CSR annual reports from 2008 to 2017 available on their website.²¹ They are working on the Shorkot-Khanewal section of the highway.²² It is listed in the Shanghai stock exchange, and their 2017 annual report points out that it is prepared according to the principles laid out by the Shanghai Stock Exchange as well as the Guidelines on Sustainable Development Report issued by the Global Reporting Initiative (GRI).²³

Xinjiang Beixin (XBRB)



The website of XBRB is not functioning, but some information can be gleaned from their parent corporation website. The corporation, which became an SOE in 2000, is active in various countries abroad, including Pakistan. It possesses 14 child companies; XBRB is its only publicly listed company. The corporation possesses more than 13,000

20) CREC, “2017 社会责任报告暨ESG（环境、社会与管治）报告” (CREC, March 2018), 4, <http://www.crecg.com/chinazt/268/288/355/32159/2018033017215653964.pdf>.

21) <http://www.cggc.ceec.net.cn/col/col7044/index.html>.

22) “AIIB-Invested Highway Project Commenced by CGGC,” China Gezhouba Group Co. Ltd, August 13, 2016, https://www.chinadaily.com.cn/m/gezhouba/2016-08/13/content_26938734.htm.

23) “2017 Corporate Social Responsibility Report” (China Gezhouba (Group) Limited, n.d.), 2, <http://www.cggc.ceec.net.cn/attach/0/1804151058191848411.pdf>.

employees, and was selected as part of the China Fortune 500 in 2016. However, this website does not possess a section on CSR.²⁴

24) <http://www.xbjgc.cn/webportal/index/aboutUS/show.do>

Appendix IV: Integral and Anonymized Interview Texts

A1

1	Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.	Male, 50. I worked on the median strip at the motorway.
2	How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.	Many people from my village were working there and I joined them since I didn't have any other work. I worked for two years there. The recruitment was all verbal. No paper work was done. The company was ZKB and my contractor's (thekedar) name was Iqbal. I used motorcycle to commute to the work site. No I don't know which section it was. I only know it was motorway.
3	Can you tell us more about the work-site(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.	As I said there were many people from my village working there. They included my relatives. In our team only there were around 20 people. People from various ethnic backgrounds were there, including Punjabi, Siraiki, Sindhi and Pathan. Yes, there were Chinese workers; they were all bosses/ on managerial position as far as my knowledge is concerned. So they were treated comparatively better than other workers. Neither I saw any woman there nor I think women are involved in our work.
4	How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.	It was all verbal. I worked on daily wages.
5	How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site) Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits	No safety gears or special clothing were given to us. In case of an injury, workers were provided medical care. There was no insurance. May be the company (ZKB) workers had it but not us who worked under the contractor. We are used to work and live in harsh conditions so the health and sanitation thing never bothered me. Yes, there were visits by officers/auditors. They would see our work but never talked to us directly. They would talk to the contractor only. During the visits, we would only work. No smoking break or any other.

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

6	<p>Freedom of association</p> <p>Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	I don't know what it is.
7	<p>Can you tell us about your working hours?</p> <p>Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	We would start work at 8 in the morning until 5/6 in the evening. Sunday was our off. We would get offs on festivals and gazetted holidays. Yes, we could get leaves when we were sick or had an emergency.
8	<p>What is your income?</p> <p>What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	I was paid Rs700 (€4.5) per day. I have a household to feed. Although the income was insufficient but our family managed because many of us are working so we will pool in the money to run the kitchen. The payment schedule was fortnightly. There was no bonus. We would get a meal at 12 noon. We were provided transport whenever we had to commute to longer distances on the motorway. There was no payment slip. The contractor had a register in which he would keep the record of all his workers. No the senior workers were paid more. There was no borrowing facility.
9	<p>Does this project differ from other projects you worked on?</p> <p>Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	It was enough to keep our cash flow in. I prefer private work over this because I would earn more than this. But here is a downside, the private work depends on it availability. If it is there, we would earn some money but is it not then we would go back home empty pockets. I am a poor person, I don't know what a Chinese investment or foreign investment is. What matters to me is that I should get work because at the end of the day I need to feed my household.
10	<p>Foreign Investment</p> <p>How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	I think it is causing us loss. Because the government is buying our land for the project on price less than the market value. I think that they should build some factories where we should get some work.

A2

1	Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.	27, married.
2	How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.	I got there with the people of my village. They were already working there. The recruitment was done verbally. I was introduced to the contractor (thekedar) AR. There was another contractor: Y. I worked as a steel fixer. We used motorcycle for commuting to the worksite. Mostly I worked on the motorway near Shorkot.
3	Can you tell us more about the work-site(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.	There were many people from different places and ethnic backgrounds. They were Punjabis, Siraikis and Sindhis. Pathan workers were mostly involved in operating machinery. In my team, there were around 20 people, most of them from my village. Yes, there were Chinese workers too. They were all officers. The youngest worker would be somewhere between 18 to 20. We used Punjabi for communication. No, there were no women.
4	How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.	As I said, it was done verbally. There was no certain period of employment. As long as there was work, there was employment. The main company was ZKB and it had hired contractors who hired us. We had no direct contact with the company.
5	How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site) Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits	We were given boots, a yellow colour jacket and a helmet for one day only. The work was dangerous though. I cannot remember the date exactly but I saw an accident one day. There was a boy from DI Khan who fell off an under construction and got badly injured. He was taken to hospital and provided medical treatment. And after he got well, he was sent back to his village -- that's what I heard because I never saw him again. The auditors/officers would visit us and see the work. Once during inspection our whole work was failed and we had to do it from the start again. We behaved as we usually did. Just focused on our work.

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

6	<p>Freedom of association</p> <p>Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	Never heard of a union there.
7	<p>Can you tell us about your working hours?</p> <p>Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>It was from 8pm to 5pm. We were given overtime, if we had to work for longer than that.</p> <p>There was no holiday. The longest working day I remember was of around 16 hours. Yes, we could get leave if we had to.</p>
8	<p>What is your income?</p> <p>What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	<p>I earned Rs600 (€3.7). That I guess was the minimum wage for the work I was involved with. The amount depended on the years of experience and skill workers brought with them. The wage would go up to Rs1000 (€6.3). I was paid monthly. There was bonus or any other additional payment but the wage. No we didn't get food. We had to have it on our own. No insurance no nothing for children. There was no loan facility. Payment was in cash and there was no slip for it.</p>
9	<p>Does this project differ from other projects you worked on?</p> <p>Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>I see it as a work where the payment was not enough. But still I worked there because I had no other job. I am jobless these days, because the work is almost over. They are now doing the electrical work on the motorway.</p>
10	<p>Foreign Investment</p> <p>How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>I am a simple village guy. I don't know anything about what a foreign investment meant to. For me, earning for my family is the ultimate goal.</p>
11	<p>Do you have anything else to tell us?</p>	<p>They should do something about people like me who live in villages. We have to go to places like Lahore, Karachi and others in search of work.</p>

A3

1	Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.	32, married.
2	How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.	One of my friends was working there. He asked me if I wanted to work and I said since it was a work which was ensuring me a daily pay. I would go to work on motorbike with the same friend. The company was ZKB. I worked on the project for two years.
3	Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.	There were many people from different villages and cities in Punjab and Sindh. The Chinese were the bosses. They were often seen at the work site. They never spoke to us. Only our contractor was talking to them. I never saw a child nor a woman working there. All workers were adult of more than 20 years of age.
4	How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.	There was no contract. The word of contractor was the only thing we depended on.
5	How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site) Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits	We were provided with boots, jacket and helmet. No training was conducted for us and I never heard about any such thing. If someone had gotten injured, he was given medical care. But there was no paid leave, even if someone was sick. Yes, there were visits by auditors/officers. They never spoke to us.

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

6	<p>Freedom of association</p> <p>Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	Never heard of a union there.
7	<p>Can you tell us about your working hours?</p> <p>Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>The work started at 8am. We would off at 5pm. The longest working day for me was of 16/17 hours. We were paid overtime. We could leave if we didn't want to work after 5pm. But I never did so because I saw the money at the end.</p>
8	<p>What is your income?</p> <p>What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earns the same / etc.</p>	<p>I earned Rs700 (€4.5). The wage was different for different people so was the payment mode. Some would get it weekly, fortnightly or monthly. But the issue was that the contractor would not pay us all. He would keep some of our money and say that it will be paid later. I hated this thing but could not do much about it. There was no such thing as bonus, insurance or allowance. Just the wage. The contractor would not give us loan.</p>
9	<p>Does this project differ from other projects you worked on?</p> <p>Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>I prefer private work on this. Because in it, the payment is good and you get paid in full.</p>
10	<p>Foreign Investment</p> <p>How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>Well, it has affected me in a way that I had work for a period of time but nothing else than that.</p>
11	Do you have anything else to tell us?	They should something for the poor people

1	Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.	25, male, unmarried.
2	How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.	There was a word in our village that they were hiring people, including steel fixers which I am, to work on the construction of M4. So my friends and I went there and spoke to the contractor (thekedar). We used motorcycle to commute to the work site. We worked on several parts of the motorway. We would go till Shorkot for work and were provided transport to travel to whichever site we were needed on. I worked for around one-and-a-half year there.
3	Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.	There were 20/25 people in our team. There were many people including Punjabis, Sindhis, Siraikis and Pathans. The Chinese were seen on the site almost daily. They were the officers/engineers. There were no minors on the site. All were adult. And the minimum age of a worker would be 20... I guess. We used our native language. The contractor also spoke to us in the same. There were no women. No, there are no women in the work I am involved.
4	How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.	For us, it was all verbal. The paper work involved only in the jobs that were directly under the company ZKB. And that required education which most of the villagers didn't have.
5	How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site) Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits	Yes, they gave us helmets, jackets, boots and sometimes gloves when we were working on hot iron. There was no such medical facility, however, if someone had gotten injured during the work, he was provided the medical treatment. No were not insured. The working condition was as usual as it is in the country. The Chinese and Pakistani officers would come to visit the site and the work almost daily. No, we not interviewed by any of them. Yes, the contractor would ask us to just focus on our work during the visits.

6	<p>Freedom of association</p> <p>Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	I heard there was union but never saw it
7	<p>Can you tell us about your working hours?</p> <p>Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	The work time was from 8am to 5pm. Sunday was our off. In case we need a leave for some work or for some sickness, we would speak to the contractor. It never occurred to me that someone was denied a leave.
8	<p>What is your income?</p> <p>What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	I started with Rs800 (€5) and my last drawn wage was Rs900 (€5.6). I think that was enough as it is a standard rate for a day job in our work, lest we are doing some private work. We were paid weekly. Thursday was the pay day. There were no other allowances. We would get a meal each day. No, there was no such loan facility.
9	<p>Does this project differ from other projects you worked on?</p> <p>Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	I have worked on several such projects like building flyovers, underpasses and buildings in Islamabad and Lahore. It is good that we are getting work because of CPEC.
10	<p>Foreign Investment</p> <p>How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	For me, it is good and I hope that there would be betterment.
11	Do you have anything else to tell us?	No

A5

1	Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.	35, male, married.
2	How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.	I am a steel-fixing master and I headed a team of a dozen persons while working at M4. I worked for around two years on the project. We would commute to the site on motorbike and we would also get transport to travel from one site to another or wherever we were needed. The section we worked on most was near Toba Tek Singh
3	Can you tell us more about the work-site(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.	I cannot tell you exactly how many workers were there. They could be in thousands or more on all of the M4. Mostly they were Punjabis and Pathans. The Chinese workers were officers/ engineers only. They were seen daily on the sites. The youngest worker would be at least 18/20. The difference among sites depended on the structure we were building. No women was involved in the construction process.
4	How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.	It was done verbally. We didn't sign any contract.
5	How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site) Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits	We were not given any safety tools. Though in case of an injury, we were provided medical care and treatment. But there were no paid leaves in case the injured or sick workers needed some rest. The health and sanitation standards were the same as they are in our village, so we adjusted. Yes, there were visits by auditors/officers who would check our work. They would come almost daily. Never did they interview us. Yes, the contractor (thekedar) would ask us to be extra careful during such visits. And when there were some high-ups coming, we were provided with helmets, jackets and boots.

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

6	<p>Freedom of association</p> <p>Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	No there was none.
7	<p>Can you tell us about your working hours?</p> <p>Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	The working hours were from 8am to 5/6pm. In case there's work left, we would not take an off on Sundays too. We would work and were entitled to overtime too. For me, it was difficult to get a leave because virtually I was managing my team. So I had to be there all the time.
8	<p>What is your income?</p> <p>What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	Mine daily wage was Rs1000 (€6.3). My parents, wife and kids depended on this income. I think that it was insufficient when compared to our work. The payment was supposed to be made regularly like weekly or fortnightly but there was a problem at the end of the contractor that he would keep some of the money with him and would promise to clear the dues at the earliest. But in my case, it never happened. The contractor still owes me Rs35,000 (€221.5). There was no payment slip.
9	<p>Does this project differ from other projects you worked on?</p> <p>Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	I have usually worked on private projects. People would hire me and my team for the construction of their homes and shops and I prefer doing that work because the wage is good in it. So far, we have only been benefitted in a sense that the villages around the motorway have gotten work. Nothing else than that.
10	<p>Foreign Investment</p> <p>How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	No, it has not brought any big change in our lives. We are as we were. We have only heard about CPEC but don't know anything about it.

11	Do you have anything else to tell us?	We want that there should be a scheme for people like us who earn daily to make both ends meet. There should be a plan in which we could work for the betterment of the future of our children. I wish that they should not live in the conditions we are in.
----	---------------------------------------	---

A6

1	Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.	29, male, married.
2	How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.	I heard through a friend who was already working on M4 that his site needed someone with a tractor trolley who could water the surface around the motorway. I was involved in it so I went there and started the work
3	Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.	I would take my tractor trolley to wherever I was needed. I would make around 35 to 40 rounds daily from 8pm to 5/6pm from the water filling site to the work site. My work was away from where the Chinese would visit but the other officers would come to see it and would also let me know if I had provided less or more water to a site. There were no women.
4	How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.	Verbal

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

5	<p>How safe is the workplace?</p> <p>Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>No safety tools were provided. Neither was I injured nor did I see anyone wounded. There were no paid leaves in case someone is sick/injured.</p>
6	<p>Freedom of association</p> <p>Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>No I don't know about it</p>
7	<p>Can you tell us about your working hours?</p> <p>Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>Sunday was our day off. In my case, there was no overtime. If I had to take a leave, I had to send to someone else as my substitute.</p>
8	<p>What is your income?</p> <p>What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	<p>I was hired on a pay Rs60,000 (€379) that included the cost and fuel of the tractor trolley I ran. The payment mode was in cash on monthly basis. There was no other allowance, bonus or any other monetary benefit in it.</p>

9	Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.	Yes, it is. Now I am back to providing water in my village which is more profitable for me than the M4 work. I prefer my current occupation over the motorway work because I myself is the boss here and the money I earn is good.
10	Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how	No, I don't think it has affected us in a positive way. I am not aware of what foreign investment is or what it benefits are. I am only interested in how I can make money so that my family would not go to sleep with an empty stomach.
11	Do you have anything else to tell us?	No.

A7

1	Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.	25, male, married.
2	How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.	I landed the job by the reference of my friends/ relatives who were working there. Company was ZKB and I cannot remember the name of my contractor (thekedar). Sometimes we would get a motorcycle to ride on, other times we would find some transport passing by or we would simply walk. I don't know the section exactly but I would work near Toba Tek Sindh and Shorkot.
3	Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.	There were six to seven people in my team. The workers were Panjabis, Siraikis, Sindhis and Pathans. We used Punjabi for communicating. Chinese workers were officers/engineers. We never talked to them nor did they. Almost all the workers were adults. Work was nearly the same everywhere for us. There was no women.

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

4	<p>How does contracting work for this project?</p> <p>Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	Verbal
5	<p>How safe is the workplace?</p> <p>Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	Usually we didn't wear any safety tools like helmets, jackets and boots but sometimes we were given them when there was an inspection by the top officers. There was no medical facility but in case of an injury treatment was provided. No were not insured.
6	<p>Freedom of association</p> <p>Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	Not aware about union
7	<p>Can you tell us about your working hours?</p> <p>Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	It was from 8am to 6pm. Sunday usually was our off. But we also had overtimes to complete the project in the stipulated time. Longest day for me was may be 16 hours. We could get a leave but that would always be unpaid.

8	<p>What is your income?</p> <p>What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earns the same / etc.</p>	<p>I earned Rs500 (€3) in the beginning and later Rs600 (€3.7). My family, including my parents, depended on my income. It was insufficient but other members of my family also worked so we managed somehow as we are used to. The payment was supposed to me made regularly, fortnightly, but then the contractor (thekedar) would withheld some of the amount which annoyed me much. So I decided to leave it and switch to other [private] job. Do you think that when the contractor who would not give us our wage would give us loan?</p>
9	<p>Does this project differ from other projects you worked on?</p> <p>Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>It was nearly the same but the payment was not good at all. I think that the wage system should have been better. I am not aware about any foreign investment. I only know that China is building something here in Pakistan.</p>
10	<p>Foreign Investment</p> <p>How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>Everyone is doing what they deem fit or beneficial for them. There is nothing for us but some work that is also for only a short time.</p>
11	<p>Do you have anything else to tell us?</p>	<p>No.</p>

A8

1	<p>Who are you? Tell us a bit about yourself</p> <p>Age / Gender / Marital status / Where from / family / etc.</p>	<p>36, male, married.</p>
2	<p>How did you end up working on the M4?</p> <p>Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I was in search of a job and there was work available on M4, so I got it. Company was ZKB and my contractor's (thekedar) name was Arif. Sometimes I would get a transport as many people from my village were going there, other times I would walk. My work was almost on all the motorway from Toba Tek Singh to Shorkot and ahead too.</p>

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

3	<p>Can you tell us more about the work-site(s)?</p> <p>Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>We were two people in the team, driver and me. On the construction side, there were many workers. They included Punjabis and Pathans mostly. Chinese would come daily to the site. Infact they were there all the day moving from one site to another, checking the work being done on the project. All were adults. I never saw any woman working on the site.</p>
4	<p>How does contracting work for this project?</p> <p>Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>Verbal</p>
5	<p>How safe is the workplace?</p> <p>Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>No there were no safety tools. Getting a leave was hard enough. I had to send a substitute if I was not able to make it to work myself. Never saw anybody getting badly injured at work, at least to which I was involved. But heard about such incidents. Don't know what happened. Yes, there were visits by officers/engineers. They would see our work and advise accordingly.</p>
6	<p>Freedom of association</p> <p>Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>Don't know about this.</p>
7	<p>Can you tell us about your working hours?</p> <p>Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>It was a 12 hours job from 6am to 6pm. Sunday was the off. There was no overtime.</p>

8	<p>What is your income?</p> <p>What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	<p>I earned Rs12,000 (€76) monthly but that was not enough. I have four children, my parents and my wife to feed. It should have been better. There was no bonus, insurance or any other income. Just the salary. We could also not get an advance salary.</p>
9	<p>Does this project differ from other projects you worked on?</p> <p>Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>I have left the work. Now I am picking oranges. I am just a simple villager who only know about how to earn, nothing else.</p>
10	<p>Foreign Investment</p> <p>How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>I think it has provided us work – it is the only way I can explain how it benefitted us.</p>
11	<p>Do you have anything else to tell us?</p>	<p>We should get some work.</p>

A9

1	<p>Who are you? Tell us a bit about yourself</p> <p>Age / Gender / Marital status / Where from / family / etc.</p>	<p>22/23, married.</p>
2	<p>How did you end up working on the M4?</p> <p>Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I am a steel-fixer so I learned about the work opportunity at motorway (M4). I was recruited by contractor (thekedar) named Allah Rakha. The company we worked for was ZKB. We used motorcycle to commute to the worksite. From there if we had to go to a different site, we would either use the same motorcycle or would take other transport, if available. We worked between Faisalabad and Shorkot.</p>

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

3	<p>Can you tell us more about the work-site(s)?</p> <p>Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>There were people from almost all ethnicities in the country, like Punjabis, Sindhis, Siraikis and Pathans. Chinese were officers/engineers. We never spoke to them. There were underage boys working at the site but they were not involved in our work. We would our own language to communicate. And for that we never had a problem. There were no women.</p>
4	<p>How does contracting work for this project?</p> <p>Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>It was all verbal. May be because we were not directly employed by the company, at least this is what we were told. So no paper work was involved.</p>
5	<p>How safe is the workplace?</p> <p>Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>No, there was no safety tools provided to the workers. We had to arrange them on our own. Yes, they would provide medical care to workers in case of an accident involving injuries. The health and sanitation conditions were fine for us because we already are used to such kind of situation (muddy air, lack or no toilets at all). Yes, the officers/engineers would inspect our work. We don't know exactly who these persons were whether they were ZKB high ups, Chinese or others. We already were so engrossed in work so no one ever had to tell us to behave.</p>
6	<p>Freedom of association</p> <p>Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>There was no union. We would ourselves informally organize and put our demands before contractor. It happened many times but to no avail. He would not listen to us. And If we would go to the company, they will see that we are not their employees.</p>
7	<p>Can you tell us about your working hours?</p> <p>Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>It was from 8 in the morning to 6 in the evening. Sunday was our off usually. But we would do overtime too. Many times we did that. The longest day I can remember was may be 18 hours working. We could get leave but then we will lose a day age. There was no paid leave in any case whether death of someone or sickness.</p>

8	<p>What is your income?</p> <p>What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earns the same / etc.</p>	<p>I started as a helper, at that time I would get Rs500 (€3.2)/Rs600 (€3.8) per day. Later, I learned the skills and then I was paid Rs900 (€5.7). No, it was insufficient because I have a household to feed. Still we managed because there was no other opportunity. Payment was supposed to be made weekly but it would get late sometime. There had been incidents in which the contractor would withheld the payment. There was no bonus or allowance. Different workers earned differently.</p>
9	<p>Does this project differ from other projects you worked on?</p> <p>Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>I would say that in other projects, including private work, we would get fully paid but here some contractors would not pay us in full. It happened with me and my colleagues that we had to trace back a contractor to his native town in Bahawalpur to get our money.</p>
10	<p>Foreign Investment</p> <p>How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>I don't think that it has affected us in a better way than that that we have gotten work for some time. No other respite. Nowadays, I am picking oranges in gardens which are many around our village. You can understand how much this investment has changed our lives.</p>
11	<p>Do you have anything else to tell us?</p>	<p>Workers should get their rights to fair wage and others. And they should be provided with jobs. Though the M4 is running through our area but we don't have any jobs here. It is the same backward village as it was.</p>

A10

1	<p>Who are you? Tell us a bit about yourself</p> <p>Age / Gender / Marital status / Where from / family / etc.</p>	<p>18, single.</p>
2	<p>How did you end up working on the M4?</p> <p>Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I was jobless and then the motorway (M4) project came. The company was ZKB. The name of contractor who hired me was A. I would go to work riding on a motorbike with a friend who too worked there. I used to be on tractor-trolley carrying water. I would water the surface around the motorway.</p>

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

3	<p>Can you tell us more about the work-site(s)?</p> <p>Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>The workers at the site were of mix ethnicities. Usually my work was away from the site where the Chinese would be seen but I could see them often. They were officers/engineers. There were many young workers on the site. The youngest would be 14/15. There were no women.</p>
4	<p>How does contracting work for this project?</p> <p>Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>It was done verbally.</p>
5	<p>How safe is the workplace?</p> <p>Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>No we were not provided with any safety. They would provide medical care in case of an injury but sickness period would not be paid. The days we were not at work would be deducted from our salary. The health and sanitation conditions were fine for us. Yes, officers would visit us to see our work. No, they never spoke to us.</p>
6	<p>Freedom of association</p> <p>Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>There was no union.</p>
7	<p>Can you tell us about your working hours?</p> <p>Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>The work was more than twelve hours. I would leave home at 6am and it took me around an hour to reach the site. Then I would usually off at 7pm. Yes, we were paid overtime if worked late. Sunday was our off but we would work on holidays too if there was work. I never refused an overtime because I saw the money at the end. No taking a leave was the most difficult job.</p>

8	<p>What is your income?</p> <p>What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	<p>I earned Rs18,000 a month. Six people of my family depended on this income. I think the salary should have been more. I left the work because the payment schedule was not good. They would withheld our money. I felt disgusted at this. There was no bonus or allowance other than the salary. No borrowing facility. No payment slip.</p>
9	<p>Does this project differ from other projects you worked on?</p> <p>Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>Don't know about the investment thing but the other works that I have done were better because the payment would be made at the end unlike what I have been through.</p>
10	<p>Foreign Investment</p> <p>How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>We have not been affected much by this because there is no development in our area but of the motorway that runs nearby.</p>
11	<p>Do you have anything else to tell us?</p>	<p>There should be something in which we should get some jobs.</p>

A11

1	<p>Who are you? Tell us a bit about yourself</p> <p>Age / Gender / Marital status / Where from / family / etc.</p>	<p>35, married.</p>
2	<p>How did you end up working on the M4?</p> <p>Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I found the job opportunity as a dumper (truck) driver. I submitted my documents with ZKB through my contractor A. Yes, I signed a paper. I would use motorcycle to commute.</p>

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

3	<p>Can you tell us more about the work-site(s)?</p> <p>Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>There were people from Punjabi, Sindhi, Pashtun ethnicities. Yes, there were Chinese too, I know nothing but they were officers/engineers. Yes there were underage boys. The youngest among them would be 15, I guess. We used Punjabi to communicate. There were no women.</p>
4	<p>How does contracting work for this project?</p> <p>Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>I signed a paper which read that I was responsible for taking care of the vehicle I was driving and any damage should be paid by me.</p>
5	<p>How safe is the workplace?</p> <p>Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>No, they didn't provide us safety tools. Though the people directly employed by the company were provided with these. They told me that I was not the company employees but of a third-party. Hence I was not entitled to any paid leaves which the company workers were. I was never interviewed by any officer/auditor.</p>
6	<p>Freedom of association</p> <p>Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>There was no union.</p>
7	<p>Can you tell us about your working hours?</p> <p>Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>It was a 12 hours job. I took off on Friday. They paid overtime. I worked for 24 hours a day for like three to four months. Taking a leave was a difficult thing.</p>

8	<p>What is your income?</p> <p>What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	<p>I earned Rs25,000 (€158) per months. I those months when I worked too much overtime I earned double salary. The payment would be withheld. They kept at least two months salary with them. They would make excuses but that meant to ensure that workers should not run off. You can call it an informal security deposit. There was no bonus nor other allowance. They would take our signature on a register when paying us. No loans were given.</p>
9	<p>Does this project differ from other projects you worked on?</p> <p>Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>We have been working in nearly the same circumstances. All we care is that we should be paid at the month end. Nothing else.</p>
10	<p>Foreign Investment</p> <p>How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>No it has not made any change in our life.</p>
11	<p>Do you have anything else to tell us?</p>	<p>No.</p>

A12

1	<p>Who are you? Tell us a bit about yourself</p> <p>Age / Gender / Marital status / Where from / family / etc.</p>	<p>35, married.</p>
2	<p>How did you end up working on the M4?</p> <p>Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I drove the tractor-trolley carrying water for more than a year. I used motorcycle to commute to the site and in case the facility was not available, I would simply walk.</p>

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

3	<p>Can you tell us more about the work-site(s)?</p> <p>Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>They were from mix ethnicities, Sindhis, Punjabis and Pathans. We didn't have much work with Chinese but I saw them on the site often. Never spoke to them nor did they. The labour included young boys too. As low as 13 years of age. Many such boys had also come from Sindh in search of work. There were no women.</p>
4	<p>How does contracting work for this project?</p> <p>Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>They took my documents and made me sign document which read that I was responsible for the vehicle I was driving. Any damage should be covered from my pocket.</p>
5	<p>How safe is the workplace?</p> <p>Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>There were no safety tools given to us. An ambulance would take worker to hospital in case of an injury. No there no paid leaves even in cases of sickness or to attend funeral of some family member. The officers would come to visit the sites, but I never spoke to them.</p>
6	<p>Freedom of association</p> <p>Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>There was no union.</p>
7	<p>Can you tell us about your working hours?</p> <p>Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>It was a 12 hours job. Overtime was paid when I worked more. There was no holiday except national days or festivals.</p>

8	<p>What is your income?</p> <p>What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	<p>I earned Rs20,000 (€126) per month. No it was insufficient as compared to the amount of work we did and the hours we spent. Yet we managed because there was no other option. There was no bonus or allowance. No there was no slip for payment. They would just take our signatures.</p>
9	<p>Does this project differ from other projects you worked on?</p> <p>Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>I prefer work in which payment is better or certain that it will be paid. No, it doesn't matter to me.</p>
10	<p>Foreign Investment</p> <p>How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>I think workers have not gotten anything out of it. Their conditions are the same as they were.</p>
11	<p>Do you have anything else to tell us?</p>	<p>The labour exploit should stop.</p>

A13

1	<p>Who are you? Tell us a bit about yourself</p> <p>Age / Gender / Marital status / Where from / family / etc.</p>	<p>28, male, near Toba Tek Singh, Punjab</p>
2	<p>How did you end up working on the M4?</p> <p>Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I am a daily wager and was looking for work as I learned about the opportunity at M4 from my friends. The company I worked for was ZKB and my contractor name was Riaz. No, I don't have any relation with the recruiter. The work site was near from my place. I would commute on my motorbike.</p>

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

3	<p>Can you tell us more about the work-site(s)?</p> <p>Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>I am steel fixer. There were over a dozen people I worked with in our team. There were people from almost all over the country, including Sindhis, Punjabis and Pathans. Same was for the officers/ engineers who came to inspect our work. Chinese workers never talked to us. They talked to the engineers only. The youngest, I guess, would be 17/18 may be. We used Punjabi to communicate. Never saw women.</p>
4	<p>How does contracting work for this project?</p> <p>Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>Verbal.</p>
5	<p>How safe is the workplace?</p> <p>Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>Our work involves dangers. Yes, there had been accidents in which people were injured but they were given medical care. We are not used to work with safety gears. We actually don't feel comfortable wearing. However, we were provided with them like boots, helmet and a jacket. We are already used to conditions that were on the M4 site. There was lot of mud that would be lifted up by air. In worst scenario we would make masks from handkerchief or kefiyyeh to cover our nose and mouth. No, We were not insured. There was no interview but instructions from the inspectors checking our work. There was no need to us be instructed to behave because we already would be busy with it to meet the target before the end of work.</p>
6	<p>Freedom of association</p> <p>Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>No, there was no union, at least I never heard or seen it.</p>

7	Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.	It was an 8-hour job starting at 8 in the morning until 5/6 in the evening. Sunday usually was our holiday but often we worked overtime. The longest may be was of 15/16 hours. Yes, we could refuse but I never did because I wanted to make money. Yes, we could take off from work in case of sickness or an emergency but that would be unpaid.
8	What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.	I earned Rs800 per day. There are 12 people in my household. My parents, my wife, my two children, my brothers and sisters. It would be hard for us to keep the kitchen running on this income so the adults in the family would all work and pool in the income to make both ends meet. We were paid in cash fortnightly. There was no allowance or bonus. No borrowing or loan facility too. No, we were not given anything when like payslip. People with different skills and experience would earn differently. The higher the skills the higher the amount.
9	Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.	I think that was good enough to provide us with work for a stipulated period. But after that we are still searching for work. Yes, I would prefer this work over others only if the wage is good. For us private work is better. In it we earn handsomely but that is not always available.
10	Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how	I don't know anything about CPEC but I heard from people at M4 that it is ought to be good for the country. May be for the people who live in big cities. There is nothing for us who live in villages. We are back to our daily routine. Everything unchanged.

A14

1	Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.	20, male, near Toba Tek Singh, Punjab
---	---	---------------------------------------

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

2	How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.	My brother took me there and introduced me to a contractor, Nadeem. I have no special skill set. I was hired as a helper. I would go to work with my brother on his motorbike. Company was ZKB.
3	Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.	I was assigned to work with steel fixers. My role was to only help them in the work by bringing them the tools required for work or simply follow the instructions I was given. There were Punjabis, Siraikis and Pathans. I saw Chinese workers daily. They moved around the worksites, talking to engineers, contractors and supervisors. I never talked to them. We used our native language to communicate. Most of people including Pathans would use Punjabi to communicate. There was no woman.
4	How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.	It was a spoken contract. When I was hired, my contractor just told me about the wage I would earn. He asked for my consent and nothing else.
5	How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site) Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits	It was dangerous though. Lot of room for accidents especially in the construction of bridges. But thankfully no major accidents happened before my eyes. No, I was not given safety gear. The senior workers would wear them if necessary. I heard that the company born expenses of the medical care if someone was injured. Usually the contractor saw our work because he had to report to the engineers. They did talk to other workers but never to me.
6	Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help	Never heard of it.

7	Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.	My work started at 8 in the morning and I would remain at the site until my senior workers have done their work. Usually, we would go back home in the evening at 6/7. We were given holidays on eid or on other national holidays. Yes, we could take a day off but that meant loss of that day's wage.
8	What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.	I was given Rs500 per day. Of course it was insufficient. But that was all. There were no other options. We were supposed to get the payment weekly but that would get late. Sometimes we were paid after the month. Like I said, there was nothing else than the wage that we would get from the work. No, contractor would not lend us money. I don't know about the company because I was not a direct employee of the company. There was no payslip. The munshi would just see you name in the register he had and then will give you the money you had earned.
9	Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.	I am a newbie. Haven't worked on such projects before. So can't say anything about it.
10	Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how	Don't know

A15

1	Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.	23, male, unmarried, near Toba Tek Singh, Punjab
---	---	--

Tightening Belts: Two Regional Case Studies on Corporate Social Responsibility

2	How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.	My relative was working at M4. He took me there. My contractor name was Sajjad. I would go to work with my relative on a tractor trolley. Many workers joined us as there was space to accommodate people.
3	Can you tell us more about the work-site(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.	We were two people in the team. Driver and me. Our job was to provide water wherever needed on the motorway. We usually did not interact with the workers much because we were like transporter moving from one place to another. Yes there were Chinese but I never interacted with them. Never saw woman. The women of the villages around usually work in fields. We have lots of orange orchids here
4	How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.	Verbal, nothing in writing.
5	How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site) Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits	There were no safety tools for us. I saw some workers wearing them though. For us, taking a day off was quite hard because we were already two people and if one of us would not come then it affected the work. So either we had to bring a substitute or go to work by any mean. Yes, the engineers/officers would talk to us and instruct about how the water should be spilled on the surface and how not.
6	Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help	Dont know about a union.

7	<p>Can you tell us about your working hours?</p> <p>Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>It was 12-hour job from morning to evening. We usually did not have overtimes. Sunday was our off besides the national holidays.</p>
8	<p>What is your income?</p> <p>What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earns the same / etc.</p>	<p>I earned Rs12,000 monthly. My family depended on it. It was hard to survive with this money but then I have others in my family who earn. So we adjusted. We were paid in cash. The contractor would take our signatures on a register when paying us. No there was no food or anything else.</p>
9	<p>Does this project differ from other projects you worked on?</p> <p>Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>I should not go there back provided they offer me a better salary. It doesn't matter to me that who is financing the project. I care about earning bread for my family.</p>
10	<p>Foreign Investment</p> <p>How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>Yes, I know that CPEC is a China-Pakistan's joint project. But I don't feel that it has affected our village much. We are still short of jobs. Our village lack basic facilities.</p>
11	<p>Do you have anything else to tell us?</p>	<p>They should make some projects from which the local people could benefit in long term.</p>

Appendices

Part II

Appendix I: North Korean Workers in China, A Case Study

Introduction

The purpose of this section is to examine structural similarities in the labour landscape between textile workers in North Korea and a North Korean restaurant worker dispatched to China in a time period after the textile workers had already left the country. Previous research into the labour environment in North Korea shows conditions that pertain to forced labour being found across multiple sectors of employment, suggesting that these are not so much caused by the imposition of circumstances within one or a few specific industries such as textiles—which happens to be the case study focus of this report—but rather, more by those related to impositions by the state.¹ Similarly, research into the working conditions of North Korean workers dispatched abroad have found replication of the North Korean labour environment even across nation state boundaries.² Our qualitative approach to the interviews in this section begins with such understandings of the North Korean labour environment – where certain institutional and informal practices are found replicated across industries and geographies. In the absence of interviews conducted specifically with North Korean textile workers in situ, we thus have reason to assume the existence of structural similarities and to look for evidence to refute the applicability of these in that situation, rather than to start from a set of industry-specific or geography-specific assumptions and expectations.

Background the the interviews

The main source in this case study analysis is a semi-structured interview conducted in late 2018 regarding working conditions for a North Korean worker posted to China as a restaurant attendant. The worker remained in that position for a little over two years, during the period 2014-2016.

The other primary data examined come from four semi-structured interviews on working conditions in the textiles industry inside North Korea. These interviews with former North Korean workers were originally conducted as part of primary research for the report “Understanding Modern Slavery in North Korea”. The four cases are analysed here due to the workers’ experience in the textiles industry.

The identities of all five interviewees have been anonymized. The four textile workers are referenced as B1, B2, B3, B4 and the restaurant worker is referenced as A.

1. Getting the job

The textile interviewees refer to a standard procedure of the state for assigning workers to jobs upon completion of schooling. Individual preference regarding the industry or factory is possible, within certain lateral axes. For example, seeking jobs with differences in nature of the required daily tasks rather than seeking jobs with different career ad-

1) Breuker, Remco E., and Imke B. L. H. van Gardingen. 2018. “Pervasive, punitive, and prevalent: Understanding modern slavery in North Korea.” In *Global Slavery Index 2018*, 1-36. Walk Free Foundation.

2) Breuker, Remco E., and Imke B. L. H. van Gardingen (eds.). 2018. *People for profit: North Korean forced labour on a global scale* (Leiden: LeidenAsiaCentre); Breuker & van Gardingen (eds.). 2017. *Slaves to the system: North Korean forced labour in the European Union, the Polish case: how the supply of a captive DPRK workforce fits our demand for cheap labour* (LeidenAsiaCentre: Leiden). Also see these works for more elaborate references to studies on overseas DPRK labour.

vancement opportunities. Nevertheless, the pursuit of such preferences is sought through the centralized state mechanism for personnel management:

B1: I was group assigned to work at the textile factory. After that, I applied by myself to work at the garment factory and then at the department store.

B2: There is something called the personnel officer in the Department of Labour. If you know somebody in the provincial Department of Labour branch or the city Department of Labour branch, then you give them a bribe. If you do that, you are able to get an assignment to a workplace of your choice. You would consider which was the comfortable job you can do for the rest of your life. If you think “I want to make clothes, it’s something I could do for a long time”, then that’s what you choose.

B3: The state assigned me to the job right after I finished school. Usually students receive uniforms as a present on national holidays. My workplace produced the uniforms which were distributed on days such as Kim Il Sung’s birthday. The state made group assignments [to workplaces].

B4: After completing school, we receive official assignments to places such as a clothing factory or shoe factory. In my case, I didn’t like the placement so I moved to another factory. If you want to change, you can apply to the Department of Labour for a dispatch stamp to a factory you want to move to, it’s not too difficult to make this change.

The role of central mechanisms in job assignments is not unique to the textiles industry, as discussed elsewhere in the report.

It is not unique to jobs within the country either, as was highlighted in the report mentioned in the introduction. In our case study of the restaurant worker who voluntarily sought to be dispatched overseas, the following picture that emerges is very similar – where getting a job according to individual preference requires the manipulation of the levers of official and centralized state mechanisms, even if it involves the use of ‘informal’ means such as bribery.

A: The restaurant director asked for 100 USD saying he needed it to get approval from the Central Party Committee supervisor. I considered this as obviously standard in a situation where I was hoping for overseas dispatch, so I gave him the 100 USD. The overall amount spent in the preparation for overseas dispatch was around 1500 USD, including bribes and miscellaneous costs. To break it down, 10 dollars to a friend’s mother as the introduction fee to [withheld] restaurant; a token of appreciation of 200 dollars to the restaurant director; 400 dollars for the restaurant attendant uniform, including traditional dress; 100 dollars for tuition costs, including dancing and singing; 50 dollars to the regional Party Secretary; 15 dollars for the document processing costs; payments ranging from 20 – 50 dollars to several city officials involved with documentation; 200 dollars for passport and visa; 200 dollars for interview at the Central Party, and so on.

Money doesn’t open all doors though, as the family background of the applicant is considered during the official recruitment process:

The screening process involved an examination of documents, family background and a physical check-up. There were no problems for me. But if one’s parents were divorced, the children failed to progress at the family background stage.

Bribes and family backgrounds aside, ultimately though, the decision of assignment rests with the ruling political party:

A supervisor in the Central Party Committee makes the ultimate decision.

The ruling party is the entity that manages the political loyalty record-keeping of North Korean citizens, including the management and oversight over self-criticism sessions and the defining of what constitutes a political crime. This leads to the state's (and anyone who executes on behalf of the state's) wielding of a constant form of indirect power over the employee, even when an agent of the state is not directly visible or present - as we shall continue to witness.

2. Contracts

Although the textile interviewees describe formal and bureaucratic processes related to recruitment matters, this does not include the signing of an employment contract between an individual and an enterprise:

B1: I didn't know about an employment contract. I had never heard of it while I was in North Korea.

B2: There is a Department of Labour registry. They send a notice, maybe that is similar to a contract.

B3: When I started the job, the only documentation was on my ability to do the work.

B4: There were no contracts, but if you encounter difficulties you can change workplace. The process for moving workplace involves getting an employment certificate from the workplace you wish to move to and then submitting it to the labour supervisor at your current workplace. The supervisor then submits it to the Department of Labour. The Department makes a decision. The labour supervisor provides a document which you can submit to the new workplace.

The restaurant worker was employed by an enterprise that was a joint venture between Chinese and North Korean company ownership. In other words, it is not the state that owned the entity on paper, partly or in whole. Notwithstanding this difference in arrangement, this worker did not see or sign an employment contract either:

Q: Did you receive an explanation about things like the country you would be dispatched to, the company or working conditions before you were dispatched abroad?

A: I heard that I would be working in [withheld] in China before I left the country. But I didn't receive particular details about working conditions.

Q: Did you know your employment contract conditions?

A: There was no opportunity to find out.

Q: Were you given an explanation beforehand of the employment conditions?

A: They didn't tell me anything specific. You do the tasks that they give you and you receive whatever they give you. All of us think of it like that.

Q: Did you know about payment, allowances, working hours, rest hours, lunchtime, provision of meals, vacations, insurance and other such employment benefits?

A: I heard that they would give you a place to sleep in the dormitory and meals at the restaurant, and that you'd be compensated for the work, but I didn't know any more details than that.

3. The organizational unit

As far as the textile employees were concerned, being employed does not consist of a specified and limited employer-employee relationship between a standalone corporate entity and an individual. It is rather more conceptualised as part of the fabric of a wider individual-state relationship. One of many examples in which this is evident is in the responses to the question, “Were you ever able to refuse a direction or instruction at work?”; the obligatory dimension of compliance at work is associated with obligations to the state as an individual.

B1: No. If they asked us to work overnight we had to do it, if they asked us to take part in a battle we had to do it, if they asked us to help other groups, we had to do it.³

B2: Instructions from above come down in the form of policy instructions. As they become laws, if it says to do it, everybody has to do it. But if something seems to you to not fit with Kim Il Sung or Kim Jong Il's teachings, then you don't have to do it. You just say to your superior that you don't think it matches Kim Il Sung or Kim Jong Il's teachings.

B3: There are people who distribute the work tasks – heads of institutions, the local committee head of the Women's Union. These people are under the control of the provincial Party branch. If instructions are given by the state you cannot refuse to follow them. You can refuse to do simple [self-standing] tasks.

B4: No. If you do not implement them, you are punished by being sent to a labour training camp.⁴

The inseparability of accountability as an employee to an enterprise with that of an individual to the state is also evident in this description about the motivation to meet quotas and to not complain, given in response to the question, “Was money taken from you for any pretext at this job? If so, who took the money and for what?”:

B1: I left the company without ever receiving any of the money that I had been asked to deposit [in their account]. I'm angry now thinking about it.... At the time, if they didn't give me the money, I thought okay, they are not giving me the money. I didn't dispute it. I don't know why I was like that. I don't think I would be like that now. If the state said it should be done, I did it. If it said we should do work battles, I did it, I did whatever the state asked. If it was [like me] now, I would have even asked for overtime.

Such an intertwining of accountability to the state and to the enterprise is not restricted to tasks directly related to the job, as affiliation with a company brings with it obligations to be mobilized for tasks handed down through the central mechanisms of the state:

B1: Sometimes I was assigned to do construction labour by my factory for a month. All the work had to be done using my hands like moving soil using a stretcher. The factory would start manufacturing clothes from February or March. The factory accepted a lot of new workers in August and mobilized all of them to construct a nursery [until February next year].

3) So-called ‘battles’ are directives for greater devotion to and faster completion of work for a sustained period, issued by the ruling political party.

4) Labour training camps (단련대) are a type of correctional facility run by the state. See “The Parallel Gulag” for a description, and where these stand in the context of other prison camps and prisons.

B2: Mostly it was farm mobilisation, you are all mobilized to plant seeds in spring and in autumn. They close all the factories and you have to go work [on the farm]. We also did maintenance work on streams and rivers.

B3: I was mobilized to do house construction. If I was assigned to a construction we had to leave the workplace in shifts and work on it until the construction was complete. In 2012, I was mobilised four times per month, once every week.

B4: I did mobilisation such as whittling to be used as firewood in the factory, embankment construction, farm work on the lands the factory is responsible for, construction work around the city.

For the restaurant worker posted abroad, physically and geographically the worker is outside of North Korea, and employed by an enterprise that is seemingly more disconnected from the state on paper; but institutionally, she is still part of an organisational unit (조직) as if they were still living in North Korea: the supervisors at work are also the supervisors of 'organisational unit life' (조직 생활), where the private life of employees are very much within the limit of authority of the company as much as is the working life of employees.

A: The manager was a 53 year old woman and a Party member. Her and the accountant's responsibility was to monitor and control the workers, so the workers were not too comfortable, but there were no major incidents. The manager and accountant controlled the outings of the workers and led the life conduct criticism sessions. [...]. The life conduct criticism sessions were managed by the accountant, once a week on Monday mornings. It was uncomfortable to have to criticize each other's mistakes while working at the same place daily. [...]. The company provides the dormitory. You can't have private accommodation, you have to live collectively. [...]. A house with three rooms was rented with eight of us living in each room. The manager and accountant lived with us too. [...]. As an example of not being comfortable, once when she wanted to go to the sauna and no one volunteered to go with her, she pressed each worker for an answer, What about you? What about you? What about you?, throwing her slippers and demonstrating anger, with some reluctantly ending up going with her. Another example is when there was a worker with a birthday, instead of celebrating in our own restaurant, she forced that worker to urge a regular customer to host a party for her in another restaurant, in order to have the customer cover the costs. Sometimes the accountant insisted on joining a party where she was not wanted and made us feel uncomfortable and would swear strongly at someone. On days like that, the girls cried a lot at night. [...]. The manager and accountant exercise overall control over daily conduct while the team leader and assistant team leader assist them. The ideological control is run and monitored separately by a security officer posted to Beijing.

In line with other testimonies of North Koreans who have worked overseas, we are told that the manager kept the passports of the restaurant's North Korean employees.⁵ Also in line with other testimonies, the workers' personal movements and communications, even and especially outside working hours, has to be reported to the company supervisors:

Q: Can you leave the accommodation for personal business?

B: As long as it isn't during working hours, you can do so after reporting it to the manager or accountant.

Q: Is it possible to have personal communications with outsiders?

B: You cannot unless you have reported the intent and then received approval for it.

5) This is a consistent characteristic returning in the testimonies of all former North Korean overseas labourers. See the aforementioned studies. It should not pass unnoticed that being deprived of the possession of your identity documents is one of the very strong indicators of human trafficking.

4. Working hours and holidays

Empirical research has shown that working hours for overseas North Korean labourers tend to be very long. When faced with a deadline, working on for hours at an end is not unheard of. Overtime is not paid.

B1: I worked 12 hours on average a day from 9 am. The work was tough at the garment factory... because the factory was run on a conveyor system and there were many details on the suits... As it was a conveyor system, if I didn't work fast the worker next to me got nothing to do. On the 5th of every month, the products had to be delivered to Nampo. So we had to work quickly, to meet the deadline. Sometimes, we had to work from 9 am to 2 am. There were about 10 days a month that we had to work like this. The only times we could leave work on time were the days when we had met the deadline by the 5th and the products had been exported then we could leave on time for about a week after that. We only had Sundays off but not all the time. We had a day off on national holidays or Kim Il Sung's birthday or Lunar New Year. We only had the first Sunday of every month off, and this didn't happen every month. [...]. I worked almost every day, Monday to Sunday. Sometimes, we were given a day to rest, but you can say we generally worked every day.

B2: I worked 8 hours, I would go to work at 7 am and go to morning assembly, and start at 8 am. I worked until 6 pm but if we finished all our work then we would have a meeting for about an hour. Then that's about 10 hours a day. [...]. There were days when the state would cut off the electricity. In Hyesan, Fridays would be the day that the electricity would be cut off; apart from that day, we worked 6 days a week.

B3: Usually I worked 9am to 5pm. Sometimes I did overnight work when there was lots to do or when we had delays. [...]. I got a day off on Sunday.

B4: Generally I worked for 11 to 12 hours from 7:30 am until 7 pm. I ate and slept in the factory dormitory during the period in which school uniforms needed to be made. There were no particular work times, we just worked as much as we could during that period. [...]. The uniform making period would start from September/ October and last to April the following year, we didn't get to leave the workplace during this time. [...]. Usually you had to eat and sleep in dorms, and would have to work if there was electricity. If there wasn't electricity then we were allowed to rest, but it was very irregular. However, in my case the dorms were under maintenance so I couldn't use them. I would often fall asleep at the work site while working. [...]. Usually I would rest on Sundays, but sometimes I would have to work. There were more Sundays I could have off than not. I worked 7 days a week during the uniform manufacturing periods.

For the restaurant worker dispatched to China, the situation of working hours and days off are described as following:

A: The normal working day is 16 hours, from eight in the morning to midnight. The time we get off work changes depending on whether there are customers. [...]. You get up at 7 am and start work by 8 am. The end of the day is normally around midnight, but it's irregular because you have to fit to when the customer is finished. You work on the weekends like on the weekdays. [...]. The weekends weren't different from weekdays. We worked in the restaurant. [...]. The restaurant didn't have a day

off. The workers received two days off a month, of one day each, on rotation. If you missed one, you were allowed to take add that to the next month's allocation.

Even on days off, workers had to receive permission from the supervisor at work in order to leave their assigned lodgings:

On principle, you have to spend your day off in the dormitory. The exceptions were if you received permission to go out in order to purchase things like sundries, you could form a group of two people and go to the markets. You have to notify before you leave and when you return. As there were no cooking facilities in the dormitory, people mostly went to buy food on their days off.

In terms of vacation days, the worker was not familiar with the concept:

Q: Could you apply for vacation days?

A: *There were no such things as vacation days.*

Q: Did you apply for vacation days?

A: *I never applied. Even if you got one, there was nothing different we could do on that day.*

Q: What was the procedure for applying for vacation?

A: *I don't really know.*

5. Money and pay

With regards to income from work, the motivation of the textile workers for staying in their jobs was not the prospect of compensation, so much as the negative repercussions at the hands of the state for leaving the assigned job. This is in line with the testimonies of other North Korean escapees, who have described how compensation from the state for doing jobs assigned by it has not been enough to survive on, ever since the collapse of the Public Distribution System in the 1990s.⁶

B1 (left in 2001): I received regular payment, 150~160 won per month. My workplace forced me to pay fifty won a month into a savings account. I didn't receive a penny of this when I left my job. The reason for this was simple. Since the factory operated industrial electric sewing machines, shuttle boxes, shuttles, awls, scissors and other parts of the machine were supplied to each machine worker. I had to manage the different parts, they would often get lost. The factory would then deduct the same amount of money from my saving account based on the market price of the components. There was only 12~13 won left after that. So I was unable to receive any of it. When I went to financial department in the factory, they gave me that reason which I thought that was unfair; however, there was nothing I could do about it. I couldn't get the missing pieces back. Almost everyone working there had the same problem as me. It was impossible to preserve the equipment in the same condition as when it was first supplied. For example, either the needle could break or the shuttle box could be crushed during the production process. Anyway the factory shifted all these costs to the individual workers. Even though the machine was not mine.

B2 (left in 2013): If you don't work you have to give money. In North Korea they tell you to go and earn money elsewhere when there are no raw materials. You have to give your workplace something like 60% of the money you earned using your talent and skills.

6) See "Famine in North Korea: Markets, Aid and Reform" on the collapse of the PDS. See "The New Markets of North Korea: *Jangmadang*" for a typology of marketisation since the PDS collapse.

B3 (left in 2013): I didn't receive any payment from my job. Instead, I had to give a certain amount of my share. The money that I had to pay per month was up to 30 Chinese Yuan. I didn't receive any rations. I must do my job because otherwise I would be sent to a labour training camp and wouldn't be able to do any trading. That is why I formally registered money but instead I was producing items and selling them and this was deducted from myself (at a work place) and only went there 2-3 times per month for the life criticism sessions. This way I did some trading from my home.

B4 (left in 2015): I have never received payment. The official salary is about 3,000 KPW. However, I never received any because it would get deducted for reasons like labour mobilisation, mobilisation for other areas. Even if I received the 3,000 KPW I would only be able to buy 5 packs of chewing gum.

In fact, workers describe the phenomenon of having to pay their employer, in order to meet demands for mobilised labour as directed by the state.

B3: If you don't take part [in the mobilization] you have to pay them money.

B4: I had to pay more money than I received from them. I had to pay 20,000 KPW for Urangcheon (a stream) mobilisation, Mt. Baekdusan mobilisation. It cost an average 100,000~150,000 won per person (per month). This type of mobilisation typically involved some employees working in a factory. They would send, for instance, 5 people from the clothing factory and 5 people from the shoe factory. After a certain period you switched. During this time other workers would donate money so that the worker participating in the mobilisation could buy the materials needed like cross gloves. I had to do trading on the side in order to afford the donations on top of my 3,000 won I get in wages. If you didn't want to come to work in the factory, you had to pay 50~100 Yuan or 75,000~150,000 KPW to work as an 8.3 worker. If you didn't pay that you would be sent to a labour training camp. It's as if they're saying do what you need to survive but keep the socialist ways by coming to the workplace you have been assigned to. Nowadays young people in North Korea find this difficult to understand, but the elderly people take that lying down.

The case of the restaurant worker was different in that the motivation for seeking the job was the prospect of financial compensation, even as it required initial investment in the form of bribes to get the job in the first place. Nevertheless, she received no advance clarity on what the compensation would amount to.

A: I had heard that you could earn money if you worked overseas, so I applied. My father was working at a company under the auspices of the regional Party branch, but his salary was very small. My mother sold tofu on the streets, but couldn't make much money. I made the decision in order to relieve the livelihood burden from my parents. I also thought that if I wanted to get married in the future, I should go abroad to earn lots of money and save it.

Q: Were you satisfied with the pay and the method of pay?

A: In the beginning, I didn't have any particular opinion regarding the wages, whether positive or negative. But gradually I became discontented. So when I started, whenever I received tips from the customer I gave it all to the accountant, but later I only gave some of it.

Q: Did you receive a payment slip?

A: I never saw a payment slip. I just signed in the box with my name in the accounting book.

Q: Do you sign yourself the wages receipt confirmation signature? Or is it done for you?

A: I signed myself. But my signature was not upon receiving the money and confirming it.

Q: Did the payment correspond to what was promised at the start?

A: *There was no agreed amount at the start.*

The restaurant worker said she did not receive wages in person:

A: *The wages are not given directly to workers, we were told that the manager or accountant would keep the wages and that they would deliver it to our family when they returned to Pyongyang once every three months. [...]. There was no occasion when I actually received wages. For the purposes of accounting, it is arranged as if the accountant has paid them. Every month, workers sign in the wages accounting book which just had our name and no other details. [...]. In the whole time, the total amount of money I received was the 1000 yuan used for buying gifts to be delivered to my parents, and the 40 yuan a month I received on the two days off to be used for food.*

She added that she was unable to confirm whether the wages had actually been delivered to her family back in Pyongyang:

It was never confirmed whether my wages were delivered to my parents in Pyongyang. On days off, I received 20 yuan from the accountant and used it for things like buying food. Once when the accountant made a visit to Pyongyang, I requested for 600 yuan to be delivered to my parents in Pyongyang, and I also asked for around 1000 yuan in order to buy trousers, underwear, TV batteries and other gifts for people back home. That was all deducted from my wages. I didn't receive communications from my parents that they received the money and gifts, so I don't know if they were delivered properly.

Although the prospect of earnings was what led her to apply to work overseas, the phenomenon of an employee paying the employer as within the larger framework of an individual-state relationship was applied, even as her employment took place outside of the DPRK jurisdiction:

Although I heard from the Chinese workers, "We get 2000 yuan but you get 4000 yuan", I never found out what my exact wages were supposed to be. The manager said that 50% of wages (2000 yuan) would be offered to the state. Of the remaining half (2000 yuan), half of it (1000 yuan) had to be paid to the company. On that calculation, my wages would technically be 1000 yuan, but they deducted around 200 yuan every month for purposes of loyalty offerings to the Central Party or regional Party, or for purchase of donations. In the end my allotment would be around 800 yuan a month. If a plate is broken during work, that is deducted. Although I signed on the wages accounting book that the accountant had, I never saw the wages amount written in it.

Q: Were loyalty funds or donations demanded from you during your posting?

A: *Twice on the birthdays of Kim Il Sung and Kim Jong Il, and once on the birthday of Kim Jong Sook, I paid loyalty offerings. Maintenance costs for the Kumsusan Palace, cleaning equipment costs for Kim Il Sung statues, purchase of devotion offerings, these and other various things would be the reason for taking 2-300 yuan monthly off of workers' wages. In the case of devotion offerings, each individual has to give at least 100 yuan, and you can't refuse. If you don't pay it, you expect to be criticized for a shortfall of loyalty during the life conduct criticism sessions. In North Korea, often significant facilities such as Kim statues are cleaned collectively. Because North Korean products are not of high quality, they may break after two or three times of use. So they told us that was why Chinese products were bought to be used back home.*

6. Concluding remarks

Being employed in North Korea is not always about doing work and being compensated, but it does always entail being visible and accountable to the state.

Q: If you quit this job would there have been any consequences? Please explain.

B1: The consequences would be being sent to a labour training camp or farm mobilization or shock brigades or construction sites.

B2: There's no such thing [as quitting]. They've made that like a law.

B3: I would be sent to labour training camp, if I don't go to work.

B4: You are sent to a labour training camp. You could quit by using your connections to a state official but if you rest for too long then you are sent to the labour training camp.

Appendix II: Overview of the Sanction Provisions Targeting the North Korean Textile Industry and Overseas Labour

In August 2017, the UN Security Council expressed concern regarding DPRK nationals working in member states for the purpose of generating foreign export earnings, which are likely used to support the DPRK's nuclear and missile programs. Consequently, provision 12 of resolution 2371 decides that all member states "shall not exceed on any date after the date of adoption of this resolution the total number of work authorizations for DPRK nationals provided in their jurisdictions at the time of the adoption of this resolution". Additionally, provision 13 prohibits "by [member states'] nationals or in their territories, the opening of new joint ventures or cooperative entities with DPRK entities or individuals, or the expansion of existing joint ventures (...)"⁷

In September 2017, sanctions were tightened and two of the DPRK's largest sources of income—textile and overseas labourers—were (further) restricted. When combined with recent sanctions on coal and other products, resolution 2375 now bans about 90% of the DPRK's exports. Provision 16 decides that "the DPRK shall not supply, sell or transfer, directly or indirectly, from its territory or by its nationals or using its flag vessels or aircraft, textiles (including but not limited to fabrics and partially or fully completed apparel products), and that all States shall prohibit the procurement of such items from the DPRK (...). However, resolution 2375 states that "States may allow those shipments [of textiles] to be imported into their territories up to 90 days from the date of adoption of this resolution with notification provided to the Committee (...)"⁸ Furthermore, provision 17 decides "all Member States shall not provide work authorizations for DPRK nationals in their jurisdictions (...) and decides that this provision shall not apply with respect to work authorizations for which written contracts have been finalized prior to the adoption of this resolution". Additionally, joint ventures are further restricted in provision 18, as "states shall prohibit, by their nationals or in their territories, the opening, maintenance, and operation of all joint ventures or cooperative entities (...), with DPRK entities or individuals (...), states shall close any such existing joint venture or cooperative entity within 120 days of the adoption of this resolution (...)"⁹

In December 2017, the UN Security Council acknowledged again that the proceeds of the DPRK's trade in goods including textiles, as well as the revenue generated from DPRK workers overseas, contribute to the DPRK's nuclear and missile program. It also expressed concern that DPRK nationals continue to work in other states despite the adoption of resolution 2375, therefore provision 8 of resolution 2397 "decides that Member States shall repatriate to the DPRK all DPRK nationals earning income in that Member State's jurisdiction (...) immediately but no later than 24 months from the date of adoption of this resolution."¹⁰

7) 'Security Council Toughens Sanctions Against Democratic People's Republic of Korea, Unanimously Adopting Resolution 2371 (2017)', United Nations, 5 August 2017, <https://www.un.org/press/en/2017/sc12945.doc.htm>.

8) 'Security Council Imposes Fresh Sanctions on Democratic People's Republic of Korea, Including Bans on Natural Gas Sales, Work Authorization for Its Nationals', United Nations, 11 September 2017, <https://www.un.org/press/en/2017/sc12983.doc.htm>.

9) Ibid.

10) 'Security Council Resolution 2397 (2017)', United Nations, 22 December 2017, <https://www.un.org/undpa/en/speeches-statements/22122017/resolution2397%282017%29>.

Regarding the implementation of these additional sanctions against North Korea, all three of these resolutions prescribe that “Member States shall report to the Security Council within 90 days of the adoption of this resolution (...) on concrete measures they have taken in order to implement effectively the provisions of this resolution”. The resolutions also call upon member states to “redouble efforts to implement in full the measures (...) and to cooperate with each other in doing so, particularly with respect to inspecting, detecting and seizing items the transfer of which is prohibited by these resolutions”. Resolution 2371 “requests the Secretary-General to provide additional analytical resources needed to the Panel of Experts (...) to strengthen its ability to analyse the DPRK’s sanctions violation and evasion activities.”¹¹ Resolution 2397 additionally “decides that all Member States shall provide a midterm report (...) of all DPRK nationals earning income in that Member State’s jurisdiction that were repatriated over the 12 month period starting from the date of adoption (...), and all Member States shall provide final reports by 27 months from the date of adoption of this resolution”. Lastly, this resolution “decides that when a Member State has information to suspect that the DPRK is attempting to supply, sell, transfer or procure, directly or indirectly, illicit cargo, that Member State may request additional maritime and shipping information from other relevant Member States (...)”¹²

Summary (including only those provisions applicable to the textile industry):

Resolution	Date	Content	Implementation
2371	August 2017	<ul style="list-style-type: none"> - No further work authorizations for DPRK workers - No new joint ventures or further investments into existing joint ventures with DPRK 	<ul style="list-style-type: none"> - Report on measures taken - Cooperation between member states - Provision of additional resources to detect sanction violations
2375	September 2017	<ul style="list-style-type: none"> - No supplying of textiles from/by DPRK - No work authorizations for DPRK workers unless previously finalized - No operation of joint ventures with DPRK, must be closed within 120 days 	<ul style="list-style-type: none"> - Report on measures taken - Cooperation between member states
2397	December 2017	<ul style="list-style-type: none"> - Repatriation of all DPRK workers within 24 months 	<ul style="list-style-type: none"> - Report on measures taken - Cooperation between member states - Midterm and final report on repatriation - Requests by member states for additional shipping information

11) ‘Security Council Toughens Sanctions Against Democratic People’s Republic of Korea, Unanimously Adopting Resolution 2371 (2017)’.

12) ‘Security Council Resolution 2397 (2017)’.

Effect of sanctions on the North Korean textile industry and North Korean workers in China

Although there has been consistent discussion and adoption of several UN sanctions over the past years—freezing DPRK assets, limiting coal trade, etc.—the late 2017 sanctions are the first to specifically mention the North Korean textile industry as well as its export of labour. As mentioned in the sanction provisions, these additional measures were spurred by an increasing awareness of the fact that foreign currency obtained through North Korean textile exports and workers abroad could constitute a significant financial contribution to the country's military and nuclear projects. Thus it was expected that these particular sanctions would have a tangible effect on the textile trade between the DPRK and China—especially since garments overtook coal as North Korea's main export to China in early 2017—as well as on the presence of North Korean workers in the Chinese border region.¹³ It was also expected that these measures would deter garment companies in UN member states from producing in or sourcing from the DPRK, and that companies would be prompted to ensure that the DPRK was not involved in their supply chain. However, the North Korean textile industry has relied on violations of previous sanctions to continue functioning,¹⁴ therefore it is not unlikely that these more recent sanctions are also being circumvented through loopholes of some kind. This section summarizes reports on the potential implementation or violations of the sanctions, focusing on observations in the border region rather than on the role of international brands.

Before examining the enforcement of the sanctions introduced above, it should be noted that our findings discussed in chapter 3 reflect changes in trading practices between North Korea and China in as early as January 2017, before the announcement of textile related sanctions. Peculiarities in the customs records suggest that Chinese companies and factories dealing with North Korea felt the need, in light of the political situation at the time, to adapt their practices in order to appear less conspicuous to Chinese customs. Around the same time, China announced it had decided to suspend all imports of coal from the DPRK following a November 2016 UN resolution.¹⁵ This development could potentially be correlated with the sudden changes in textile trade practices. Some sources assess that 2017 marked a turning point in China's attitude towards North Korea, as China appeared to take a number of measures that had tangible effects on North Korea's economy.¹⁶ Nevertheless, it remains unclear why companies involved in trading textiles over the border were prompted to adapt their practices from January 2017 onwards.

13) Kristin Huang, 'The North Korean Export Industry That's Making the Most of China's Coal Ban', *South China Morning Post*, 21 August 2017, <https://www.scmp.com/news/china/diplomacy-defence/article/2107584/clothing-becomes-north-koreas-main-export-china-after>.

14) Jane Perlez, Yufan Huang, and Paul Mozar, 'How North Korea Managed to Defy Years of Sanctions', *The New York Times*, 12 May 2017, <https://www.nytimes.com/2017/05/12/world/asia/north-korea-sanctions-loopholes-china-united-states-garment-industry.html>.

15) Somini Sengupta and Jane Perlez, 'U.N. Stiffens Sanctions on North Korea, Trying to Slow Its Nuclear March', *The New York Times*, 30 November 2016, https://www.nytimes.com/2016/11/30/world/asia/north-korea-un-sanctions.html?_r=0&module=inline.

16) Benjamin Katzeff Silberstein, 'China's Sanctions Enforcement and Fuel Prices in North Korea: What the Data Tells Us', *38North*, 1 February 2019, <https://www.38north.org/2019/02/bkatzeffsilberstein020119/>.

Sanctions implementations and violations

Immediately after the announcement of sanction 2371 in August 2017, it was initially reported that Chinese factories would very soon refuse North Korean workers, thereby complying with the new sanction provisions. An increasing number of Chinese factory managers claimed to take this stance.¹⁷ It was also predicted that the most crucial factor in the implementation of the sanctions would be China's willingness to comply.¹⁸ In September 2017, Reuters reported that according to Chinese traders, Chinese authorities were already strictly enforcing sanctions, with a number of businesses relying on trade with North Korea going bankrupt.¹⁹ Indeed, a steep drop in trade between the two countries was observed.²⁰ North Korean workers were also spotted at Dandong's train station waiting to leave China, presumably because their contracts had expired and extension of their work permits (if they have been issued official permits) is now prohibited by sanctions.²¹ DailyNK reported that by late September 2017, 170 of the 300 North Korean workers who were employed at a specific garment factory in Dandong appeared to have been repatriated. Even workers who had started working at the factory a couple months prior were forced to leave. This could mean that the contract between the Chinese factory and the North Korean trading company was terminated, leading to automatic cancellation of all workers' visas. Just before this, a source estimated the number of North Korean workers active in Dandong at 5000 to 7000 (across industries and including garment workers).²²

Washington Post also reported an "unusual rigor" in China's implementation of the UN sanctions (putting pressure on local authorities), stating that Chinese traders and companies involved in textile are feeling the effects of the sanctions and going bankrupt.²³ However, it is noted that banned goods can apparently still be imported into China, albeit with some delay, if the shipments had been agreed upon before the sanctions were announced.²⁴ This would not necessarily mean a violation of sanctions, as sanction 2375 states "transfers of textiles (...) for which written contracts have been

17) KIM, '중공장들, "北노동자고용중단" 통보... 北외화별이 "빨간불"' (Chung Kongjangdül, Puk Nodongja Koyong Chungdan tongbo).

18) Fifield, 'Ban on North Korean Clothing Exports Will Hurt Women the Most, Experts Say'.

19) Sue-Lin Wong and Richa Naidu, 'U.N. Ban on North Korean Textiles Will Disrupt Industry and Ordinary Lives, Experts Say', *Reuters*, 12 September 2017, <https://www.reuters.com/article/us-northkorea-missiles-sanctions-textile/u-n-ban-on-north-korean-textiles-will-disrupt-industry-and-ordinary-lives-experts-say-idUSKCN-1BN1SI>.

20) Silberstein, 'China's Sanctions Enforcement and Fuel Prices in North Korea: What the Data Tells Us'.

21) It is normally common practice for a factory to extend their contract with a North Korean trading company every three to five years. Kayöng KIM, '최근 중단등기차역에 귀국길 오른 北노동자들 넘쳐나 (Chöegün Chung Tandung Kich'ayöge Kwigukkil Orün Puk Nodongjadül Nömch'yöna)', *DailyNK*, 5 September 2017, <https://www.dailynk.com/%EC%B5%9C%EA%B7%BC-%E4%B8%AD-%EB%8B%A8%EB%91%A5-%EA%B8%B0%EC%B0%A8%EC%97%AD%EC%97%90-%EA%B7%80%EA%B5%AD%EA%B8%B8-%EC%98%A4%EB%A5%B8/>.

22) '중단등 섬유 공장서 일하던 300명 北노동자중 170명 귀국 (Chung Tandung Sömyugongjangsö Irhadön 300myöng Puk Nodongja Chung 170myöng Kwiguk)', *DailyNK*, 27 September 2017, <https://www.dailynk.com/%E4%B8%AD%EB%8B%A8%EB%91%A5-%EC%84%AC%EC%9C%A0%EA%B3%B5%EC%9E%A5%EC%84%9C-%EC%9D%BC%ED%95%98%EB%8D%98-300%EB%AA%85-%E5%8C%97/>.

23) A woman involved in the textile business (sending textile into North Korea and importing finished products back into China) was quoted as saying she does not dare to send anything over the border anymore. Simon Denyer, 'On China's Border with North Korea, a Constricted Economic Lifeline Is Still a Lifeline', *The Washington Post*, 29 September 2017, https://www.washingtonpost.com/world/asia_pacific/on-chinas-border-with-north-korea-a-reduced-trade-lifeline-is-still-a-lifeline/2017/09/28/bbc6eefc-a2c4-11e7-b573-8ec86cdf1ed_story.html?utm_term=.04f97f5bd0df.

24) Ibid.

finalized prior to the adoption of this resolution” are allowed.²⁵ As for the effect on North Korean workers, it was reported that the local Dandong authorities had imposed factories a fine for each newly hired or remaining North Korean worker, and had announced that workers would be forcibly deported.²⁶

In late 2017, sources again assessed that trade between China and North Korea—including the import of garments produced in North Korea—had fallen due to sanctions, and that the effects of this were being felt locally.²⁷ China also claimed to maintain its commitment to implementing the sanctions adequately.²⁸ Factories in the border region reportedly had started recruiting Chinese workers as replacement for the North Koreans, with local authorities claiming “there will be no hiring of North Koreans for the time being.”²⁹ It was reported that those workers still remaining were working as many hours as possible in order to earn additional cash before returning to North Korea.³⁰ Meanwhile, a Chinese source claimed to have heard from a North Korean businessman that foreign orders for factories in North Korea were also cut off due to sanctions.³¹

Six months after the adoption of resolution 2371, the Chinese government officially published a list of goods prohibited from being traded with North Korea.³² China also submitted its first report to the UN on the implementation of resolution 2397 on March 16. The report states, that work permits of North Korean workers already working in China will not be extended past December 22nd, 2019, in line with the sanction provisions. Other topics related to the sanctions are included, such as the prohibition on the import of steel and metal. On paper, the Chinese government is conforming to the UN sanctions.³³ Trade between China and the DPRK was still reported to be declining.³⁴ Additionally, China’s Ministry of Commerce of China had previously affirmed its commitment to closing down “North Korean companies established in China in the form of joint ventures joint venture or sole investments” by January 9, 2018, in accordance

25) ‘Security Council Imposes Fresh Sanctions on Democratic People’s Republic of Korea, Including Bans on Natural Gas Sales, Work Authorization for Its Nationals’.

26) Wŏngyŏng PAK, ‘교도 “중국단둥, 북한노동자신고용시벌금 86만원부과” (Kyodo Chungguk Tandung, Puk’an Nodongja Sin’gyugoyongsi Pŏlgŭm 86manwŏn Pugwa)’; SBS News, 5 October 2017, https://news.sbs.co.kr/news/endPage.do?news_id=N1004423580; Sŭngjae KIM, ‘8월이후입국北근로자전원철수지시 (8wŏl Ihu Ipkuk Puk Kŭlloja Chŏnwŏn Chŏlssu Chisi)’; 신동아, 22 October 2017, <http://shindonga.donga.com/3/all/13/1100705/1>; Sŭngjae KIM, ‘걸과속다른中대북제재현실 (Kŏt’kwa Sok Tarŭn Chung Taebukchejae Hyŏn-sil)’; 신동아, 24 December 2017, <http://shindonga.donga.com/3/all/13/1165746/3>.

27) It was also reported a few months later that Ma Xiaohong, a businesswoman at the head of a global conglomerate of companies that accounted for a fifth of all imports and exports between North Korea and China, was facing investigations by the USA and China into her business with North Korea. Myers, ‘Businesswoman’s Fate a Test of China’s Resolve on North Korea’.

28) Simon Denyer, ‘China’s Trade with North Korea Slumps as Nuclear Sanctions Finally Start to Bite’, *The Washington Post*, 13 October 2017, https://www.washingtonpost.com/world/asia_pacific/chinas-trade-with-north-korea-slumps-as-nuclear-sanctions-finally-start-to-bite/2017/10/13/20c37ae6-b008-11e7-99c6-46bdf7f6f8ba_story.html; KIM, ‘8월이후입국北근로자전원철수지시 (8wŏl Ihu Ipkuk Puk Kŭlloja Chŏnwŏn Chŏlssu Chisi)’.

29) SOL, ‘귀국北노동자대체로자국민채용한中단둥공장들 (Kwiguk Puk Nodongja Taechŏro Chagunghmin Ch’aeyonghan Chung Tandung Kongjangdŭl)’.

30) Joonho KIM and Roseanne Gerin, ‘North Koreans Working in China Hustle for Extra Yuan before Returning Home’, trans. Leejin JUN, *Radio Free Asia*, 23 February 2018, <https://www.rfa.org/english/news/korea/north-koreans-working-in-china-hustle-for-extra-yuan-before-returning-home-02232018150652.html?searchterm=utf8:ustring=china+north+korean+workers>.

31) KIM, ‘유엔대북제재중국서구명승승 (Yuen Taebukchejae Chungguksŏ Kumŏng Sungsung)’.

32) KIM.

33) KIM, ‘中진출한北사업가들육성증언 (Chung Chinch’urhan Puk Saŏpkadŭl Yuksŏng Chŭngŏn)’.

34) ‘As Sanctions Bite, China Trade With North Korea Plummet’, VOA, 12 January 2018, <https://www.voanews.com/a/china-north-korea-trade-plummet/4204708.html>.

with resolution 2375.³⁵ Despite all this, there are many indications that sanctions are not implemented consistently and reliably in practice.

In January 2018, after Chinese local officials and North Korean businessmen were seen dining together at a North Korean restaurant, the visas of 147 North Korean workers in the Tumen and Hunchun area were extended, which goes against resolution 2397's provision demanding the repatriation of DPRK nationals. After the introduction of this resolution, North Korean trading companies allegedly told workers to wait it out, and not to worry as they would not be evicted by Chinese authorities.³⁶ Then, the meeting between Xi Jinping and Kim Chŏngŭn in late March 2018 provoked enthusiasm among businessmen in the border region: they now had good reason to expect sanctions to be lifted soon, or at least loosened.³⁷ Shortly after, a large group of about 400 North Korean female workers were seen entering China by bus to go work in a garment factory in Helong city. Regarding this, China later denied the hiring of new workers and claimed the footage of workers arriving in Helong, Yanbian prefecture, was shot pre-sanctions.³⁸ As for border trade, smuggling of goods from North Korea greatly increased starting from the first week of April, and was generally overlooked/ignored by Chinese customs authorities.³⁹ Overall, news reports published around this time reflect a definite change in the implementation of sanctions. DailyNK quotes a source stating that prior to Kim's visit to China, North Korean workers were frequently seen leaving the country, but after the meeting, this became a rare sight. Joint ventures were allegedly operating again, in violation of resolution 2397.⁴⁰

Furthermore, businessmen in the region were preparing for a new influx of workers as an additional 1000 workers were said to be dispatched to work in Dandong's garment factories.⁴¹ Some businesses had allegedly already halted the process of repatriation of North Korean workers in March 2018.⁴² One source even suggested that many North Korean workers "fired" from clothing factories were in fact being employed again in different factories rather than repatriated.⁴³ Many others never made any plans to leave the

35) KIM, '유엔대북제재중국서구명승승 (Yuen Taebukchejae Chungguksŏ Kumŏng Sungung)'.

36) KIM.

37) KIM, '중진출한北사업가들육성증언 (Chung Chinch'urhan Puk Saŏpkadŭl Yuksŏng Chŭngŏn)'; HA, 'Over 1,000 North Korean Workers Slated for Dispatch to China'.

38) This statement was supported by an official from Yanbian prefecture, who claimed "the Chinese government would not be so stupid as to receive 400 NK workers in a time of sanctions". Sŭngjae KIM, '中, 대북투자선점 독려중 (Chung, Taebukt'uja Sŏnjŏm Tongnyŏ Chung)', 신동아, 20 June 2018, <http://shindonga.donga.com/3/all/13/1356442/1>.

39) KIM, '중진출한北사업가들육성증언 (Chung Chinch'urhan Puk Saŏpkadŭl Yuksŏng Chŭngŏn)'.

40) KIM and Finney, 'North Korean Workers Return to China in Defiance of UN Restrictions'; Yoon Ah HA, '中허용서北여성노동자수백명이동... 김정은방중효과? (Chung Hŏrungsŏ Puk Yŏsŏng-nodongja Subaengmyŏng Idong)', DailyNK, 4 April 2018, <https://www.dailynk.com/%E4%B8%AD-%ED%97%88%EB%A3%BD%EC%84%9C-%E5%8C%97-%EC%97%AC%EC%84%B1%EB%85%B8%EB%8F%99%EC%9E%90-%EC%88%98%EB%B0%B1%EB%AA%85-%EC%9D%B4%EB%8F%99%-EA%B9%80%EC%A0%95%EC%9D%80-%EB%B0%A9%EC%A4%91/>.

41) Another source suggests workers are coming back into China in smaller groups so as not to attract too much attention. HA, 'Over 1,000 North Korean Workers Slated for Dispatch to China'. HA; Sŭngjae KIM, '단독취재 "Made in DPRK" 수출확대준비중 (Tandokch'wija Made in DPRK Such'ul Hwaktea Chunbi Chung)', 신동아, 25 July 2018, <http://shindonga.donga.com/3/all/13/1393784/1>.

42) Also, a source was quoted as saying "the hiring of hundreds of NK workers is not something that happened suddenly overnight. Documents were being prepared since at least four or five months ago. At the time, the sanctions against North Korea were strictly enforced. North Korea and China have been secretly preparing for the dispatch of North Korean workers." KIM, '중진출한北사업가들육성증언 (Chung Chinch'urhan Puk Saŏpkadŭl Yuksŏng Chŭngŏn)'.

43) According to Ha, DPRK workers who were supposedly let go due to pressure from China, were actually continuing to earn money in different fields and factories in the region. According to a source connected to Chi-

country and just continued working as usual.⁴⁴ It was also reported that newly arriving workers were making use of the so called “river crossing” passes to enter China, likely because the issuing of further work permits is now explicitly prohibited by resolutions 2371 and 2375.⁴⁵ Since these short term passes are not technically work permits, trading companies are utilizing a loophole in the sanctions. However, since resolution 2397 orders that all North Korean nationals must be repatriated, even the number of workers with a short-term visa should diminish.

Although the task of eradicating smuggling over the border had been handed over to the Chinese army⁴⁶ and police—replacing “corrupt” customs officers—these troops vacated the checkpoints shortly after Kim and Xi’s meeting. Customs officials were now reportedly condoning and ignoring illegal trading practices. In addition to this, smuggling was reported to be increasingly taking place via ship.⁴⁷ Companies relying on trade with the DPRK were said to be actively involved in trade once again.⁴⁸ A trader in Dandong claimed customs officers were not checking for restricted goods as thoroughly as they used to. Trucks could still get fined for carrying restricted goods, but were allowed to continue their journey immediately.⁴⁹

According to reporter Kim Sŭngjae, China has been actively encouraging businessmen to invest in North Korea, in violation of the provisions limiting joint ventures. For example, the city of Dalian held a gathering for the garment industry, at which a Chinese government official advised businesses to seize opportunities for investment and trade with North Korea.⁵⁰ Meanwhile, North Korean officials have been seeking contact with Chinese companies that could aid in setting up factories for the manufacturing of “made in DRPK” products for worldwide export. The parties involved seemed confident

nese authorities, officials visited some garment factories in Dandong and ordered factory managers to end North Korean workers’ contracts. This is problematic for these managers because canceling contracts means they owe the North Korean trading company a “cancellation fee”. For this reason, a deal was made with North Korean supervisors: in exchange for a reduction of the cancellation fee, the workers will be hired again in different locations so that foreign currency can continue to be earned. Yoon Ah HA, ‘中 당국 압박에 北 노동자들 대량 해고... 외화 벌이는 여전 (Chung Tangguk Appage Puk Nodongjadŭl Taeryang Haego)’, *DailyNK*, 5 April 2018, <https://www.dailynk.com/%E4%B8%AD-%EB%8B%B9%EA%B5%AD-%EC%95%95%EB%B0%95%EC%97%90-%E5%8C%97-%EB%85%B8%EB%8F%99%EC%9E%90%EB%93%A4-%EB%8C%80%EB%9F%89-%ED%95%B4%EA%B3%A0-%EC%99%B8%ED%99%94%EB%B2%8C%EC%9D%B4%EB%8A%94/>.

44) KIM, ‘걸과속다른 中 대북 제재 현실 (Kŏt’kwa Sok Tarŭn Chung Taebukchejae Hyŏnsil)’.

45) Following resolution 2375, the issuing of work visas had been halted, but Chinese and North Korean citizens living in the border region could still cross the river to visit relatives or to work by obtaining a border pass, which is valid for 30 days up to a year. Workers simply have to regularly return to North Korea for renewal of the pass.

HA, ‘Over 1,000 North Korean Workers Slated for Dispatch to China’, ‘중국학자네트워크구축및현지조사 (Chunggukhakcha Net’wŏk’ŭ Kuch’uk Mit Hyŏnjijosa)’, *해외출장보고 (Korea Development Institute, January 2018)*, http://www.kdi.re.kr/news/business_view.jsp?idx=36938&pp=10&pg=1.

46) KIM, ‘8월 이후 입국 北 근로자 전원 철수 지시 (8wŏl Ihu Ipuk Puk Kŭlloja Chŏnwŏn Chŏlssu Chisi)’.

47) KIM, ‘걸과속다른 中 대북 제재 현실 (Kŏt’kwa Sok Tarŭn Chung Taebukchejae Hyŏnsil)’.

48) KIM, ‘단독 취재 “북-중 밀착”으로 돌파구 찾았다 (Tandokch’wijae Puk-Chungmilch’akŭro Tolp’agu Ch’ajatta)’; Hyemin SON and Richard Finney, ‘Smuggling Increases on North Korea-China Border Following Top-Level Talks’, trans. Leejin JUN, *Radio Free Asia*, 8 June 2018, <https://www.rfa.org/english/news/korea/smuggling-06082018160825.html>; Dong Hui MUN, ‘Smuggling Activities Increase across Sino-North Korean Border’, *DailyNK*, 8 June 2018, <https://www.dailynk.com/english/photo-smuggling-activities-increase-across-sino-north-korean-border/>.

49) A Dandong businessman involved in the export of clothing illegally made in the DPRK corroborates that crackdowns on illegal trade have diminished in recent months. This businessman uses illegal vessels to bring materials into the DPRK and bring out processed clothes via the Yalu river. Joonho KIM and Joshua Lipes, ‘China Relaxes Customs Inspections on Border With North Korea, Despite Sanctions Assurances’, trans. Leejin JUN, *Radio Free Asia*, 15 June 2018, <https://www.rfa.org/english/news/korea/customs-06152018140404.html>.

50) KIM, ‘中, 대북 투자 선점 독려 중 (Chung, Taebuk’uja Sŏnjŏm Tongnyŏ Chung)’.

that sanctions would be lifted in the near future.⁵¹ Furthermore, Kim has reported that more industrial complexes for North Korean workers are being set up in the border region.⁵² Furthermore, Kim has reported that more industrial complexes for North Korean workers are being set up in the border region.⁵³

However, the summer of 2018 appeared to mark yet another turning point in the implementation of UN sanctions. While China and North Korea seemed to be maintaining a close relationship, Chinese authorities suddenly ordered all North Korean labourers—who arrived after August 2017 in possession of short term passes rather than official work permits—working in Dandong and Dunggulan factories to leave the country by July 28.⁵⁴ Companies still employing North Koreans past this date would face a fine, and remaining workers would be deported. The reason for these sudden measures is unclear, but Kim assesses that China might have felt prompted to demonstrate compliance with the UN sanctions.⁵⁵ Road signs pointing to the location of some of the North Korean industrial complexes were also removed,⁵⁶ and traffic of goods over the border coming from the DPRK was halted for some time.⁵⁷ Yet, after the deadline for the repatriation of workers had passed, Kim found that the majority of North Koreans workers in Dandong were still present, suggesting that the seemingly strict crackdown may have been a pretence to collect money from factory managers in the form of fines and bribes.⁵⁸ In August, the call for repatriation was broadened to include all North Korean workers, the deadline was extended, and surveillance at the border was allegedly tightened.⁵⁹

Following reports yet again contradict some of the previously made observations. In late August 2018, it was reported that garment factories in North Korea were in fact receiving orders and operating more actively than ever, and that big quantities of manufactured goods including garments were being smuggled into China, mainly via alternative routes such as the Yalu river. This report speaks of products intended for both the local and international market.⁶⁰ Official 2018 trade statistics released by

51) KIM, ‘단독취재 “Made in DPRK” 수출확대준비중 (Tandokch’wijae Made in DPRK Such’ul Hwaktae Chunbi Chung)’.

52) KIM, ‘단독취재 “Made in DPRK” 수출확대준비중 (Tandokch’wijae Made in DPRK Such’ul Hwaktae Chunbi Chung)’.

53) KIM, ‘단독취재 “북-중밀착” 으로돌파구찾았다 (Tandokch’wijae Puk-Chungmilch’akūro Tolp’agu Ch’ajatta)’.

54) Around this time, the number of North Korean workers in the region was estimated at 100,000 by one source, with only 2,000 to 3,000 of these workers using official work permits. Sŭngjae KIM, ‘中, 단둥불법체류북 노동자송환은김정은의뜻? (Chung, Tandung Pulbōpcheryu Puk Nodongja Songhwanūn Kimjōngūnūi Ttūt?)’, 주간동아, 28 August 2018, <http://weekly.donga.com/3/all/11/1438098/1>.

55) Sŭngjae KIM, ‘불법취업북한노동자7월 28일까지귀국시켜라 (Pulbōpch’wiōp Puk’an Nodongja 7wŏl 28ilkkaji Kwiguksik’yōra)’, 주간동아, 24 July 2018, <http://weekly.donga.com/List/3/all/11/1395254/1>.

56) HA, ‘North Korean Laborers Abroad Under Increased Scrutiny’.

57) KIM, ‘단독취재 中고강도대북압박은美 “보여주기식” (Tandokch’wijae Chung Kogangdo Taebugap-pakūn Mi Poyōjugishik)’; Sŭngjae KIM, ‘북한산제품중국국경넘지못한다 (Puk’ansan Chep’um Chungguk Kukkyōng Nōmji Mot’anda)’, 주간동아, 31 July 2018, <http://weekly.donga.com/3/all/11/1404131/1>.

58) Kim reports that 50,000 North Koreans have arrived since August 2017 and that only about 18,000 of these workers actually left China. KIM, ‘단독취재 中고강도대북압박은美 “보여주기식” (Tandokch’wijae Chung Kogangdo Taebugappakūn Mi Poyōjugishik)’; KIM, ‘中, 단둥불법체류북노동자송환은김정은의뜻? (Chung, Tandung Pulbōpcheryu Puk Nodongja Songhwanūn Kimjōngūnūi Ttūt?)’.

59) Kim mentions a trader who, in August 2018, failed to import clothing made in the DPRK back into China even though he offered the customs officers much higher bribes than usual. KIM, ‘中, 단둥불법체류북노동자 송환은김정은의뜻? (Chung, Tandung Pulbōpcheryu Puk Nodongja Songhwanūn Kimjōngūnūi Ttūt?)’; Sŭngjae KIM, ‘살벌한밀수단속중국단둥 (Salbōrhan Milssu Tansok Chungguk Tandung)’, 주간동아, 23 September 2018, <http://shindonga.donga.com/3/all/13/1469794/1>.

60) Sŭngjae KIM, ‘단독취재역대최대北·中밀수현장 (Tandokch’wijae Yōktae Chōedae Puk-Chung Milssu

Chinese customs authorities do not reflect a significant increase in imports from the DPRK around this particular time, which again suggests that a considerable portion of the trading was taking place through unofficial channels.⁶¹ In late 2018, Radio Free Asia concluded that since the latest sanctions, trade between the DPRK and China had merely slowed down rather than significantly dropped or halted completely. Outsourcing of garment production was still taking place.⁶² Kim reported in October 2018 that the crackdown on both import of goods over the border and employment of North Koreans had loosened yet again.⁶³

As for North Korean workers active in China, it was reported in September 2018 that around 39,000 out of an estimated 100,000 workers (across all industries) had returned home, demonstrating that the Chinese crackdown on illegal North Korean employment had become more effective.⁶⁴ However, Kim does not expect that China will ensure all workers are gone: this would have negative consequences for its regional economy, as many Chinese companies rely on cheaper North Korean employment. The presence of North Korean workers also conveniently offers Chinese authorities a pretence to ask Chinese employers for bribes in exchange for turning a blind eye.⁶⁵ In late 2018, DailyNK reported that North Korean trading companies were effectively circumventing resolutions 2371 and 2375 regarding new work permits by sending garment workers as “technical apprentices”, using short term visas that must be renewed monthly.⁶⁶ Radio Free Asia found that an increasing number of North Koreans were seeking employment abroad, particularly in China and often through brokers rather than through official dispatch by the North Korean state.⁶⁷ Yet, around the same time this news was published, Kim reported that China had suddenly halted the issuing of short term “river crossing” passes, which somewhat contradicts his earlier assessment that China was only moderately committed to the crackdown on North Korean labour. This does not prevent workers from entering with other types of short-term visas, such as those for “technical apprentices”.⁶⁸

Meanwhile, North Korea has become increasingly confident—following the several summits involving Kim Chŏngun—that sanctions will be lifted in 2019, and has

Hyŏnjang), 신동아, 22 August 2018, <http://shindonga.donga.com/3/all/13/1428114/1>; KIM, ‘살벌한밀수단속중 국단둥 (Salbŏrhan Milssu Tansok Chungguk Tandung)’.

61) ‘Special Report, Inside N. Korea Shaken by Sanctions, Regime Takes a Direct Hit as Pyongyang’s Privileged Feel the Pressure’, *Rimjin-Gang*, 19 March 2019, <http://www.asiapress.org/rimjin-gang/2019/03/news/regime-sanctions/5/>.

62) Yongjae MOK, Hyemin SON, and Richard Finney, ‘North Korea-China Trade Only Slows Under UN Sanctions’, trans. Leejin JUN, *Radio Free Asia*, 20 December 2018, <https://www.rfa.org/english/news/korea/slows-12202018150735.html>.

63) Sŭngjae KIM, ‘단독취재김정은 “내년제재풀린다” 발언일파만파 (Tandokch’wijae Kimjŏngun Naenyŏn Chejae p’ullinda Parŏn Ilp’amanp’a)’, 신동아, 16 October 2018, <http://shindonga.donga.com/3/all/13/1503542/1>.

64) Kim claims that some of the workers previously expelled from Dandong factories are now employed in cities like Hunchun or Tumen. KIM.

65) KIM, ‘살벌한밀수단속중국단둥 (Salbŏrhan Milssu Tansok Chungguk Tandung)’.

66) The source specifically mentions the cities of Hunchun and Tumen. KIM, ‘북한, 中과견노동자 “기술학 습생” 으로둔갑, 인력수출 (Puk’an, Chung p’agyŏnnodongja Kisurhaksŭpsaengŭro Tun’gap, Illyŏksuch’ul)’.

67) Myungchul LEE and Eugene Whong, ‘North Koreans Increasingly Look for Work Abroad to Earn Higher Pay’, trans. Leejin JUN, *Radio Free Asia*, 14 November 2018, <https://www.rfa.org/english/news/korea/north-koreans-increasingly-look-for-work-abroad-to-earn-higher-pay-11142018150950.html>.

68) Local authorities are aware of this happening, but are usually bribed by factory managers. Due to these additional expenses, the employment of North Koreans is becoming less profitable. KIM, ‘뒷돈’ 과대북제재… 단둥 의두얼굴 (Twittong’wa Taebukchejae)’.

continued to encourage businessmen to attract Chinese investments.⁶⁹ Very recently, it was reported that in spite of the UN still upholding the sanctions, garments produced in North Korea are still being exported through China for the international market.⁷⁰ While resolution 2397 mandates that all North Korean labourers must be repatriated by the end of 2019, and resolution 2371 and 2375 state no further working permits may be issued, the DPRK is still sending its citizens to work in China. A group of female workers dispatched to Hunchun was recently spotted crossing the border.⁷¹ The continuation of these practices does not mean North Korea's economy is not suffering under the sanctions: the country may have lost up to 90% of its expected trade income.⁷²

69) Myungchul LEE and Eugene Whong, 'North Koreans Optimistic That Flurry of Diplomacy Will Bring Sanctions Relief', trans. Dukin HAN, *Radio Free Asia*, 11 October 2018, <https://www.rfa.org/english/news/korea/sanctions-optimism-10112018144756.html>; KIM, '단독취재김정은 "내년제재풀린다" 발언일파만파 (Tandokch'wijae Kimjŏngŭn Naenyŏn Chejae p'ullinda Parŏn Ilp'amanp'a)'.

70) This source reports clothing made in Sinuiju is being sold in South Korea. Dong Hui MUN, '북한-중국간 섬유류밀거래지속... 대북제재구멍? (Puk'an-Chungguk Kan Somyu Ŭiryu Milgŏrae Chisok)', *DailyNK*, 5 March 2019, <https://www.dailynk.com/%EB%B6%81%ED%95%9C-%EC%A4%91%EA%B5%AD-%EA%B0%84-%EC%84%AC%EC%9C%A0%C2%B7%EC%9D%98%EB%A5%98-%EB%B0%80%EA%B1%B0%EB%9E%98-%EC%A7%80%EC%86%8D%EB%8C%80%EB%B6%81%EC%A0%9C%EC%9E%AC-%EA%B5%AC/>.

71) Jieun KIM and Eugene Whong, 'North Korea Still Dispatching Workers to China Despite UN Sanctions', trans. Leejin JUN, *Radio Free Asia*, 21 March 2019, <https://www.rfa.org/english/news/korea/north-korea-workers-sanctions-03212019143334.html>.

72) 'Special Report, Inside N. Korea Shaken by Sanctions, Regime Takes a Direct Hit as Pyongyang's Privileged Feel the Pressure'.

Bibliography

- ‘About Us.’ Xintianhe Dandong. Accessed 19 March 2019. <http://www.xth-china.com/en/aboutus/Introduction/>.
- ‘All Shipments from China to the Netherlands | Clothing | Shippers Ranked on Amount of Shipments Made — Panjiva.’ Accessed 19 March 2019. https://panjiva.com/shipment_search/results?hsq=%2860+OR+61+OR+62%29&m=merged_shipper&type=all_profile&x_history=eJyNkttOwkAQht-l1yRKNbWQe-KOJ0ZiAEm_QmMnSnbYT9lB3tyIQ3t1pjQShincz_3wz_-xhHUkRBHhbuwx-9NIyykowA_KisC773lZFus6gXSdIglIIoiWOGc6E8suwwp1aD8zhNB_10cDrg-cp9Log4lmkAZhSUEO0fDhVHyOJo-qYeLJNwvYn9SXRXPk-uzlbkbJzd5nNVqNZ6Su-w2T6SXP0GDf0TmSyL0aXYESfElVhY6rmVW1Nh4qh56douF6n2k22WzBLuAlkrX-Wy8Zrb3wXO0MfQEjJhh5y60CSr5Ro2lELUs25q9labIIFzjyFNqyczUkhKDjzToMTES-FZVozQfPuv31_KJSdCQUICvIWcxfQ-cOdOqm_9uwwkpY34Gc6ZtXNHTPb3q4I-WYn-OyJTtIM1v9sPcYFUIGFxcV3k1wOh62gbfff2KW_Zv4LZbNfuM0nsv0qrA.
- ‘As Sanctions Bite, China Trade With North Korea Plummets.’ VOA, 12 January 2018. <https://www.voanews.com/a/china-north-korea-trade-plummets/4204708.html>.
- Bain, Marc. ‘Your “Made in China” Clothes May Actually Have Been Made in North Korea.’ *Quartz*, 14 August 2017. <https://qz.com/1053045/your-made-in-china-clothes-may-actually-have-been-made-in-north-korea/>.
- ‘Bestseller Supplier Factory List 2017’, 2017. <https://about.bestseller.com/media/2280/bestseller-supplier-factory-list-2017.pdf>.
- Blom, Britt C. H., and Rosa Brandse. ‘Surveillance and Long Hours: North Korean Workers in Russia.’ In *People for Profit: North Korean Forced Labour on a Global Scale*, edited by Remco E. Breuker and Imke B. L. H. Gardingen, van, 43–66. Leiden, The Netherlands: LeidenAsiaCentre, 2018.
- Breuker, Remco E., Imke B. L. H. van Gardingen, Jan Blinka, Britt C. H. Blom, Marte C. H. Boonen, Klara Boonstra, Rosa Brandse, et al. *People for Profit: North Korean Forced Labour on a Global Scale*. Leiden: LeidenAsiaCentre, 2018.
- Breuker, Remco E., Imke van Gardingen, Marte Boonen, Klara Boonstra, Christine Chung, Kwang-cheol Kim, Oh Kyuwook, and Anoma P. van der Veere. *Slaves to the System: North Korean Forced Labour in the European Union, the Polish Case*. Leiden: LeidenAsiaCentre, 2016.
- C&A Foundation. ‘Forced & Child Labour Strategy; Strategy to 2020’, November 2017. <https://www.candafoundation.org/en/impact/forced-labour/forced-child-labour-strategy.pdf>.
- ‘C&A: Supplier List’. Accessed 19 March 2019. <http://sustainability.c-and-a.com/supplier-list/>.
- CHI, Sang-Hyun, CHUNG, Su-Yeul, KIM, Minho, and LEE, Sung-Cheol. ‘접경지역 변화의 관계론적 정치지리학: 북한-중국 접경지역 단둥을 중심으로 (A Relational Approach to Political Geography of Border Dynamics: Case Study of North Korea-China Border Region Dandong, China)’. *한국경제지리학회지* 20, no. 3 (2017): 287–306.
- ‘China Dawn Garment (Dalian), Dalian, Liaoning, China | Buyer Report — Panjiva.’ Accessed 29 March 2019. <https://panjiva.com/China-Dawn-Garment-Dalian/34067363>.
- ‘China Dawn Garment (Dalian), Dalian, Liaoning, China | Supplier Report — Panjiva.’ Accessed 29 March 2019. <https://panjiva.com/China-Dawn-Garment-Dalian/33826096>.

- CHO, Kyu Hwa. '北韓의衣類産業과衣生活文化研究 (A Study on the Apparel Industry and the Clothing Culture of North Korea)'. *Journal of Fashion Business* 5, no. 4 (2001): 158–75.
- CH'OE, Yöngyun. '북한해외노동자현황: 통계데이터중심으로 (puk'an haeoe nodongja hyönhwang)'. KDI 북한경제리뷰. Korea Development Institute, February 2017.
- CHUNG, Jae Ho, and Myung-hae CHOI. 'Uncertain Allies or Uncomfortable Neighbors? Making Sense of China–North Korea Relations, 1949–2010'. *The Pacific Review* 26, no. 3 (July 2013): 243–64. <https://doi.org/10.1080/09512748.2012.759262>.
- CHUNG, Su-Yeul, Minho KIM, Sang-Hyun CHI, and Sung-Cheol LEE. '북중무역에서 정체성저글링: 중국단둥소재조선족무역상을 사례로 (Identity Juggling in the North Korea-China Trade: A Case Study of Korean Chinese in Dandong, China)'. *한국경제지리학회지* 20, no. 3 (2017): 355–68.
- 'Dandong Long Garment Co., Geely, DANDONG CITY, LIAONING LIAONING PROVINCE | Supplier Report — Panjiva'. Accessed 29 March 2019. <https://panjiva.com/Dandong-Long-Garment-Co-Geely/15566741>.
- 'Dandong New Garment Co., DANDONG CITY, LIAONING LIAONING PROVINCE | Supplier Report — Panjiva'. Accessed 29 March 2019. <https://panjiva.com/Dandong-New-Garment-Co/15565976>.
- 'Dandong (Slt) Garment? Industry Company Limited, Liaoning, China | Supplier Report — Panjiva'. Accessed 29 March 2019. <https://panjiva.com/Dandong-Slt-Garment-Industry-Company-Limited/36118739>.
- Denyer, Simon. 'China's Trade with North Korea Slumps as Nuclear Sanctions Finally Start to Bite'. *The Washington Post*, 13 October 2017. https://www.washingtonpost.com/world/asia_pacific/chinas-trade-with-north-korea-slumps-as-nuclear-sanctions-finally-start-to-bite/2017/10/13/20c37ae6-b008-11e7-99c6-46bdf7f6f8ba_story.html.
- . 'On China's Border with North Korea, a Constricted Economic Lifeline Is Still a Lifeline'. *The Washington Post*, 29 September 2017. https://www.washingtonpost.com/world/asia_pacific/on-chinas-border-with-north-korea-a-reduced-trade-lifeline-is-still-a-lifeline/2017/09/28/bbc6eefc-a2c4-11e7-b573-8ec86cdfef1ed_story.html?utm_term=.04f97f5bd0df.
- 'Dispatched Laborers Endure 12 Hours of Hard Work without Rest or Respite'. *DailyNK*, 28 June 2017. <https://www.dailynk.com/english/dispatched-laborers-endure-12-hour/>.
- 'Donggang Yuncheng Imp. & Exp. Co., Ltd., NO.147, DONGGANG SOUTH ROAD, DEVELOPMENT ZONE, DONGGANG, LIAONING DANDONG CITY, LIAONING LIAONING PROVINCE | Buyer Report — Panjiva'. Accessed 29 March 2019. <https://panjiva.com/Donggang-Yuncheng-Imp-Exp-Co-Ltd/30319674>.
- 'Donggang Yuncheng Imp. & Exp. Co., Ltd., NO.147, DONGGANG SOUTH ROAD, DEVELOPMENT ZONE, DONGGANG, LIAONING DANDONG CITY, LIAONING LIAONING PROVINCE | Supplier Report — Panjiva'. Accessed 29 March 2019. <https://panjiva.com/Donggang-Yuncheng-Imp-Exp-Co-Ltd/15571578>.
- 'East Hong Kong Garment Co., Ltd. Matsa, DANDONG CITY, LIAONING LIAONING PROVINCE | Supplier Report — Panjiva'. Accessed 29 March 2019. <https://panjiva.com/East-Hong-Kong-Garment-Co-Ltd-Matsa/39436011>.
- Endres, K. W. 'Making Law: Small-Scale Trade and Corrupt Exceptions at the Vietnam-China Border'. *American Anthropologist* 116, no. 3 (2014): 611–25.
- 'Euasia DTA, Hong Kong'. STD Reggiani. Accessed 27 March 2019. <http://www.euasiadta.com/euasia-dta.html?lang=en>.

- Fifield, Anna. 'Ban on North Korean Clothing Exports Will Hurt Women the Most, Experts Say'. *The Washington Post*, 17 September 2017. https://www.washingtonpost.com/world/ban-on-north-korean-clothing-exports-will-hurt-women-the-most-experts-say/2017/09/16/2a6ec716-995c-11e7-a527-3573bd073e02_story.html?utm_term=.be3e4fc25870.
- Fifield, Anna, and Yoonjung Seo. 'Talking Kimchi and Capitalism with a North Korean Businessman'. *The Washington Post*, 16 March 2015. https://www.washingtonpost.com/world/asia_pacific/talking-kimchi-and-capitalism-with-a-north-korean-businessman/2015/03/15/5599ff26-be0a-11e4-9dfb-03366e719af8_story.html?noredirect=on&utm_term=.a72425b8fa4c.
- Forsythe, Michael. 'U.S. Says Chinese Executive Helped North Korea Dodge Sanctions'. *The New York Times*, 27 September 2016. <https://www.nytimes.com/2016/09/28/world/asia/china-north-korea-sanctions-ma-xiaohong.html>.
- Ge, Ying, Yin He, Yeheng Jiang, and Yin Xiaopeng. 'Border Trade and Regional Integration'. *Review of Development Economics* 18, no. 2 (2014): 300–312.
- General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China. '国务院关于边境贸易有关问题的通知 Guowuyuan Guanyu Bianjingmaoyi Youguan Wenti de Tongzhi', 3 January 1996. http://www.aqsiq.gov.cn/xxgk_13386/jgfl/tgyws/200610/t20061027_9715.htm.
- Godsey, Matthew, and Valerie Lincy. 'Tracking Proliferation through Trade Data'. Wisconsin Project, January 2017. <https://fas.org/wp-content/uploads/media/Tracking-Proliferation-through-Trade-Data.pdf>.
- HA, Yoon Ah. 'North Korean Laborers Abroad Under Increased Scrutiny'. *DailyNK*, 17 August 2018. <https://www.dailynk.com/english/north-korean-laborers-abroad-under-increased-scrutiny/>.
- . 'Over 1,000 North Korean Workers Slated for Dispatch to China'. *DailyNK*, 12 April 2018. <http://english.dailynk.com/english/read.php?num=15123&cataId=nk01500>.
- . '中 당 국 압박에 北 노동자들 대량 해고... 외 화 벌이는 여 전 (Chung Tanguk Appage Puk Nodongjadul Taeryang Haego)'. *DailyNK*, 5 April 2018. <https://www.dailynk.com/%E4%B8%AD-%EB%8B%B9%EA%B5%AD-%EC%95%95%EB%B0%95%EC%97%90-%E5%8C%97-%EB%85%B8%EB%8F%99%EC%9E%90%EB%93%A4-%EB%8C%80%EB%9F%89-%ED%95%B4%EA%B3%A0%EC%99%B8%ED%99%94%EB%B2%8C%EC%9D%B4%EB%8A%94/>.
- . '中 허룽서 北 여성 노동자 수백 명이 동... 김정은 방중 효과? (Chung Hŏrungsŏ Puk Yŏsŏngnodongja Subaengmyŏng Idong)'. *DailyNK*, 4 April 2018. <https://www.dailynk.com/%E4%B8%AD-%ED%97%88%EB%A3%BD%EC%84%9C-%E5%8C%97-%EC%97%AC%EC%84%B1%EB%85%B8%EB%8F%99%EC%9E%90-%EC%88%98%EB%B0%B1%EB%AA%85-%EC%9D%B4%EB%8F%99%-EA%B9%80%EC%A0%95%EC%9D%80-%EB%B0%A9%EC%A4%91/>.
- Han, Enze. 'Emigration and Fragmentation of the Chinese Koreans'. In *Contestation and Adaptation: The Politics of National Identity in China*, 65–86. Oxford: Oxford University Press, 2013.
- He Yong. '陈求发：我们顶着压力挤压数据造假的水分-中国法院网 (Chen Qiufa: Women Dingzhe Yali Jiya Shuju Zaojia de Shuifen - Zhongguo Fayuanwang)'. *China Court*, 17 January 2017. <https://www.chinacourt.org/article/detail/2017/01/id/2516250.shtml>.

- Hidalgo, Cesar A., and Alexander James Gaspar Simoes. 'The Economic Complexity Observatory: An Analytical Tool for Understanding the Dynamics of Economic Development', 2011.
- Huang, Kristin. 'The North Korean Export Industry That's Making the Most of China's Coal Ban'. *South China Morning Post*, 21 August 2017. <https://www.scmp.com/news/china/diplomacy-defence/article/2107584/clothing-becomes-north-koreas-main-export-china-after>.
- JOH, Young-Kug. '월경적상호작용과북중접경도시의발전: 중국랴오닝성단둥시를중심으로 (Cross-Border Interaction and Cross-Border City's Development in North Korea-China Borderland: A Case Study of Dandong, Liaoning, China)'. *한국경제지리학회지* 20, no. 3 (2017): 307–30.
- KANG, Juwon. 'The Chinese City Of Dandong as the Center of Trade for Three Nations: an Analysis of the Role and Condition of the Trade Intersection between Sino-North Korea and North and South Korea'. *The Journal of Modern China Studies* 14, no. 2 (2013): 281–318.
- Kim, Christina. 'From Security to Speculation: An Ethnography of Economic Activities Along the Border of China and North Korea'. *The New School*, 2016.
- Kim, Christina H., and Juwon Kang. 'Reworking the Frame: Analysis of Current Discourses on North Korea and a Case Study of North Korean Labour in Dandong, China'. *Asia Pacific Viewpoint* 56, no. 3 (2015): 392–402. <https://doi.org/10.1111/apv.12107>.
- . 'Reworking the Frame: Analysis of Current Discourses on North Korea and a Case Study of North Korean Labour in Dandong, China: North Korean Labour in Dandong, China'. *Asia Pacific Viewpoint* 56, no. 3 (December 2015): 392–402. <https://doi.org/10.1111/apv.12107>.
- KIM, Hakch'ae. '노예 생활에 내몰리는 北노동자... 현대판 노예 (Noye Saenghware Naemollinün Puk Nodongja)'. *KBS News*, 24 August 2016. <http://d.kbs.co.kr/news/view.do?ncd=3333524>.
- KIM, Hyönggu. '북한 해외노동자 한달 평균 7명 사망... 아파도 제대로 된 치료 못받아 (Puk'an Haeoenodongja Handal p'yönggyun 7myöng Samang)'. *Joongang Ilbo*, 24 June 2016. http://news.jtbc.joins.com/article/ArticlePrint.aspx?news_id=NB11259779.
- KIM, Jieun, and Eugene Whong. 'North Korea Still Dispatching Workers to China Despite UN Sanctions'. Translated by Leejin JUN. *Radio Free Asia*, 21 March 2019. <https://www.rfa.org/english/news/korea/north-korea-workers-sanctions-03212019143334.html>.
- KIM, Joonho, and Richard Finney. 'Foreign TV Blocked For North Korean Workers in China'. Translated by Soomin JO. *Radio Free Asia*, 28 February 2017. <https://www.rfa.org/english/news/korea/foreign-02282017145314.html>.
- . 'North Korean Workers Return to China in Defiance of UN Restrictions'. Translated by Leejin JUN. *Radio Free Asia*, 4 April 2018. <https://www.rfa.org/english/news/korea/workers-04042018134944.html>.
- KIM, Joonho, and Roseanne Gerin. 'North Koreans Working in China Hustle for Extra Yuan before Returning Home'. Translated by Leejin JUN. *Radio Free Asia*, 23 February 2018. <https://www.rfa.org/english/news/korea/north-koreans-working-in-china-hustle-for-extra-yuan-before-returning-home-02232018150652.html?searchterm=utf8:ustring=china+north+korean+workers>.
- KIM, Joonho, and Joshua Lipes. 'China Relaxes Customs Inspections on Border With North Korea, Despite Sanctions Assurances'. Translated by Leejin JUN. *Radio Free Asia*, 15 June 2018. <https://www.rfa.org/english/news/korea/customs-06152018140404.html>.

- KIM, Kayöng. ‘최근中단둥기차역에귀국길오른北노동자들넘쳐나 (Ch’oegün Chung Tandung Kich’ayöge Kwigukkil Orün Puk Nodongjadül Nömmch’yöna)’. *DailyNK*, 5 September 2017. <https://www.dailynk.com/%EC%B5%9C%EA%B7%BC-%E4%B8%AD-%EB%8B%A8%EB%91%A5-%EA%B8%B0%EC%B0%A8%EC%97%AD%EC%97%90-%EA%B7%80%EA%B5%AD%EA%B8%B8-%EC%98%A4%EB%A5%B8/>.
- ‘中공장들, “北노동자고용중단” 통보… 北외화별이 “빨간불” (Chung Kongjangdül, Puk Nodongja Koyong Chungdan t’ongbo)’. *DailyNK*, 11 August 2017. <https://www.dailynk.com/%E4%B8%AD-%EA%B3%B5%EC%9E%A5%EB%93%A4-%E5%8C%97%EB%85%B8%EB%8F%99%EC%9E%90-%EA%B3%A0%EC%9A%A9-%EC%A4%91%EB%8B%A8-%ED%86%B5%EB%B3%B4/>.
- ‘北해외노동자, 국가가임금착취하는현대판노예제 (Puk Haeoe Nodongja, Kukgaga Imgüm Ch’akch’wihanün Hyöndaep’an Noyeje)’. *DailyNK*, 22 June 2017. <https://www.dailynk.com/%E5%8C%97-%ED%95%B4%EC%99%B8-%EB%85%B8%EB%8F%99%EC%9E%90-%EA%B5%AD%EA%B0%80%EA%B0%80-%EC%9E%84%EA%B8%88-%EC%B0%A9%EC%B7%A8%ED%95%98/>.
- KIM, Söngil. ‘북한, 中파견노동자 “기술학습생” 으로둔갑, 인력수출 (Puk’an, Chung p’ag’yönnodongja Kisurhaksüpsaengüro Tun’gap, Illyöksuch’ul)’. *DailyNK*, 13 November 2018. <https://www.dailynk.com/%EB%B6%81%ED%95%9C-%E4%B8%AD-%ED%8C%8C%EA%B2%AC-%EB%85%B8%EB%8F%99%EC%9E%90-%EA%B8%B0%EC%88%A0%ED%95%99%EC%8A%B5%EC%83%9D%EC%9C%BC%EB%A1%9C-%EB%91%94%EA%B0%91-%EC%9D%B8%EB%A0%A5-%EC%88%98/>.
- KIM, Söngjae. ‘8월이후입국北근로자전원철수지시 (8wöl Ihu Ipkuk Puk Külloja Chönwön Chölssu Chisi)’. *신동아*, 22 October 2017. <http://shindonga.donga.com/3/all/13/1100705/1>.
- ‘걸과속다른中대북제재현실 (Köt’kwa Sok Tarün Chung Taebukchejae Hyönsil)’. *신동아*, 24 December 2017. <http://shindonga.donga.com/3/all/13/1165746/3>.
- ‘단독취재 “Made in DPRK” 수출확대준비중 (Tandokch’wijae Made in DPRK Such’ul Hwaktae Chunbi Chung)’. *신동아*, 25 July 2018. <http://shindonga.donga.com/3/all/13/1393784/1>.
- ‘단독취재김정은 “내년제재풀린다” 발언일파만파 (Tandokch’wijae Kimjöngün Naenyön Chejae p’ullinda Parön Ilp’amanp’a)’. *신동아*, 16 October 2018. <http://shindonga.donga.com/3/all/13/1503542/1>.
- ‘단독취재 “북-중밀착” 으로돌파구찾았다 (Tandokch’wijae Puk-Chungmilch’aküro Tolp’agu Ch’ajatta)’. *신동아*, 20 May 2018. <http://shindonga.donga.com/3/all/13/1290930/1>.
- ‘단독취재역대최대北·中밀수현장 (Tandokch’wijae Yöktae Ch’oedae Puk-Chung Milssu Hyönjang)’. *신동아*, 22 August 2018. <http://shindonga.donga.com/3/all/13/1428114/1>.
- ‘단독취재中고강도대북압박은美 “보여주기식” (Tandokch’wijae Chung Kogangdo Taebugappakün Mi Poyöjugishik)’. *신동아*, 22 August 2018. <http://shindonga.donga.com/3/all/13/1431968/1>.
- ‘“뒷돈” 과대북제재… 단둥의두얼굴 (Twitton’gwa Taebukchejae)’. *신동아*, 11 November 2018. <http://shindonga.donga.com/3/all/13/1547487/1>.
- ‘북한산제품중국국경넘지못한다 (Puk’ansan Chep’um Chungguk Kukkyöng Nömmji Mot’anda)’. *주간동아*, 31 July 2018. <http://weekly.donga.com/3/all/11/1404131/1>.

- ‘불법취업북한노동자 7월 28일까지 귀국시켜라 (Pulböpch’wiöp Puk’an Nodongja 7wöl 28ilkkaji Kwiguksik’yöra)’. 주간동아, 24 July 2018. <http://weekly.donga.com/List/3/all/11/1395254/1>.
- ‘살벌한밀수단속중국단둥 (Salbörhan Milssu Tansok Chungguk Tandung)’. 주간동아, 23 September 2018. <http://shindonga.donga.com/3/all/13/1469794/1>.
- ‘유엔대북제재중국서구명승승 (Yuen Taebukchejae Chungguksö Kumöng Sungsung)’. 신동아, 25 February 2018. <http://shindonga.donga.com/3/all/13/1230692/1>.
- ‘中, 단둥불법체류북노동자송환은김정은의뜻? (Chung, Tandung Pulböpcheryu Puk Nodongja Songhwanün Kimjöngünüi Ttüt?)’. 주간동아, 28 August 2018. <http://weekly.donga.com/3/all/11/1438098/1>.
- ‘中, 대북투자선점독려중 (Chung, Taebukt’uja Sönjöm Tongnyö Chung)’. 신동아, 20 June 2018. <http://shindonga.donga.com/3/all/13/1356442/1>.
- ‘中진출한北사업가들육성증언 (Chung Chinch’urhan Puk Saöpkaöl Yuksöng Chüngön)’. 신동아, 19 April 2018. <http://shindonga.donga.com/3/all/13/1290930/1>.
- KO, Susök. ‘대북제재국면에... 북한노동자더보내달라는중국기업들 (Taebukchejae Kungmyöne)’. *Joongang Ilbo*, 26 January 2016. <https://news.join.com/article/19473627>.
- LEE, Myungchul, and Eugene Whong. ‘North Koreans Increasingly Look for Work Abroad to Earn Higher Pay’. Translated by Leejin JUN. *Radio Free Asia*, 14 November 2018. <https://www.rfa.org/english/news/korea/north-koreans-increasingly-look-for-work-abroad-to-earn-higher-pay-11142018150950.html>.
- ‘North Koreans Optimistic That Flurry of Diplomacy Will Bring Sanctions Relief’. Translated by Dukin HAN. *Radio Free Asia*, 11 October 2018. <https://www.rfa.org/english/news/korea/sanctions-optimism-10112018144756.html>.
- LEE, Sung-Cheol, Boo-Heon KIM, Su-Yeul CHUNG, Minho KIM, and Sang-Hyun CHI. ‘북중접경지역단둥의대북생산네트워크의예외적성격 (Exceptional Characteristics of Cross-Border Production Networks in Dandong, North Korea-China Border Region)’. *한국경제지리학회지* 20, no. 3 (2017): 329–52.
- Li, Juliette. Interview with the international verification coordinator at Fair Wear Foundation. Interview by Jonne Bosselaar, 31 July 2018.
- ‘Maisha International Trading, Laoshan, Qingdao, Shandong, China, 266061 | Supplier Report — Panjiva’. Accessed 29 March 2019. <https://panjiva.com/Maisha-International-Trading/33818398>.
- McKenzie, Nick, and Richard Baker. ‘Surf Clothing Label Rip Curl Using “Slave Labour” to Manufacture Clothes in North Korea’. *The Sydney Morning Herald*, 20 February 2016. <https://www.smh.com.au/business/surf-clothing-label-rip-curl-using-slave-labour-to-manufacture-clothes-in-north-korea-20160220-gmz375.html>.
- MOK, Yongjae, Hyemin SON, and Richard Finney. ‘North Korea-China Trade Only Slows Under UN Sanctions’. Translated by Leejin JUN. *Radio Free Asia*, 20 December 2018. <https://www.rfa.org/english/news/korea/slows-12202018150735.html>.
- MUN, Dong Hui. ‘Smuggling Activities Increase across Sino-North Korean Border’. *DailyNK*, 8 June 2018. <https://www.dailynk.com/english/photo-smuggling-activities-increase-across-sino-north-korean-border/>.
- ‘북한-중국간섬유의류밀거래지속... 대북제재구멍? (Puk’an-Chungguk Kan Sömyu Üiryu Milgörae Chisok)’. *DailyNK*, 5 March 2019. <https://www.dailynk.com/%EB%B6%81%ED%95%9C-%EC%A4%91%EA%B5%AD-%EA%B0%84-%EC%84%AC%EC%9C%A0%C2%B7%EC%9D%98%EB%A5%98->

- %EB%B0%80%EA%B1%B0%EB%9E%98-%EC%A7%80%EC%86%8D%EB%-8C%80%EB%B6%81%EC%A0%9C%EC%9E%AC-%EA%B5%AC/.
- Myers, Steven Lee. 'Businesswoman's Fate a Test of China's Resolve on North Korea.' *The New York Times*, 10 January 2018. <https://www.nytimes.com/2018/01/10/world/asia/north-korea-china-trade-ma-xiaohong.html>.
- Nam, Chinuk. '2016 상반기 북한의 경제동향관련통계자료 (sangban'gi puk'anüi kyöngjedonghyang kwallyön t'onggyejaryo)'. KDI 북한경제리뷰. Korea Development Institute, July 2016.
- PAK, Wöngyöng. '교도 “중국단둥, 북한노동자신규고용시벌금 86만원부과” (Kyodo Chungguk Tandung, Puk'an Nodongja Sin'gyugoyongsi Pölgüm 86man-wön Pugwa)'. *SBS News*, 5 October 2017. https://news.sbs.co.kr/news/endPage.do?news_id=N1004423580.
- People's Republic of China, Ministry of Commerce of. 'Regulations of the People's Republic of China Concerning Resident Identity Cards'. Accessed 27 January 2019. <http://english.mofcom.gov.cn/aarticle/lawsdata/chineselaw/200211/20021100053292.html>.
- Perflez, Jane, Yufan Huang, and Paul Mozar. 'How North Korea Managed to Defy Years of Sanctions.' *The New York Times*, 12 May 2017. <https://www.nytimes.com/2017/05/12/world/asia/north-korea-sanctions-loopholes-china-united-states-garment-industry.html>.
- PYON, Ch'angsöb. '단둥북한노동자들, 최악의통제생활 (Tandung Puk'an Nodongjadül, Ch'oeagüi t'ongjesaenghwal)'. *Radio Free Asia*, 27 September 2016. https://www.rfa.org/korean/weekly_program/bd81d55c-c774ac8c-bb38c81cc9c0c694/fe-cp-09272016095027.html.
- Researcher (anonymous). Interview by Jonne Bosselaar, Rosa Brandse, and Michael Lee. Skype, 9 October 2018.
- 'RND Fashion Ltd'. Facebook, 18 June 2018. [https://www.facebook.com/permalink.php?story_fbid=2051898838171938&id=775406982487803&__xts__\[0\]=68.ARB1W-ZezBJ1FYXeUaDgQ5CEgy4l6h8eCocgZfV2j49h02uxkCmPZk9hKH-DPllHoMk1spIG4beJVOOExovq0tvjD8r4_5xprHUs_hp-AIT-KN_dN2jOHvxGo-H2Ayj-fpTcgPw-lVh046xlnpMNqk1O93lSEmIWZMivJI8-4U-M2MSAJgQO4Ap-Pjr15ow3YEg6MY3AEHYPAiO2JNKqmLhawAVZWRsPGRig2C994Nhm02nLD5o1oF-dWvKQSdwa3XiiELXFmPNMwjQfwe1mfqvdhSKMbb31GgR7JxCTIaEWfLRURB-c4am3-5r2NVa1nllVd4nKNgjI5Ceed5OTWU8-QrzZlg&__tn__=-R](https://www.facebook.com/permalink.php?story_fbid=2051898838171938&id=775406982487803&__xts__[0]=68.ARB1W-ZezBJ1FYXeUaDgQ5CEgy4l6h8eCocgZfV2j49h02uxkCmPZk9hKH-DPllHoMk1spIG4beJVOOExovq0tvjD8r4_5xprHUs_hp-AIT-KN_dN2jOHvxGo-H2Ayj-fpTcgPw-lVh046xlnpMNqk1O93lSEmIWZMivJI8-4U-M2MSAJgQO4Ap-Pjr15ow3YEg6MY3AEHYPAiO2JNKqmLhawAVZWRsPGRig2C994Nhm02nLD5o1oF-dWvKQSdwa3XiiELXFmPNMwjQfwe1mfqvdhSKMbb31GgR7JxCTIaEWfLRURB-c4am3-5r2NVa1nllVd4nKNgjI5Ceed5OTWU8-QrzZlg&__tn__=-R).
- 'Security Council Imposes Fresh Sanctions on Democratic People's Republic of Korea, Including Bans on Natural Gas Sales, Work Authorization for Its Nationals'. United Nations, 11 September 2017. <https://www.un.org/press/en/2017/sc12983.doc.htm>.
- 'Security Council Resolution 2397 (2017)'. United Nations, 22 December 2017. <https://www.un.org/undpa/en/speeches-statements/22122017/resolution2397%282017%29>.
- 'Security Council Toughens Sanctions Against Democratic People's Republic of Korea, Unanimously Adopting Resolution 2371 (2017)'. United Nations, 5 August 2017. <https://www.un.org/press/en/2017/sc12945.doc.htm>.
- Sengupta, Somini, and Jane Perflez. 'U.N. Stiffens Sanctions on North Korea, Trying to Slow Its Nuclear March'. *The New York Times*, 30 November 2016. https://www.nytimes.com/2016/11/30/world/asia/north-korea-un-sanctions.html?_r=0&module=inline.
- SER. 'Aggregated List of Production Locations'. Aggregated list of production locations, 4 July 2018. https://www.imvoconvenanten.nl/garments-textile/agreement/method/factories?sc_lang=en.

- Shi Yinhong. 'Painful Lessons, Reversing Practices, and Ongoing Limitations: China Facing North Korea since 2003'. In *China and North Korea; Strategic and Policy Perspectives From A Changing China*, edited by Carla P. Freeman, 17–36. New York: Palgrave Macmillan, 2015.
- Shim, Elizabeth. 'North Koreans Assembling Clothes for Leading U.S Brands in China'. *UPI*, 17 May 2016. https://www.upi.com/Top_News/World-News/2016/05/17/North-Koreans-assembling-clothes-for-leading-US-brands-in-China/5021463541893/.
- SHIN, Chang-Hoon, and Myong-Hyun GO. 'Beyond the UN COI Report on Human Rights in North Korea'. Seoul: Asan Institute for Policy Studies, November 2014. <http://en.asaninst.org/contents/asan-report-beyond-the-coi-dprk-human-rights-report/>.
- 'Shipments for China Dawn Garment (Dalian) — Panjiva - HScode 620113 from North Korea'. Accessed 19 March 2019. https://panjiva.com/shipment_search/company?m=shipments&permanent_id=34067363&q=620113&type=china_imports&x_history=eJxlT9tKw0AQ_Zd9FkyTGGvAFwVRhFaLL1FkCLsTs7iXsDtbsUv_3bG1pda3OZc5nLMWbaleHWmpaQTyn-hELWbV86x5MU-XFT1-5fF8uPl4X-dwWK_cwr-66XCazmjc63NOiuRZnwoJfYghalf_GXg-WEyML0ptkXYQhYGRK1Os-juRYTsTl4TrQ3oZK1I2fsSbDeUc_EELxKkrR3IH1yFH5cFFqFf7GLgW8ENA7Ix-LI1CSFFxXdPka0Kj05QGcXjgNIHtX_apf6CXaF3rhW6OMRxx-zA3YaptlFB-mV-VUwnWVkw27kcoi20xmxVprWRBSbb3oth_0.
- 'Shipments for China Dawn Garment (Dalian) — Panjiva - HScode 620113 to Other European Countries'. Accessed 19 March 2019. https://panjiva.com/shipment_search/company?m=shipments&permanent_id=33826096&q=620113&type=all_profile&x_history=eJxtktKAZeQht8l1wXpVtda8EZBFKHV4k0VGUKS3Q3NYUk-malv67s7GYk97sdlkvsz_zyTZMJ6wUQ610LgC9Evl2IRNy9fp4s28XJf4_F3Ei_aufp_fj9buaVY-VIVIZj1b6PCI88UtGzAL_kuFoKW3Njo1pJiJCC8sdZFaIOKF-GKTzQGesCHb_u85YR9MJmtXpCFVywOmoEBYVFk0OQwr8BX4oGvt8qaI2n-HU3sGOU9RwqV0NrQ8IjltK3pzHyCovSG7H-gWSM154avFze-x3JN8PunZOWd-7lDB1ZYeAu5jCu2q7_JkKGOVHQD1WicVnTkKLs4hw5RJ-C-KvpYEmVkkCk-w9RBic7yr5982Hm239xdkWioMlA_XQFxcJom6fkEiogZ7D-7NqJLOteoCoN-47Io4LIYj2-G3ZffQR8aXe2Q1Ba4MZlSQOImKrb9BYzy950.
- 'Shipments for China Dawn Garment (Dalian) — Panjiva - HScode 620113 to the Netherlands'. Accessed 19 March 2019. https://panjiva.com/shipment_search/company?m=shipments&permanent_id=33826096&q=620113&type=all_profile&x_history=eJxtkm1LwzAQx79LXg90VWo38I0DUYRNh2-myBHStA3LQ0kuajf-23b1mwz2-SZP73f3_d0nXjEdspEUIFHaAbiktG7Np_jZdvOvXuxxfrJw1T7UH_PJz-co-z_LHKhNRr2YL5Z9wvrhnA2bAfUvvVSmpNjSqNaQYCAino7EBWi8Dhdh4fY-DHbMg2_zkn7JOV0ZiONErZco_RSyg5yiQaLfoOXAXOq1rZlBRQWY7KWdhx-impeKltD6zyC5YaK1-cxskoHktuxywLraicjfi1OfY7kr8M-nFOwd7lDB1Zoec2pDB-2bT9_EyDBVCjogzLSuqxpiaHs4xw5BBE92PZ0cKROSLCky1Reit5yO0-67LTbj_dP-JBrqDORv30AYxADKpC25-ArIGYw7e3Yiy_oikJWCIs8yuM2KYjQsRtej9B-Qr-zLAtU6UQhXXQbLNH-aX8TA.
- 'Shipments for Dandong Xintianhe Trad Co., Ltd. — Panjiva - All Export to Europe of HScode 6204.31'. Accessed 19 March 2019. https://panjiva.com/shipment_search/company?m=shipments&permanent_id=15568018&q=6204.31&type=china_exports&x_history=eJxtj91KAzEQhd8l14Lt2m7tgjcKogitFm9WkWFJZt3Q_CzJp-GVb-u5Oa1sW692Z82VOzmxFlahBR1pq6oD8Ep0oxCx_m5Xv5nWS08s6i9ft_ff-H4uFm457n-WOdyWQ281KHJ1qUd-JKWPArDEEr5N3Y6NZyYmQgvUnWRWg-

DRrZEse3hQgzF7vzmD_sUKlnbccbJBOsdNWxQqFxsfSCgrkU2VpVJCCkq1g1Fk-F5hT4LCKPvzEru1D2pfMKBkdQriZMbHoQ1eJUnaO95KjsK-zG-pL64dajj_y9UuT-g9Ya7gdjAcwyqajaT7J8uxw8n9oPDwipS1UxhwoW3VllordDz4VKA.

'Shipments for Dandong Xintianhe Trad Co., Ltd. — Panjiva - All Export to North Korea'. Accessed 21 March 2019. https://panjiva.com/shipment_search/company?m=country&permanent_id=15568018&type=china_exports&x_history=eJxdUF1Lw0AQ_C_3LJgmMdaALwqiCK0WX6LIEe42zdH74m6vJS39767RftC32Zndmb-nbsTZhDxaVUDhwdCuwrGaz6n3WfOi32wpfN3m89g_Lz8VjsbUv8-qpy0XS23m-jwjMumnt2xQx3awhBSaBb4ZLFMBAtNE7GRu4DRlpg9Y7FXnlDONLihO2POx-faF5PJmF-PA8mNs9gT4YOTSaBylp-SMLQ2eheQ4-CBiHWRE_AUJeEel61KOINc-QhTn8wqGjQsyEhdAEDoYkTPJ_8NfqW-qHTp-jKBq48NP_S_08bpmS4TRvln-8mt1kvMzviukkK8ti_AyyV4a3Wo8qUV2rI7D9D2mXkiE.

'Shipments for Dandong Xintianhe Trad Co., Ltd. — Panjiva - All Import from North Korea of HScode 6204.31'. Accessed 19 March 2019. https://panjiva.com/shipment_search/company?m=shipments&permanent_id=30318824&q=6204.31&type=china_imports&x_history=eJxlUNtKw0AQ_Zd9FkyTGGvAFwVRhFaLL1FkCbsTs3Rv7M62p-KX_7rS1JerbnMucuWxZm7AHi0ooHDI6JVhWs1n1Omve9Mt1hc_rPF76u6_3xX2x-sU_z6qHLRdKbeaPCly6aW3bBDHcrCEFJoN7YK28oMZIgnE7GRu4DRKJYvR-3JNZuw3dnzR_tgMhkzUMaJ5MZZ7InwwckkUDnLhUsWw96FoZXwG9voXU-COgwciVq1OwFOUVPcYySphVHIJUYzxEoa1C3J_RQBB1SnoOOkHHJf8pDNCx-88jaNV_rwjQKT7NrjJe5jffDJKVZXF4AYUow1utDypRXasjsN037AKPjQ.

'Shipments for Dandong Xintianhe Trad Co., Ltd. — Panjiva - Individual Export Shipments to North Korea'. Accessed 19 March 2019. https://panjiva.com/shipment_search/company?m=shipments&permanent_id=15568018&type=china_exports&x_history=eJxlj91Kw0AQhd9lrwXTJMYa8EZBFKHV4k0UGcLuxCzdn7A725KWvrtjtaX-YuzPn2z1zZivaRD060LLTCOSX6EQtZtXrrHkzL9cVPa_zeDncfb0v7ouNe5pX-D10uk9nMGx0eadHcighwa8wBK2Q_8ZeD5YTIwPpTbIuwHawsixq7QmuxUTs-jm_-sQ-hkrUjZxxMsN5RzwaF1sXBBwIaB2Rj1ZqEkKJi3VME6RWeSFAY5em8xH-Htg_opGFCyOgRxMuO_4Xf_JzcMHRxXcluzKwN2GqbZVQZlflNMJ1lZFvvrO-ERbaI3ZU7a61kQUu2_4L4Fw.

'Shipments for Dandong Xintianhe Trad Co., Ltd. — Panjiva - Individual Import Shipments from North Korea'. Accessed 19 March 2019. https://panjiva.com/shipment_search/company?m=shipments&permanent_id=30318824&type=china_imports&x_history=eJxlUNtKw0AQ_Zd9FkyTGGvAFwVRhFaLL1FkCbsTs3Rv7M62pKX_7rS-1JerbnMucuWxZm7AHi0ooHDI6JVhWs1n1Omve9Mt1hc_rPF76u6_3xX2x-sU_z6qHLRdKbeaPCly6aW3bBDHcrCEFJoN7YK28oMZIgnE7GRu4DRKJYvR-3JNZuw3dnzR_tgMhkzUMaJ5MZZ7InwwckkUDnLhUsWw96FoZXwG9voXU-COgwciVq1OwFOUVPcYySphVHIJUYzxEoa1C3J_RQBB1SnoOOkHHJf8pDNCx-88jaNV_rwjQKT7NrjJe5jffDJKVZXF4AYUow1utDypRXasjsN037AKPjQ.

'Shipments for Dandong Xintianhe Trad Co., Ltd. — Panjiva - Total Export to the Netherlands'. Accessed 19 March 2019. https://panjiva.com/shipment_search/company?m=shipments&permanent_id=15568018&type=china_exports&x_history=eJxlj91KAzEQhd8l14Lt2m7tgjcKogitFm9WkSEks25ofpZk0rItfXfHasuid2fOl5w5sxcyU4uejDLUA4U1elGJRfmyqF_t86ykp22RLrvbz7fV3dXOPy7L-6ZQ2e6WtYkPtKpvx-IVwEDYyo9Hif1NrOseJiYEKNjufoIuY2BLVfoArMRaH85s_7F3o7FzPGScTXPDUsk-FR-tSFSEB9h2xspM0IOWnWLSVQQeNAGsakhvMa-22I-rtgRMXqFMTJjH-Hn_0f-3DA2cF7BLf5dGbExcD2ajmBSzCfzclZMx8frOMQ4kNYeKVuNtAnF4Qv5qoF7.

- 'Shipments for Dandong Xintianhe Trad Co., Ltd. — Panjiva - Total Import North Korea.' Accessed 19 March 2019. https://panjiva.com/shipment_search/company?m=country&permanent_id=30318824&type=china_imports&x_history=e-JxdUF1Lw0AQ_C_3LJimMdaALwqiCK0WX6LIEe42zdH74m6vJS39766p_bB-vszO7M7u7ZU3CDiwqobDn6JZgWcWm5fu0_tBvtyW-rvN47R8Wn_PH8ca-zM-qnNhdJb2a1Cs84r-_ZFTPcrSAEJYFmhUsWQ0-0cDoZG7kPECmCVVsWO-UN-4UiNI7Y79lXoX0wmY349DiQ3zmJHhA9OJoHKWX5KwtBI-F_b6F1Ajr0HillaNTs-BTlIQ7jNqQ4QxyCVGc10vo1y7ISFwAQehgtE_6K_ZLftMZoeXHCfp1eMTpngt-9mK7YAmGwbxWfZDcZL_K78WSUFcV4eA7ZK8MbrQeVqLbREdjuByknmbQ.
- 'Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - All Export of 6204.31'. Accessed 19 March 2019. https://panjiva.com/shipment_search/company?m=shipments&permanent_id=44650315&q=6204.31&type=all_profile&x_history=eJxt-km9LwzAQxr9LXhfECRMGvIEQRdh0-GaKHCHJ2qNNUpKL2o19d6_ZP7fuTZ-rc7-6555KuhUxUGUeokDogXxsnJmI6fpsu3pvX2zG9_IziVXtffswfblbueTZ-XI5UalazBYYnmi_uRCEs-G8TAmrDtbHC1rJiZKB8k6yL0AYTOSQm6394Iq7F5pBzxj6FT-tZ2rKFNKwOIYEBLMlk0OQod-CX4gCW6nBQJnST0Dnaco43U6EpofSBw0nLxehjjVvnAcjt2WSC5xivPI35tTvudyF8G_Tjn4NhlGE5aUZAu5jB1bT9_FSHDXKj4Qy-bxWpe8pKj7uCQJ0aegtp7-HdkJC2q-TAxG9S238-TLzrtjcv9EqmJnYH57A7FAp1EC-2mzn8FpFDMh35-o9ikWK-y3bCUtgi2D94P9gUpdDsPkDbMj0dw.
- 'Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - All Import of HS Code 6204.31'. Accessed 19 March 2019. https://panjiva.com/shipment_search/company?m=shipments&permanent_id=44650313&q=6204.31&type=all_profile&x_history=eJxtU99rGzEM_l_8HBhJIYPAXjYYG4V2K3vJxjDOWXcnzr-Q7b-bXkP99su9uTZq-2LI-65P1ST4KIVMPLmGDazTJD-DEttxtf97tf5kfH7fp9m-kTP4TP3e-HLzcv7vv99mu7abJ5ud8jfUsP-09iJaz0j0CEGjg29hgsM0YGGm-yd-VEGgsgusTuewTuxFqf_d95gf4TO1o7MoSEoSplAapWgkmaXaJS-lZ6wQ1cvxY-ROJfROzjh7jdLoOhk8JemU5eDjtY9T1QPTzdz7BNkZ33gu8e_pMt8F_ftAKect8Jrl-CrpIlUi5WN1pDKX-PsoK1sCGtwSZ16HjJUdd_CopGX2mZnrT2ZFfwoSaxUS-CpqSc6pnFLh0ICVqMTmCfj6U5xnhjaArcSvWLSZlltcsfZmkEAeuSigtufVRtp44Y-wxGFQKwCs16MTaLcVMoe-9gvRibxShQq555fYJDxFSvzGa9RL5FA9KgG4oAmY-fOZXsopQh0OsdJaoJHcBlqxmD8CFDG1CoagDuigljN8pBntlJJwSM2tcjIWIW1X-gUtY9z03D2JtjQprjgbKgnPtWXnn4FayZ2S1l99E0aG7ho4_QOL_ky3.
- 'Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - Biggest US Customers'. Accessed 19 March 2019. https://panjiva.com/shipment_search/company?m=merged_consignee&permanent_id=44650315&type=all_profile&x_history=eJyNkkllA0EQhf9LnwOSUWIS8KIgiuASvESRojJdM1OkI-7GrxxhD_rs9iSsZl9vrqq_rvV5WCptYkYucc1xC9HNYaqwuBzeX01tzfTiIF4tM9ur-j8m5ysv_izq8Gp0WWN-blasrhLE6mR6qnLPgnCoE1pb2WQkkacu-ES0eU-rk-3jXUCdSBjXmq82qXGqq_WH2g3cq90Y-2yddwx6eZnJBFQ62QsUPgAmqU22I-4gi2z6SdSvd9SKBc2E40bWwRdsCAy7eVrGgJog-FRxaEnUw3o3A5TGz9BARag-fGwyRgnTl6uR-y9pppn3KkZ7tb7tu8i_Dj5vGmFfpxG-KXQlScW3TO34rLojLKn-6tRGq2kzAiiG9CnsaMVdtEoOfahyg9dpoR2Larz8E9CQwG3fy9Jb1G3mXyCAXspgH-rf_qAX_lt0H_C6Qy_kJotoDEwHGRZlgo0shlABW9qcJANh6P-cLQ_2v7vV8hIQ0Y.
- 'Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - Imports from China'. Accessed 19 March 2019. https://panjiva.com/shipment_search/company?m=shipments&permanent_id=44650313&type=all_profile&x_history=eJxtU01v2zAM_S86BxjiblkayYJcNGFYUaLdil2wYCMWmHSL6MCipr-

- RvkV49S4jZpcpEoPvGRfJS2Sqe4RheppjhA9Bt0aqHuZr_ulr_Nz8-zePtUhQ_91-7Pw-7erF3dzP_veVnUyL_dL4h_xYfFTZQF_4jM1KDEhjX1VhiDALU3yboAPWM-Ql1psj-CFmqr65132F_VJGsH4Wiw1xwTlzQ6YiFNLvIAvgXP1JErl0IkpyN5Bwd-cvEY35DroPUdw2krw9twnqcpB6A7YZYLkjK-9tPhvd5rvhP4ykNt5D7xlOYNOUkX-WLhR3HPrc_zpAAUtgLVvEJOumkyWFJvt11BB84npf09FRKhHCRsQkxjqn3P-dzEDtPoEfOUaMpEezTXnl5I7IxdjluIrfqM1YzTiXvRRqJV2BbhoZfYDWs2QM-vdGZAK0mMx2NajSuMuXaO5yORjUaGWr1s6xPuAoUy5WDWS6xb8kgGHK-bLECSR-eSxeVWFLkmhb3UjI_oEpaMvfEDYn6mVvMGZSK6V5ODPOyFLXe-S8UB1aTKIVkWtN0HzM67XMj0gm4cUjPKNNOBzGdnxZ-AWZFJg_dk3EWT-TXQSwjZjPqil8rObz6-n8-INV_o3UQBaoMQUVV6tNQLX7D8n7Wh4.
- ‘Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - Total Export to the Netherlands’. Accessed 19 March 2019. https://panjiva.com/shipment_search/company?m=country&permanent_id=44650315&type=china_exports&x_history=eJxdUF1Lw0AQ_C_3LNjGNrUBXyqIIrRaflkiS7jbNEfvI9zttaSl_9012g_6Nju-zOzN3e1ElatCRLpo6IL9GJwoxz9_n5Yd5m-T0us3ibTtbfS4f73buZZE_1ZlMZrcodX-imZfkgboQFv8EQtEK-IT45Ch3T0ptkXYQ2YOQIUexFbHRRGUdeHlrDaedK-xlQW-fvrcSTBekcNE23wKknS3sE5iULIYusDAXUtMrGpTEJIUTFuKPKqwgslCqO8nN-fYbX1QkbmAktHRiJlZ_h_-Sn1z7VDDKYKr9Q8_97_S--tCrAh7-1rD_WA8gFE-2HU3zSTYe9p_B9tpCZUyvMlVXJqI4_ABrEpIs.
- ‘Shipments for Richland (Liaoning) International Co., Ltd. — Panjiva - Total Import from North Korea’. Accessed 19 March 2019. https://panjiva.com/shipment_search/results?m=country&type=china_imports&x_history=eJxdjsuKwkAQRf-l1oIxdE-JuFEQRfCFmzhIE'TodbeyHdFcrKvPvtooyuivOqVt1r-CMJcjBeYXeVdCA0tOOax-JM0BnJ7LkOepotpsVKzjsZTU6xax762_VykFz0eJYN65h5eZkVwo5oWfTCDYX-myK0VFQ9ZZrwmew6YGemVdniw3IUXkF_fmocW_L03PswvVF6pe16VxHbcv-Saht4_OmxCOmf5nqMzX70ooLKXEbtSOgqhL6XjAltfiwTCNf5JuK0rT5FnmBq8eX5M.
- Silberstein, Benjamin Katzeff. ‘China’s Sanctions Enforcement and Fuel Prices in North Korea: What the Data Tells Us’. 38North, 1 February 2019. <https://www.38north.org/2019/02/bkatzeffsilberstein020119/>.
- SIM, Wansöp. ‘북한의대중의류임가공교역실태및전망 (The General Condition and Future Expectations of North Korea’s Clothing Toll-Processing Trade)’. 산업경제분석. Korea Institute for Industrial Economics and Trade, December 2016.
- ‘SLT INTERNATIONAL HOLDING LIMITED’. Hong Kong Companies Directory, 25 March 2019. <https://www.hkcompanydir.com/companies/slt-international-holding-limited/>.
- Snyder, Scott. *China’s Rise and the Two Koreas: Politics, Economics, Security*. Boulder, Colorado: Lynne Rienner Publishers, 2009.
- SOL, Songa. ‘귀국北노동자대체로자국민채용한中단둥공장들 (Kwiguk Puk Nodongja Taechëro Chagungmin Ch’aeyonghan Chung Tandung Kongjangdül)’. *DailyNK*, 9 November 2017. <https://www.dailynk.com/%EA%B7%80%EA%B5%AD-%E5%8C%97%E8%B8%EB%8F%99%EC%9E%90-%EB%8C%80%EC%B2%B4%EB%A1%9C-%EC%9E%90%EA%B5%AD%EB%AF%BC-%EC%B1%84%EC%9A%A9%ED%95%9C/>.
- SON, Hyemin, and Richard Finney. ‘Smuggling Increases on North Korea-China Border Following Top-Level Talks’. Translated by Leejin JUN. *Radio Free Asia*, 8 June 2018. <https://www.rfa.org/english/news/korea/smuggling-06082018160825.html>.

- Song Lijun. “Five Points, One Line” Strategy Guiding Light for Liaoning’. *China Daily*, 9 March 2007. http://www.chinadaily.com.cn/cndy/2007-03/09/content_823163.htm.
- ‘S&P Global : Panjiva Supply Chain and Trade Data Now Available Over Xpressfeed’. *MarketScreener*, 13 September 2018. <https://www.marketscreener.com/S-P-GLOBAL-INC-27377749/news/S-P-Global-Panjiva-Supply-Chain-and-Trade-Data-Now-Available-Over-Xpressfeed-27256490/>.
- ‘Special Report, Inside N. Korea Shaken by Sanctions, Regime Takes a Direct Hit as Pyongyang’s Privileged Feel the Pressure’. *Rimjin-Gang*, 19 March 2019. <http://www.asiapress.org/rimjin-gang/2019/03/news/regime-sanctions/5/>.
- Stewart, Shannon R. ‘DPRK Overseas Financial Networks’. In *People for Profit: North Korean Forced Labour on a Global Scale*, edited by Remco E. Breuker and Imke B. L. H. Gardingen, van, 120–25. Leiden, The Netherlands: LeidenAsiaCentre, 2018.
- Teng An. ‘丹东五月天:’彪子’来了,’彪子’走了?(Dandong Wuyuetian: Biaozi Laile, Biaozi Zoule?)’, 29 May 2018. <https://www.wenlc.com/weixin/20180530A1F-GMJ00.html>.
- Tjia, Paul. ‘Exploring New Business Opportunities: Garment Production in North Korea’. GPI Consultancy, 2012.
- Unification Media Group, and DailyNK. ‘해외북한노동자인권실태, 중국을가다 (haeoe puk’an nodongja ingwönshilt’ae, chunggukül kada)’. Seminar presented at the 국민통일방송북한노동자인권실태세미나, Seoul, 21 June 2017.
- ‘United Nations Commodity Trade Statistics Database’. UN Comtrade Database. Accessed 15 March 2019. <http://comtrade.un.org>.
- Weerdesteijn, Marieke. Letter to R. Brandse. ‘Onderzoek Chinese textielindustrie’, 19 March 2019.
- Interview by R Brandse. Phone, 13 March 2019.
- Wong, Sue-Lin. ‘Bridge to Nowhere Shows China’s Failed Efforts to Engage North Korea’. *Reuters*, 11 September 2016. <https://www.reuters.com/article/us-northkorea-nuclear-china-idUSKCN11H05F>.
- Wong, Sue-Lin, and Richa Naidu. ‘U.N. Ban on North Korean Textiles Will Disrupt Industry and Ordinary Lives, Experts Say’. *Reuters*, 12 September 2017. <https://www.reuters.com/article/us-northkorea-missiles-sanctions-textile/u-n-ban-on-north-korean-textiles-will-disrupt-industry-and-ordinary-lives-experts-say-idUSKCN1BN1SI>.
- Wong, Sue-Lin, and Philip Wen. ‘North Korea Factories Humming with “Made in China” Clothes, Traders Say’. *Reuters*, 13 August 2017. <https://www.reuters.com/article/us-northkorea-labour-china-insight/north-korea-factories-humming-with-made-in-china-clothes-traders-say-idUSKBN1AT00Q>.
- Yang Danxu. ‘丹东中朝边贸游走于黑白之间 (Dandong Zhongchao bianmao youzou yu heibai zhijian)’. *早报*, 20 June 2018. <https://www.zaobao.com.sg/znews/greater-china/story20180620-868568>.
- YI, Chongsök. ‘국경에서본북-중경제교류와북한경제실상 (kukkyöngesö ponbuk-chung kyöngjegyoryuwa puk’an kyöngje shilsang)’. 정책브리핑. Sejong Institute, August 2016.
- Yi (editor-in-chief of DailyNK), Sangyong. Interview by Jonne Bosselaar and Rosa Brandse. Skype. Translated by Hyojin Pak, 13 September 2018.
- YI, Sangshin, Gyöngsöp O, and Yejun IM. ‘북한해외노동자실태연구 (puk’an haeoenodongja shilt’ae yöngu)’. 정책시리즈. Seoul: Korea Institute for National Unification, 2017. <http://repo.kinu.or.kr/handle/2015.oak/8471>.

- Zhong Jian. ‘朝鲜劳工探秘! 2万劳工入境内情 (Chaoxian Laogong Tanmi! 2 Wan Laogong Rujing Neiqing)’. *Phoenix Weekly* (blog), 17 February 2013. http://blog.sina.com.cn/s/blog_4b8bd1450102ebt1.html?tj=1.
- ‘북한의 해외인력송출실태 (Puk'anüi Haeoeillyöksongch'ul Shilt'ae)’. North Korea Strategy Centre and Korea Policy Research Center, December 2012. <http://nksc.co.kr/26/?q=YToyOntzOjEyOiJrZXl3b3JkX3R5cGUiO3M6MzoiYWxsJltzOjc6ImtleX-dvcmQiO3M6MzU6Iuu2ge2VnOydmCDtlbTsmbjnbroKXshqHstpgw7Iuk7YOCi-jt9&bmode=view&idx=217966&t=board>.
- “제발 오지 말고 돈이 나더 벌어라” 갈 곳 잃은 北노동자 (Chebal Oji Malgo Tonina Tö Pöröra Kal Kot Irün Puk Nodongja)’. *DailyNK*, 26 June 2017. <https://www.dailynk.com/%EC%A0%9C%EB%B0%9C-%EC%98%A4%EC%A7%80-%EB%A7%90%EA%B3%A0-%EB%8F%88%EC%9D%B4%EB%82%98-%EB%8D%94-%EB%B2%8C%EC%96%B4%EB%9D%BC-%EA%B0%88/>.
- ‘중국학자네트워킹구축및현지조사 (Chunggukhakcha Net'üwök'ü Kuch'uk Mit Hyönjjiosa)’. 해외출장보고. Korea Development Institute, January 2018. http://www.kdi.re.kr/news/business_view.jsp?idx=36938&pp=10&pg=1.
- ‘中北노동자, 고된노동과생활충화에 “차라리 귀국하겠다” (Chung Puk Nodongja, Kodoen Nodonggwa Saenghwalch'onghwae Ch'arari Kwiguk'aget-ta)’. *DailyNK*, 6 July 2016. <https://www.dailynk.com/%E4%B8%AD-%E5%8C%97%EB%85%B8%EB%8F%99%EC%9E%90-%EA%B3%A0%EB%90%9C-%EB%85%B8%EB%8F%99%EA%B3%BC-%EC%83%9D%ED%99%9C%EC%B4%9D%ED%99%94%EC%97%90/>.
- ‘中단둥섬유공장서일하던 300명北노동자중 170명귀국 (Chung Tandung Sömyu-gongjangsö Irhadön 300myöng Puk Nodongja Chung 170myöng Kwiguk)’. *DailyNK*, 27 September 2017. <https://www.dailynk.com/%E4%B8%AD%EB%8B%A8%EB%91%A5-%EC%84%AC%EC%9C%A0%EA%B3%B5%EC%9E%A5%EC%84%9C-%EC%9D%BC%ED%95%98%EB%8D%98-300%EB%AA%85-%E5%8C%97/>.
- ‘丹东新飞制衣有限公司(117届) 第117届广交会参展商 (China Exporters of Canton Fair 117)’. Accessed 17 March 2019. <https://exhibitor117.mingluji.com/node/24253>.
- ‘丹东服企, 逆风发展 (Dandong Fuqi, Nifeng Fazhan)’. 辽宁服装网, 17 April 2015. <http://www.lnfda.com/zixun/bendi/1360.html>.
- ‘丹东概况 (Dandong Gaikuang)’. Dandong City Government, 5 May 2017. <http://www.dandong.gov.cn/html/23/20175/102a8d3be2fe5614.html>.
- ‘丹东龙吉利服装有限公司 Dandonglongjili Fuzhuang Youxiangongsi’. *Qichacha*. Accessed 31 March 2019. https://www.qichacha.com/firm_b8f1fb724b72765a872592504234af17.html.
- ‘出境加工让丹东服装企业重塑优势全球纺织网资讯中心’. Accessed 5 December 2018. <https://www.tnc.com.cn/info/c-013001-d-3512271.html>.
- ‘前阳户外运动服装产业园 (Qianyang Huwai Yundong Fuzhuang Chanyeyuan)’. 丹东市招商局, 9 February 2017. <http://zhaoshang.dandong.gov.cn/html/80/20172/b8c37e33defde51cf91e1e03e51657da.html>.
- ‘北노동자가울고있다 “中기업인들, 싸구려노동취급” (Puk Nodongjaga Ulgo Itta Chung Kiöbindül, Ssaguryö Nodong Ch'wigüp)’. *DailyNK*, 20 June 2017. <https://www.dailynk.com/%E5%8C%97%EB%85%B8%EB%8F%99%EC%9E%90%EA%B0%80-%EC%9A%B8%EA%B3%A0-%EC%9E%88%EB%8B%A4-%E4%B8%AD%EA%B8%B0%EC%97%85%EC%9D%B8%EB%93%A4-%EC%8B%B8/>.

- ‘大孤山纺织服装产业项目市级项目丹东市招商局 (Dà Gū Shān Fǎng Zhī Fú Zhuāng Chǎn Yè Xiàng Mù Shì Jí Xiàng Mù Dān Dōng Shì Zhāo Shāng Jú)’, 9 February 2017. <http://zhaoshang.dandong.gov.cn/html/80/20172/a9b7ba70783b617e9998dc4d-d82eb3c5.html>.
- ‘大连中黎伟业贸易有限公司 Dalian Zhongliweiye Maoyi Youxiangongsi’. *Qichacha*. Accessed 31 March 2019. https://www.qichacha.com/firm_76b81be56ba5e7eb97e-2f6c7d4b13889.html.
- ‘大连风尚服饰有限公司 Dalianfengshang Fushi Youxiangongsi’. *Qichacha*. Accessed 31 March 2019. https://www.qichacha.com/firm_26c7df84a31a7477372ff98c8bd62787.shtml.
- ‘抗美援朝纪念馆 (官网)’. Accessed 22 March 2019. <http://www.kmycjng.com/>.
- ‘新龙泰服装在世界顶级运动品牌叫响丹_运动装备品牌_运动装备分类’. Accessed 15 February 2019. <http://www.pingguoyanan.com/ydzm/9511.html>.
- ‘辽宁冠丰国际贸易有限公司 Liaoningguanfeng Guojimaoyi Youxiangongsi’. *Qichacha*. Accessed 31 March 2019. https://www.qichacha.com/firm_f81661a5f3b2cc1b746d-75550c6e5a30.html.
- ‘辽宁统计年鉴 2018 (Liaoning Tongjinianjian 2018)’. Liaoning Bureau of Statistics. Accessed 31 March 2019. <http://www.ln.stats.gov.cn/tjsj/sjcx/ndsj/otherpages/2018/zk/indexch.htm>.
- ‘辽宁首票出境加工货物顺利通关 (Liaoning Shoupiao Chujingjiagong Huowu Shunli Tongguan)’. Dalian Customs District P.R. China, 11 September 2014. http://dalian.customs.gov.cn/dalian_customs/460673/460674/460831/index.html.
- ‘邓飞雄 Deng Feixiong (1)’. *Qichacha*. Accessed 31 March 2019. https://www.qichacha.com/pl_p39c79f67c7678101571688a22524745.html.
- ‘邓飞雄 Deng Feixiong (2)’. *Qichacha*. Accessed 31 March 2019. https://www.qichacha.com/pl_p8a4e6df8f3d71b7af45811888deeff5.html;
- ‘邓飞雄 Deng Feixiong (3)’. *Qichacha*. Accessed 31 March 2019. https://www.qichacha.com/pl_p3cbb60aa6ddbe76670ab224811e35af.html.
- ‘青岛麦莎国际贸易有限公司’. 58企业名录. Accessed 23 March 2019. <http://qy.58.com/21492621023239/>.
- ‘青岛麦莎国际贸易有限公司, 服装, 服装加工供应商, 服装, 服装加工批发商-中国诚商网’. Accessed 17 March 2019. <http://china.trade2cn.com/company-Shop/110331145716XkT.html>.